

# SUSTAINABILITY REPORT 2015



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### **About Our Report**

We are proud to present you CCI's eighth sustainability report. This report includes our practices and performance results obtained during the period between January 1 and December 31, 2015 for five of the 10 countries in which we operate: Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey. In this report, we refer to these countries as our "five countries of operation". In the last quarter of 2015, a new plant became operational in Astana, Kazakhstan, data of which is not included in this report, unless stated otherwise.

We extended the scope and boundaries of this year's report by including full data from CCI Pakistan. With the inclusion of Pakistan, the coverage of the report reached 87% of CCI's total production volume and 80% of CCI's employees as of December 31, 2015. In our remaining five countries of operation, there are other critical priorities; therefore they are not covered in this report in terms of performance data. As we did last year, we added new contents to our report this year as well, in order to meet the information disclosure requirements of various sustainability indices including the Borsa Istanbul Sustainability Index.

#### **Standards Used**

The three principles of the AA1000 Assurance Standard, namely materiality, inclusiveness and responsiveness, guided the content development process of this report. In addition, we measure and report our social, environmental and ethical performance using leading principles, standards and methodologies such as those adopted by the Global Reporting Initiative (GRI) G4, CDP Programs, 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) as well as our progress report on implementing the United Nations Women Empowerment Principles (WEPs).

#### Verification

For the fifth consecutive year, certain data in this report were independently audited. The GHG emissions of CCI Turkey's manufacturing, sales and distribution operations for 2015 were audited, as in the last three 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 Turkey successfully passed the audits. Both GHG Protocol's Scope 1 and Scope 2 emissions 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 114-116 of the report.

In addition, selected information as defined in the Independent Limited Assurance Report on page 113 of this report received limited assurance from the independent audit company EY. In 2015 we obtained, for the fifth time, limited assurance on Selected Information\* for our operations in Turkey. The Selected Information covered total energy data, per-product energy use, total water withdrawal and consumption data and per-product water use, as described in the CCI Reporting Guidance included on pages 101-105 of the report. Within the context of this audit, 2015 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 (Revised)). In addition, for the second time, the same Selected Information\* (total energy data, per-product energy use, total water withdrawal and consumption and per-product water use) for our operations in Pakistan received limited assurance in accordance with the international standard ISAE 3000 (Revised).

#### Feedback

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

We invite our stakeholders to share their opinions, suggestions or complaints by sending an e-mail to corporate.affairs@cci.com.tr,

or by calling the Corporate Affairs Department at • +90 216 528 40 00,

or through the Contact Us tab on our website cci.com.tr.



\* The Selected Information can be found in the Independent Assurance Letter on page 113 of the report.

# Message from the CEO

#### Dear Stakeholders,

Within the past decade, Coca-Cola İçecek has grown from being a local Coca-Cola bottler to be an international company and the fifth-largest Coca-Cola bottler in the world, with annual sales exceeding 1 billion unit cases. This impressive growth inevitably increased our impact on the environment and the society rapidly. Being aware of this fact from the very early days on, as CCI, we have sought to match our business growth with our intensive efforts to achieve sustainability where it matters the most in our business.

I am very pleased to say that we have come a long way since we published the first GRI-checked Sustainability Report in Turkey in 2008. Since joining the UN Global Compact in 2009, we have been firmly committed to supporting its ten principles. Thereby, we continue to strive for improvement in our policies and practices on human rights, labor conditions, environment and anti-corruption. Our objective is to further integrate these principles into our business where they matter most and effectively track our performance. As a recognition of our efforts, since 2013, CCI became a UNGC 100 Index company. Building up on our success, in 2015, we were chosen among the 29 companies to be quoted in Borsa Istanbul's (BIST 50) Sustainability Index. Meanwhile, we continue our disclosure to CDP Turkey where we submitted our sixth Climate Change report, as well as our second detailed water report to the CDP Water Program this year.

Our geography offers many opportunities, accompanied by tremendous challenges. We managed to grow our business in 2015, both in volume and revenue, skillfully managing serious economic, political and security challenges in our region. As a proof of our faith in the extensive growth potential of our markets, we continued our investments this year by opening three new plants in Multan, Astana and Dushanbe.

In 2015, we revised our vision and priorities with a glance towards 2025. Our vision is to be the best FMCG company across our markets. We see our business, our consumers, our communities and the environment as interdependent and inseparable from each other. We put targets every year for our sustainability goals and measure our performance, to ensure that we know where we are and where we are going. Our 2015 Sustainability Report is prepared to inform you, all of our stakeholders, about where we are in our sustainability journey; and it is also an invitation for you to join us in any way you can, to contribute to the well-being of our communities and the environment.

#### me: Enhancing personal well-being

We are committed to enhancing the personal well-being of our consumers by offering safe and superior quality products, offering a wide range of low- or no-calorie beverage options and packaging sizes, providing transparent nutrition information about all our products, marketing responsibly and supporting active, healthy living programs that benefit communities.

Regarding consumer health, we continue to work in partnership with TCCC. In 2015, TCCC's Chairman and CEO



Muhtar Kent launched the Transparency Initiative, in which we also take part as CCI, to support the global fight against obesity.

In 2015, we continued to expand our principal active, healthy living program 3.2.1 Move! We mobilized around 80 thousand youth in Turkey, Pakistan, Iraq and Kazakhstan; inspiring them to be more physically active through training, games, sports events and material support offered under the framework of 3.2.1 Move! It is my pleasure to share that 3.2.1 Move! program received a Bronze Stevie Award at the 12<sup>th</sup> Annual International Business Awards, and voted as one of the best corporate social responsibility programs of 2015 in Europe. The program was also recognized by the Coca-Cola system this year, being honored with the Excellence Award in the individual Wellbeing category at the 2015 Coca-Cola Eurasia and Africa Sustainability Awards.

We continue to collaborate with local ministries and sports federations and organize the widely popular Coca-Cola Grassroots Football Tournaments in our countries of operation. In 2015, around 400,000 young people in Kazakhstan and 250,000 in Azerbaijan participated in our tournaments. Our Let's Play Project in Turkey has so far reached a total of 800,000 students in 400 schools and 50 cities, creating play areas in primary schools and engaging school children in physical activity through games.

#### we: Employees

With our new 2025 vision, our motto is to act as One Team as CCI employees, celebrating diversity and respecting the rights of everyone within a culture of inclusion, openness and participation. To help achieve this objective, we do our best to provide a safe, happy and motivating workplace for our employees, where they can feel at ease to fulfill their true potential. In line with TCCC's global policy, empowering women to help them unleash their full potential in both economic and social life is a major commitment for us, something that we also see as crucial for the healthy and sustainable growth of our business. I am very pleased to state that as of March 2015, CCI became a signatory to the Women's Empowerment Principles (WEPs) established by the UNGC and UN Women. The WEPs framework will allow us to set more specific goals with regards to women's empowerment and disclose more detailed information regarding our practices.

The minimum that we as CCI are obliged to provide our employees is a safe and healthy workplace. We already have various policies and guidelines to regulate not only the rights and obligations of our own employees, but also that of our distributors, contracters and suppliers. In 2015, we launched our new Distributor Safety Program in five countries, reaching 345 distributors and their 5,869 employees. This year we provided 40,900 hours of training on OHS in 5 countries, and in early 2016, we launched an all-encompassing program called Hand in Hand Safety to reach our ultimate goal of "zero accident". Despite our efforts, the average lost time incident rate (LTIR) was realized as 0.49 in our reported five countries, showing a slight increase compared to last year's 0.47. Meanwhile, our average LTIR value for all CCI countries showed an improvement in 2015, decreasing from 0.59 to 0.52.

#### we: Building stronger communities

Welfare of the communities in which we operate is a primary concern for us, for it directly affects the sustainability of our business. In Turkey, we support the Anadolu Foundation and The Coca-Cola Life Plus Foundation which carry out projects that benefit communities and the environment on CCI's behalf.

CCI's primary contribution to communities happens through value creation and employment generation. CCI's economic contribution is not limited to only itself as a single company, but it indirectly entails a much larger economic system that consists of distributors, dealers, customers and suppliers. To give but a few examples, every TL 1 of value created by Coca-Cola in Turkey actually results in a contribution of TL 6.8 for the Turkish economy. This multiplier value is calculated as 4.9 for our Pakistan operations. The Coca-Cola system in Turkey creates 3,000 direct and 30,000 indirect jobs. In Pakistan, CCI directly employs over 4,000 people, but the indirect employment it creates adds up to 70,000.

In line with our commitment to women's empowerment, we implemented various projects in our countries of operation. These projects mostly focus on helping women improve their individual and social lives by creating platforms where they can improve their business skills and gain competences. More than 3,200 women took part in the training programs organized by our Turkey, Azerbaijan and Kazakhstan operations.

Access to clean drinking water is a major health concern in our geography. In Pakistan, we have been running our Paani Clean Water project in collaboration with the WWF, where have so far established eight water filtration plants that provide clean drinking water to 160,000 people in Pakistan every day. We intend to provide clean drinking water to more than 500,000 people every day through the additional water filtration plants that we will establish by the end of 2016. Meanwhile in 2015, we also improved access to clean and safe drinking water for a rural community of more than 25,000 people and 4,000 children in Kazakhstan by installing water filters.

#### world: Environment

We use natural resources such as fossil fuels for energy, and water in our production and as a major product ingredient. We use tons of glass, resin and PET to produce millions of product packages every year. Our activities as CCI create a significant footprint in the environment and weighs heavily on the world's scarce resources; and therefore, we must do whatever we can to decrease this impact to the minimum possible. Our motto is to produce more by consuming less.

Through the efficiency projects conducted in our Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey plants, we achieved a total annual energy savings of 27.2 million MJ in 2015. Our energy savings helped us reduce our  $CO_2$  emissions by 2,378 tons in 2015.

As a business whose main input is water, we have a vested interest in preserving and improving local water sources. As CCI, we reuse and recycle water in our plants to reduce water withdrawal, treat used water via wastewater treatment facilities and replenish it through environmental projects. In 2015, we saved around 177,000 m<sup>3</sup> of water in our five reported countries. In 2015, the average water use ratio in each of our five reported countries was below the Coca-Cola system average, except for Pakistan which equaled the system average. We fully support TCCC's ultimate goal of "replenishing every drop of water used". In 2015, our water replenishment rate in Turkey reached 150% (up from 58% in 2014), corresponding to about 4.27 billion liters of water.

We base our sustainable packaging strategy on three main principles, which are reducing the amount of raw materials used in production and using recycled materials, promoting post-consumer packaging recovery and recycling, and using renewable materials such as the PlantBottle. In 2015, we produced all 330 ml Damla water bottles in Turkey using 7,600 tons of PlantBottle resin. Through our Lightweight projects, we saved 2,212 tons of resin in our four reported countries.

I am also pleased to share that our efforts towards excellence gain recognition on a national and international level. This year our Turkey operation was honored, for the third time, with the Grand Prize of Best Country Bottling Operation; and our İzmir plant was honored, for the fourth time, as the Best Performing Plant in the environment category in the 2015 Coca-Cola Eurasia and Africa Sustainability Awards. Moreover, our Bursa plant received an Excellence Award in the Developing Organizational Capability category from the EFQM and our Mahmudiye plant received the National Quality Excellence Grand Prize in 2015.

On behalf of all my colleagues, I would like to thank you, all of our stakeholders, for your interest and support to CCI's sustainability journey. I hope that this report serves to improve CCI's reporting and practices in sustainability even further, and evokes discussion and feedback that is necessary to take CCI's performance to the next level.

Sincerely,

Burak Başarır Coca-Cola İçecek, CEO

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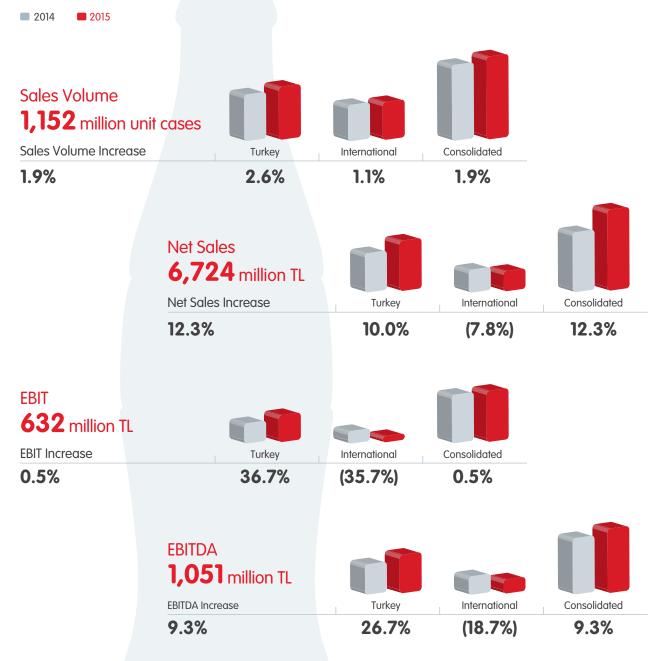
# **CCI At a Glance**

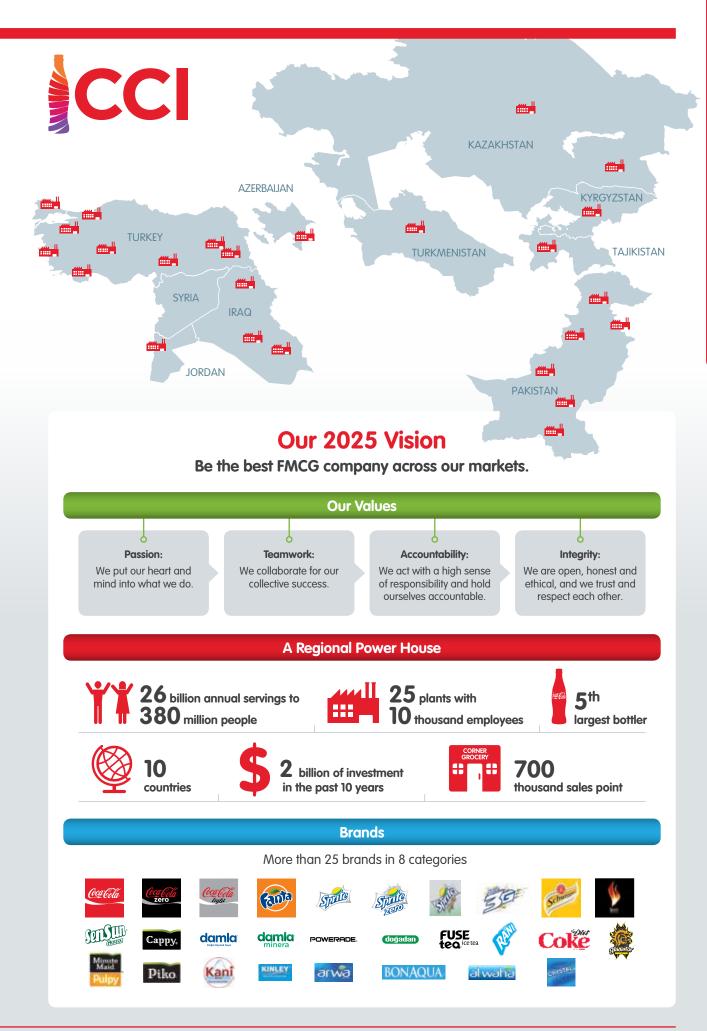
CCI is the fifth-largest bottler in the Coca-Cola system in terms of sales volume. CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company (TCCC) across Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria and Tajikistan.

CCI employs over 10,000 people and has a total of 25 plants, offering a wide range of beverages to a consumer base of 380 million people. In addition to sparkling beverages, the product portfolio includes juice, water, sports and energy drinks, tea and iced teas.

CCI's shares are traded on Borsa Istanbul (BIST) under "CCOLA.IS", American depositary receipts (ADR) are traded over the counter in the United States under "COLAY", Eurobond is traded on Irish Stock Exchange under "CCOLAT" tickers.







# **Performance Highlights**

# CCI

### SUSTAINABILITY ACROSS THE VALUE CHAIN

We identified and implemented 177 Operational Excellence (OE) projects and improvements that resulted in an annual saving of approximately

# USD 6.8 million.



We provided **677 training** sessions on technical and personal development to **1,758 distributor employees** in Turkey.

### me - ENHANCING PERSONAL WELL-BEING

#### Since 2011, more than

### **15,000** employees

and distributors have

# participated in our

Ambassador

training program.



About 180 schools in Iraq, Kazakhstan, Pakistan and Turkey participated in the 321 MOVE! program and 80,000 benefited.

More than 16% of our products sold in Turkey were low- or no-calorie beverages.

Around **650,000 young people** participated the Coca-Cola grassroots football tournaments in Azerbaijan and Kazakhstan.



### we - BUILDING STRONGER COMMUNITIES

#### Workplace

We provided a total of **330,865 man-hours** of training (corresponding to **43.4 hours per employee)**. Our Lost time incident rate (LTIR) was realized as 0.49. We provided 40,900 man-hours of OHS training to our employees.



#### Community

The Coca-Cola Belestery program provided business skills training and green technologies opportunities to around

F 100

**5,400 rural women** in Kazakhstan since 2013.

**310 women** benefited from the UNDP Women's Empowerment Program in Azerbaijan.

The first phase of our My Sister program completed in May 2016 provided training to **900 women** from seven provinces in Turkey.



The water filtration plants installed under our Paani – Safe **Water** project in

paani

 $\infty$ 

partnership with WWF-Pakistan provides clean drinking water to around **160,000 people** in Pakistan.

By installing water filters, we improved access to clean and safe drinking **water** for **4,000 children** and more than **25,000 rural inhabitants** in Kazakhstan.

# **Performance Highlights**

### world - PROTECTING THE ENVIRONMENT

We provided + 5,000 man-hours of environmental training to our employees.



Energy Efficiency & Climate Protection 0

60% of our coolers in Turkey are HFC-free coolers.

87% of our coolers are equipped with EMD (energy management device) in Turkey, 50% in Azerbaijan and 39% in Kazakhstan.





By installing EMD in our coolers 184,000 tons of CO,

emissions were prevented corresponding to the amount that

15.3 million trees extract annually from the environment.

In our plants we achieved an annual energy savings of **27.1 million MJ**, eliminating 2,378 tons of CO,



For every liter of water we use in Turkey, we return 1.5 liter of water, which is equal to the daily consumption of approximately 363,000 households.

Water

in Jordan

responding to CDP in Turkey.

in Kazakhstan

For Pakistan the rate is calculated for 2014-2015

We submitted our second report to CDP Water Program and became one of the 15 companies

Between 2006-2015, we achieved a water use reduction rate of

in Turkey

in Azerbaijan

We achieved a 5.1% reduction in

our annual water consumption.

in Pakistan

Sustainable Packaging and Waste



emissions.

We reduced the **glass weight** of our returnable bottles by **20%** in Turkey and saved 820 tons of alass.

By using RGB we save annually about 9,000 tons of glass and therefore prevent 8,500 tons of CO, emissions in Turkey.



Damla 330 ml is made from 30% plant-based

Our total waste recycling rates in our plants were



Footnote: Unless stated otherwise, the information and figures provided are cover the five countries of operation, namely: Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey.

## **CCI's Sustainability Achievements**

- CCI is the only company from Turkey that is included in the UNGC 100 Index (as of May 2016).
- CCI's 2025 Vision and Strategic Framework is announced.
- CCI is quoted in the BIST 50 Sustainability Index.
- CCI is quoted in the Euronext Vigeo Emerging 70 Index.
- CCI's seventh sustainability report is published in accordance with GRI G4 "core" option. The report includes selected data of CCI Pakistan for the first time.
- 321 MOVE program receives a Bronze Stevie Award in the 12<sup>th</sup> Annual International Business Awards.



- CCI Turkey receives three awards, including the Grand Prize of Best Country Bottling Operation of Coca-Cola Eurasia and Africa Sustainability Awards in 2015. In addition, CCI Azerbaijan and CCI Kazakhstan are voted among the 10 finalists nominated for this prize. CCI Turkey also receives the Excellence Award in the individual Well-being category and its İzmir plant receives the Best Performing Plant award in the environment category.
- CCI becomes a signatory to the UN Women's Empowerment Principles.
- CCI's Corporate Governance Rating score as measured by SAHA increases from 9.25 to 9.40.
- CCI Bursa plant receives the EFQM Excellence Award in the Developing Organizational Capability category



- CCI Mahmudiye plant receives National Quality Excellence Grand Prize
- All CCI Turkey plants are granted 5-Star Excellence certificates by the EFQM.

# **2015**

- CCI is the first and only company from Turkey and the Coca-Cola system to be included in the UNGC 100 Index.
- · CCI's sixth sustainability report is published in accordance with the GRI G4 "core" option.
- CCI İzmir 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 in the CDP Turkey Climate Leadership Awards.
- CCI becomes the first and only company in Turkey to participate in the CDP Water Program.
- CCI Elazığ plant receives the LEED v2009 Gold Certificate in the Existing Building category.
- CCI's Corporate Governance Rating score as measured by SAHA increases from 8.8 to 9.25.
- CCI is awarded the Grand Prize in the CEVKO Green Dot Industry Awards, which recognizes companies with environmentally sustainable practices.
- CCI Ankara plant is awarded as the Best Performing Plant for Quality and CCI İzmir plant as the Best Performing Plant for the Environment in the 2014 TCCC Eurasia & Africa Group (EAG) President's Sustainability Awards.
- CCI Bursa and Mahmudiye plants receive National Quality Excellence Awards.

#### 2013

- All plants in all operating countries complete the Top 10 Energy-Saving Challenge Program and CCI Turkey becomes the first multi-plant country operation in the Coca-Cola system to complete the program.
- CCI receives an Ethics Award from the Ethical Values Center Association.
- · CCI wins three prizes in the 2013 TCCC EAG President's Sustainability Awards: the Grand Prize for Best Country Bottling Operation, 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 Ethics Service.
- CCI Turkey receives the first ISO 14064-1 certificate for its greenhouse gas emissions.
- CCI becomes the first and only company in Turkey and within the Coca-Cola 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 receives a Gender Equality Certification from KAGIDER.
- · CCI's fifth sustainability report is published in accordance with the GRI's A+ application level.



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- CCI is recognized as one of Turkey's top two carbon performance leaders of 2012 by CDP.
- CCI İzmir 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 in Turkey, and represents Turkey in the Rio+20 Innovation Competition.
- CCI Ankara plant receives EFQM's (the European Foundation for Quality Management) Taking Responsibility for a Sustainable Future prize.
- CCI's fourth Corporate Social Responsibility (CSR) report receives GRI check as an "A+" application level.
- Turkey, Azerbaijan and Jordan operations are among the finalists in TCCC EAG President's Sustainability Awards. CCI Turkey wins the Best Country Bottling Operation Grand Prize. CCI Ankara plant is recognized as the Best Performing Plant for Quality and CCI İzmir plant as the Best Performing Plant for the Environment.

#### 

- CCI Jordan wins an Occupational Health and Safety Management Award.
- CCI's third CSR report is published and covers operations in Turkey, Kazakhstan, Jordan and Azerbaijan.
- CCI becomes a charter member of the Climate Change Leaders Group.
- CCI becomes Turkey's first food and 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 regarding climate protection.

# 

- CCI's 2020 Vision and Strategic Framework is announced.
- CCI İzmir plant wins the Best Performing Plant for the Environment Award in TCCC EAG President's Environment Awards.
- CCI Turkey wins the Best Country Bottling Operation Grand Prize in TCCC EAG President's Environment Awards.

• CCI publishes its second CSR report, which includes Jordan and Kazakhstan operations and the report becomes Turkey's first GRI B-level report.

# 

- CCI ranks first in Turkey's Accountability Rating.
- CCI becomes a signatory to the United Nations Global Compact.

# 

- CCI Corporate Governance Committee is established.
- CCI's first CSR report is published, becoming the first GRIchecked CSR report in Turkey.

# **2007**

• CCI ranks fifth in Turkey's Accountability Rating.

# 2006

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

# 2004

• CCI İzmir plant receives the first HACCP TS 13001 Food Safety Quality Management System certification.

# 2003

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

# 2002

- CCI's first environment policy takes effect.
- CCI receives its first ISO 14001 Environmental Management System certification.

# **1997**

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

### CCI undersigns TCCC water use savings commitment.

# **INTEGRATING SUSTAINABILITY**

Sustainability is a fundamental and indispensable aspect of our business. It is embedded in our 2025 vision and goals. We integrate sustainability principles into all our operations and activities. In line with our 2025 vision, we will continue to create value for all our stakeholders by offering our consumers a wide choice of products fit for every lifestyle and occasion, being the preferred partner of our customers, offering a great place to work for our employees and being a good corporate citizen.

### Our 2025 Vision

To be the best FMCG company across our markets.



### Sustainability Approach

Our overall sustainability goal is to ensure the longterm 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 and our company.

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, we adapted it to suit CCI's needs. Under this framework, we identified eight material areas that we closely manage, which are listed in the figure on the next page. The contents of our sustainability report reflect our commitments and progress in these areas.

#### 3 Pillars of Our Sustainability Framework and Core Sustainability Areas



### **Governance of Sustainability**

The CCI Board of Directors is actively engaged in the company's sustainability issues and integrating sustainability into business strategy. In 2015, one of CCI's independent board members, Yılmaz Argüden, was also the Chairman of UNGC Turkey Network and UNGC Board Member. 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, which is headed by the CEO, and by the CCI Sustainability Steering Committee (SSC) that became functional in 2015. The CCI Executive Committee is comprised of senior management, and the SSC is composed of CCI's Finance, Corporate Affairs, Legal, Human Resources and Supply Chain Directors. In 2015. CCI Corporate Affairs Director Atilla D. Yerlikaya was also the Deputy Chairman of UNGC Turkey Network.

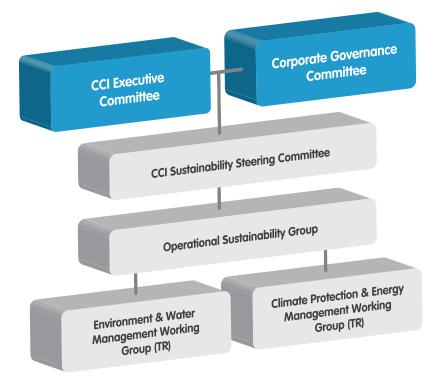
The main responsibilities of the SSC are:

- To set the long-term sustainability vision, strategy, plan and goals, and to submit these for CEO approval;
- To make decisions on capital expenditures regarding sustainability;

- To review performance and quarterly progress on key performance indicators (KPIs); and
- To give final approval for sustainability disclosures.

Function heads of CCI at both the group and country levels integrate the sustainability targets set by the SSC into their respective functional objectives. All CCI function heads play a critical role in making sure that sustainability priorities and targets are embedded in field operations. The strategic orientation and objectives that are determined by upper-level management processes are conveyed to functional management to be integrated into field practices. The Corporate Affairs function is responsible for the disclosure, reporting and communication of sustainability targets and performance results.

Two working groups support the SSC: the Climate Protection & Energy Management and the Environment & Water Management working groups. These working groups are composed of plant energy coordinators, and the function managers of Logistics, Cooling Equipment, Procurement, Engineering, Corporate Affairs, Administration and TCCC Technical and Public Affairs in Turkey. Our employees are key enablers in integrating sustainability into our 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 foster a culture of sustainability throughout CCI operations by recognizing our employees through awards programs such as CCIdea.



### **Communication and Engagement on Sustainability**

In CCI we find it important to be in an ongoing dialogue with our stakeholders to obtain better insights about their expectations and to share with them our efforts on sustainability. We strive to develop long-term relationships, and to create platforms for open and honest dialogue. We use various platforms such as annual sustainability reports, our corporate website, and reports to CDP Water and CDP Climate Change Programs. We engage with our key stakeholders through platforms such as stakeholder panel workshops, external report review committee, factory visits, investor calls and questionnaires, and stakeholder reputation surveys.

#### CCI's Roadmap for Communication on Sustainability

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 the sustainability report by an External Report Review Committee
2014-2015	Boundary of the report extended to cover five countries of operation
2017 - 2018	Boundary of the report will be extended to cover six countries of operation
2019	Integrated Report

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

G4-27

In 2013 we conducted a comprehensive stakeholdermapping workshop with the participation of representatives from CCI headquarters, all Turkey business units, Turkish plants, and the commercial team to identify key stakeholders and devise engagement plans. We used AccountAbility's AA1000 SES Standard and the EFQM Business Excellence Model to map and prioritize our stakeholders and to map the existing engagement methods and the frequency of engagement with our key stakeholders. We reviewed these results with our senior managers from various business functions in 2014.

Within the context of sustainability communication, we identified our key stakeholders as:

- investors and financial institutions
- non-governmental organizations
- opinion leaders
- shareholders
- employees, and
- the Coca-Cola system.

For business continuity, we also engage regularly and intensively with other stakeholders, including:

- distributors
- customers, and
- suppliers.

#### We Sponsored the Sustainability Summit in Boğaziçi University

As CCI Turkey, in May 2015, we sponsored the Sustainability Summit organized jointly by Boğaziçi University's Center for Corporate Governance and the Sustainable Development and Cleaner Production Center. The summit brought together prominent opinion leaders in the field of environment, society and corporate governance. CCI Turkey's General Manager was also among the speakers of the summit.



#### **Corporate Reputation Survey in CCI Turkey**

We listen to the opinion of our stakeholders about our company via a survey that we conduct once every two years to measure our corporate reputation. In 2015, the survey was conducted by an external survey company, targeting national and local intellectual leaders (representative of communities), public institutions, general public and neighbor organizations. Primary topics covered by the survey were management quality, product and service quality, employee brand image, financial strength, emotional commitment, work location and environment, contribution to the society (social responsibility) and impact on the environment.

#### Case: Capacity Building on Stakeholder Engagement in Pakistan

CCI Pakistan held a two-day interactive training on stakeholder engagement attended by over 20 participants from various departments in 2015. The workshop aimed to equip business leaders with necessary public relations and media management skills, enabling them to independently engage with local stakeholders in each territory. It gave participants a thorough knowledge of public relations, covering the subjects of stakeholder mapping, stakeholder engagement, an overview of the media landscape in Pakistan, as well as media engagement and crisis management.



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

<b>Stakeholders</b>	Engagement Platforms	Frequency of engagement	Examples of issues that were brought up by stakeholders in 2015
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 the corporate website, sustainability report, CDP Climate Change Report, CDP Water Report, BIST Sustainability Index Assessment	Regular and often	CCI's financial, operational and sustainability performance; future investment plans. Example: We became one of the 29 Turkish companies quoted in Borsa Istanbul's Sustainability Index in 2015. Example: We are included in the Euronext Vigeo Emerging 70 Index as of December 2015. CCI's 2015 performance was also assessed and rated as "AA" as part of MSCI ESG Rating.
NGOs	Project partnerships, corporate and individual 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 and WWF-Pakistan signed a memorandum of understanding under which both organizations 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: We conducted a corporate reputation survey in Turkey in 2015.
Opinion leaders	Reputation Survey, sustainability report, External Stakeholder Review Committee, stakeholder engagement panel	Regular	CCI's operational, environmental, quality and community-related performance.
Shareholders	General Assemblies, corporate 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 Program, CCIdea	Regular	Business results, environmental performance community projects, awards and recognitions, compensation and benefits topics. Example: We launched CCIdea, a new platform where all our employees have the opportunity to share their innovative ideas. In 2015, our employees from CCI Turkey submitted 323 new ideas. A CCI-wide employee survey was conducted in 2015.
The Coca-Cola 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 visior and strategy in the 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 ou distributors.
Customers	Trainings, support programs, regular visits, plant visits, Coca-Cola Customer Road Show, Customer Satisfaction Survey, CCI Call Center, focus group studies, business development meetings	Periodic	Business performance, commercial plans, products, marketing plans. Example: We hosted our modern trade channel customers for the annual Customer Business Development Meetings that aim to review the past year's business results and discuss improvement opportunities.

Stakeholders	Engagement Platforms	Frequency of engagement	Examples of issues that were brought up by stakeholders in 2015
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. Example: In 2015 we conducted our second supplier satisfaction survey which is an opportunity for our suppliers to evaluate our company. We achieved an overall score of 83%, which indicates that our suppliers are satisfied to work with CCI.
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, plant visits	Annual reputation survey, regular meetings	CCI's operational, environmental, quality and community-related performance; compliance with regulations. Example: A team of seven officials from the Environment Protection Agency (EPA) of Punjab visited our plant in Gujranwala, Pakistan where they observed the operation of the wastewater treatment plant.
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, conferences	Regular	Industry-wide issues, regulations, legal compliance, speaking engagements at conferences, benchmark visits to plants. Example: CCI Jordan supported the ninth Arab Regional Conference that focused on highlighting the best social responsibility practices in the Jordanian corporate sector. More than 300 business leaders from the region participated in the event.
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: CCI Pakistan conducted an economic impact study in collaboration with research teams from two leading business schools in Lahore.
Society	Coca-Cola Open to Curiosity Platform, donations, plant visits, voluntary practices, product labels, advertisement and marketing activities, social engagement projects, field studies, meetings, surveys and eliciting opinions, sustainability report	Regular	Product quality, product ingredients, marketing and promotion campaigns, sports tournaments. Example: Our Employee and Families Volunteering Clubs continued to conduct social responsibility projects and community welfare activities based on the local needs of the communities where our plants are located. Example: Corporate reputation survey was repeated in Turkey in 2015.
Media	Regular updated, statements, support programs, regular visits, plant visits, reputation survey	Regular	Products, marketing and promotion campaigns, product ingredients, sustainability performance, community development projects.
Universities	Conferences, career days, plant visits, sponsorships, volunteering for community development projects	Regular	Sustainability performance, career development opportunities. Example: Sponsored the Sustainability Summit organized in Boğaziçi University in May 2015.

# **Defining the Contents of Report** G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

Our sustainability efforts as well as the contents of our sustainability report focus on issues that are material to our sector, company and diverse stakeholders.

#### **Process for Identification of Material Issues**

We identify material issues through materiality analysis based on GRI G4 aspect list, various stakeholder engagement and dialogue activities, desktop research on broad-based societal expectations, and benchmarks with other food and beverage companies. 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 considering their relevance and importance for our stakeholders, as well as their impact on our business. In 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 maintain regular communication. Additionally, we covered issues that are considered material by sustainability indices.

Moreover, for the purpose of reviewing the contents of our sustainability reports and revising the list of material issues, we received feedback from an external report review committee in 2015. It was possible to integrate many of the comments and suggestions in the final version of the 2014 report, while some other suggestions necessitated either additional actions or disclosure. We worked further to integrate these comments and suggestions to the 2015 report.

#### External Report Review Committee Members

In 2015, we engaged an external report review committee. The committee members included:

- Asst. Prof. Tamer Atabarut, Director of Lifelong Learning Center & Deputy Director of Sustainable Development and Cleaner Production Center, Boğaziçi University
- Prof. Güler Aras, Founding Director of Center for Finance, Governance & Sustainability, Yıldız Technical University
- İbrahim Betil, Founder, Sen-de-Gel Association
- Ozan Çakmak, Policy and Partnerships Officer, International Labor Organization Turkey Office.

#### Main Comments Provided in 2015

- CCI's 2014 sustainability report clearly explains both the commitments and the efforts of CCI to improve its sustainability performance.
- CCI has taken into account all relevant stakeholder groups to provide extensive information on its annual sustainability practices.
- The report includes commitment of CCI's top management on sustainability issues and consultation with stakeholders about the content of the report.
- The report contains elements that contribute positively to its reliability and transparency, including external assurance and verification of selected information and a detailed Report Guidance section of this report.
- The report provides a wide range of qualitative and quantitative information.
- CCI has a very comprehensive Workplace Rights Policy (WRP) that covers many essential topics.



In 2015, we further worked on some of our improvement areas which are summarized in the table below.

Improvement Areas	Recommended Action	Progress Made in 2015 and Further Commitments
Content and Boundary of the Report	Extend the boundary of the Report by including all of CCI's active operations.	We extended the boundary of the report by including full-data from our Pakistan operations (6 plants). With the inclusion of Pakistan, the coverage of the report reached 87% of CCI's total production volume. We plan to include another country of operation within the next two years.
	Increase the level of transparency regarding the perceived impact of Coca-Cola products on consumer health.	Regarding consumer health, we will continue to work in partnership with TCCC, the owner of the brand. TCCC is increasing its efforts to ensure maximum transparency regarding its actions concerning the fight against obesity. In 2015, TCCC's Chairman and CEO Muhtar Kent launched the Transparency Initiative and TCCC has made a strong commitment to publish on its corporate website a list of all system efforts to reduce calories and market responsibly, along with a list of health and well-being partnerships and research activities it has funded in the past five years, which will be updated every six months. As a company of the Coca-Cola system, CCI also participates in this initiative.
	Increase the transparency regarding CCI's success in managing the environmental impacts of its raw material suppliers.	Regarding managing our environmental impacts on the raw material suppliers' side, in the first half of 2016, we will establish a work group that is composed of TCCC and CCI Procurement, Supply Chain and Corporate Affairs function representatives. The aim of the group is to investigate opportunities and conduct feasibility studies to identify sustainable supply sources in the regions where CCI operates and set quantitative goals to comply with TCCC's 2020 sustainable agriculture guidelines.
Reliability and Transparency	Provide more disclosure about CCI's challenges and areas for improvement.	We described CCI's risks and challenges in the Risk Management section of the report and shared detailed data on 2015 legal non-compliance in the World section of the report.
Quantitative Information	Disclose the quantitative results of CCI's programs on community investment and active, healthy living.	The quantitative results of our programs on community investment and active healthy living are provided in the relevant sections of the report.
Women Empowerment	Set more ambitious goals related to women's empowerment.	In 2015 we became a signatory to the United Nations Women Empowerment Principles (WEPs). In 2016 we will set goals to comply with the requirements of WEPs and disclose more detailed information regarding our practices and performance results. We already set a goal to appoint a female leader in our senior management and our Board of Directors and to develop a women empowerment program in 2016.
Workplace Rights Policy (WRP)	Set more ambitious goals and further improve CCI's practices.	We work continuously to improve our workplace practices that respect human rights and comply with applicable local labor laws and core international conventions. In order to focus on developing transparent and inclusive workplaces we set the bar very high and aim to achieve "green" score for all our countries of operation in the WRP audit of TCCC. Green score indicates that we do not need to take further action in the WPR topics (same topics as SGP).

#### Main Comments Provided by the External Review Committee in 2015

#### Our Material Issues G4-19, G4-23

The graph below illustrates our material issues in the context of sustainability management and reporting.

**Top Right**: Issues that are 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.

**Middle**: 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.

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

As illustrated in the figure below, for this report, representatives from relevant functions from CCI Headquarter reviewed and updated our material issues in the light of our risk management practices, the data requested by sustainability indices, as well as CCI's and TCCC's priorities in 2016. The issues marked with a "\*" sign have been revised.



#### Notes:

- 1) The issues that are highlighted in blue are also material for our supply chain (e.g. our suppliers, distributors, customers, consumers and TCCC).
- 2) The issues given in the quadrants above are not listed in terms of their relative importance.
- 3) In the figure, "Low" indicates a score between 0 and 4.0, "Medium" indicates a score between 4.0 and 4.6 and "High" indicates a score between 4.6 and 5.0.

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

We assess material issues not only for our own operations, but also for the operations of other stakeholders in our supply chain; namely suppliers, distributors and customers. While conducting this assessment, we take into account our level of influence on the issue, which can be either direct or indirect. In the matrix above, the issues that are also material for our supply chain and where we have influence are marked in red. Information on our efforts and performance on these issues are available in this report.

For example, energy efficiency and carbon emissions reduction are important issues for our customers and we have a direct influence on them. We help our customers reduce their energy consumption by offering them energy-efficient coolers.

There are other issues where we do not have a 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.

#### **Our Corporate Memberships**

By engaging with business and sector specific NGOs, we follow topics related to reputation and regulations. In 2015, we continued our membership to 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

#### Initiatives to Which We Are Signatories

- CDP Climate Change Program
- CDP Water Program
- Equality at Work Platform
- United Nations Global Compact (UNGC)
- Turkish Climate Platform of the Turkish Climate Change Leaders Group
- The 2°C Challenge Communiqué of the Prince of Wales's Corporate Leaders Group
- United Nations Women's Empowerment Principles

#### CCI Turkey Submits 2015 CDP Climate Change and Water Reports

CCI Turkey submitted its 2015 reports to the CDP Climate Change and Water Programs. CCI has been part of the CDP Turkey's Climate Change Program since 2011 and the CDP Water Program since 2014. CCI was the first company from Turkey to be invited by Nordea to be part of the CDP Global Water Program.

The results for 2015 CDP global and Turkey water programs were announced in a meeting organized by Sabancı University Corporate Governance Forum. In 2015, 51 large BIST 100 companies were invited to join the CDP Water Program and only eight of them responded. CCI was one of the 15 Turkish companies that reported their water risks and performances during the program's first year in Turkey. In the scoring, which runs from A to D-, CCI achieved a B, that is classified as a Good Result and the highest score achieved among the Turkish companies. Meanwhile globally only eight companies were able to score an A. Our reports submitted to the CDP can be reached on www.cdp.net.



#### CCI Signs UN Women's Empowerment Principles

Empowering women to unleash their full potential in both economic and social life is a priority and a long-term commitment for CCI, something that is also indispensable to ensure sustainable business growth and increased welfare in the society. As of 4 March 2015 CCI became a signatory to the Women's Empowerment Principles (WEPs) established in 2010 by the UNGC and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). WEPs ensure that necessary measures and actions are taken within corporations to address a wide range of issues concerning women such as gender equality, respect and support for human rights and nondiscrimination, health, safety and well-being, education, training and professional development. As of March 2016, WEPs were signed by 83 companies in Turkey and over 1,100 companies globally.

### **External Recognition**

#### CCI Included for the Third Time in The Global Compact 100 Stock Index\*

As per the results of the rating conducted by the international sustainability-rating agency Sustainalytics, CCI was selected once again to be included in the UNGC 100 Index. Announced in May 2016, CCI was still the only company to be included in the Index from Turkey. This year CCE joined the UNGC 100 Index along with CCI as the second Coca-Cola bottler. CCI was

chosen as the first company from Turkey and the Coca-Cola system to be included in UNGC 100 Index during 2013/2014.



#### CCI Turkey Won TCCC EAG Best Country Bottling Operation Grand Prize in 2015

CCI Turkey 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 in Istanbul. The Grand Prize is given every year to the operation that has the best performance in quality, environment and contribution to the society. In addition to the Grand Prize, Turkey also received the Excellence Award in the individual Wellbeing category with its Diamove! youth active lifestyle program and CCI izmir plant received the Best Performing Plant award in the environment category.

#### CCI's iLead2020 Training Program Received Best Leadership Program Award from TEGEP

CCI received the Best Leadership Program award with its iLead2020 training program and a Special Jury Award with its Sales Team Capacity Development program in the Learning and Development Awards organized by the Turkish Learning and Development Association (TEGEP). This year 23 Turkish companies competed with

33 projects in six categories consisting of leadership, learning and development, sales, learning technologies, social responsibility and mentorship.



# **BROVE!** Awarded as One of the Best CSR Programs in Europe

CCI's DOVE! program running since 2013 was selected as one of the best corporate social responsibility programs of 2015 in Europe, receiving a Bronze Stevie Award in the 12th Annual International Business Awards (IBAs). Meanwhile CCI's Community Champions Awards Program, initially launched in 2010, has been selected as one of the best communications or PR campaigns of the year in the low budget category, receiving a Silver Stevie Award. As the world's premier business awards program, the 2015 IBAs received entries from more than 60 nations and territories. More than 3,700 nominations from organizations of all sizes and in virtually every industry were submitted this year. Stevie Award winners were determined by the average scores of more than 200 executives worldwide who participated in the judging process from May through August.



#### CCI Quoted in the BIST 50 Sustainability Index

CCI became one of the 29 Turkish companies quoted in Borsa Istanbul's new Sustainability Index. CCI's inclusion in this important index is a strong message reaffirming our commitment in adhering to sustainability principles in all aspects of our operations. In 2015, CCI's practices and disclosure performance in a wide range of areas such as environmental management, climate change mitigation, biodiversity, governance, anti-corruption, human rights, supply chain, health and safety was assessed by EIRIS for the first time within the framework of the BIST Sustainability Index. The Index launched in 2014, aims to provide a benchmark for Borsa Istanbul companies that perform well in terms of sustainability and to increase awareness, knowledge, and practices regarding sustainability in Turkey.

\*\*The Global Compact 100 stock index, developed by Sustainalytics, is composed of a representative group of Global Compact companies. Constituents are chosen for the Index with the three goals of sector representation (free-float market cap weights) within a range of the key, well-known global indexes; geographic representation within a range of the key, well-known global indexes; and to choose companies that have strong practices and performance in adhering to the principles of the UN Global Compact around management of human rights, labour rights, the environment and anti-corruption. The constituents of the Global Compact 100 are reviewed on an annual basis in September."

#### CCI Quoted in the Euronext Vigeo Emerging 70 Index

CCI was included in the Euronext Vigeo Emerging 70 Index as of December 2015. The index distinguishes 70 companies from emerging countries that achieve the most advanced environmental, social and governance performances. Companies quoted in the index are assessed by Vigeo, a leading European Agency specialized in evaluating corporate responsibility through

six domains: business behavior, community involvement, corporate governance, environment, human rights and human resources.



# CCI Received Best Investor Award From the State of Kazakhstan

CCI received the Best Investor award from the state of Kazakhstan as a recognition of its contribution to the development of the country with its investments and operations. The award came as a testimony to CCI's position as the company with the most consistent growth in the Kazakh beverage market, with long-term growth plans as demonstrated by its new Astana plant opened in 2015.

### CCI Azerbaijan Received CSR Excellence Awards

CCI Azerbaijan received three awards in the Corporate Social Responsibility Excellence Awards organized by the American Chamber of Commerce (ACC) in Azerbaijan. Competing among the member companies of the ACC, CCI took 3<sup>rd</sup> place in Public Awareness and 2<sup>nd</sup> place in Economic Empowerment and Environmental Excellence categories, winning three excellence awards.

#### CCI Turkey Plants Received EFQM Excellence Award and 5-Star Excellence Certificate

In 2015 CCI Bursa plant received an Excellence Award in the Developing Organizational Capability category from the EFQM and CCI Mahmudiye plant received the National Quality Excellence Grand Prize. Meanwhile in July 2015, all of CCI Turkey plants were granted a 5-Star Excellence certificate by the EFQM as per the results of the assessment carried out in 2014. Turkey's Supply Chain operation was also assessed by EFQM in 2015 and received a 5-star recognition for all of its departments including Customer Services (Logistics, Planning, Order Management, Customer Management, Engineering, CDE), Purchasing and Operations. EFQM's

5-star certificate is given to high performing organizations where change is the norm and that continually improve, refine and simplify their practices in order to meet their goals.

EFOM Recognised for excellence 5 star - 2015



# SUSTAINABILITY ACROSS THE VALUE CHAIN

CCI is one of TCCC's more than 250 bottling partners worldwide, and manufactures, packages, merchandises and distributes the final branded beverages to its customers, who then sell them to consumers. We have access to close to 740,000 sales points through our extensive sales and distribution network. More than 380 million consumers enjoy our products in our wide operating geography that consists of 10 countries.

We strive to improve our environmental and social performance at every step of our value chain. Since our larger social and environmental impact goes beyond the boundaries of our own operations, in cooperation with TCCC, we help develop capacity and create awareness among our suppliers, distributors and customers to improve their performances.

# CCI's Value Chain



### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Excellence in our Operations	To continue involving our distributors in new Operational Excellence projects in Turkey.	Involving our distributors in Operational Excellence projects was very limited due to economic reasons.	0	No new target for distributors.
	To receive Recognition for Excellence 5-Stars for Turkey operations, including plants, logistics, planning and purchasing.	We received Recognition for Excellence 5-Stars for Turkey operations.	۵	To receive an EFQM Prize for Turkey operations.
Sustainability of our Suppliers	To conduct a Supplier Satisfaction Survey in 2015.	We conducted a Supplier Satisfaction Survey.	۵	To conduct this survey every two years and increase our supplier satisfaction score.
	To attain a success rate of 91% for the SGP audits in Turkey, Jordan, Kazakhstan and Azerbaijan.	The overall SGP success rate was 82% for these four countries and 83% including Pakistan. The reason for not achieving the target is explained on page 27.	0	To attain a success rate of 92% for the SGP audits in all countries of operation.
Capacity Building of our Distributors	To provide occupational health and safety training to our distributors.	We developed a distributor safety program and provided training to our distributors. We reached 345 distributors and their 5,869 employees in Azerbaijan, Turkey, Kazakhstan, Jordan and Pakistan.	٥	To continue providing occupational health and safety training to our distributors.
Customer Satisfaction	To achieve a customer satisfaction performance score that is above the average score of our competitors.	We will conduct our customer satisfaction survey in 2016.	0	To achieve a customer satisfaction performance score that is above the average score of our competitors. To organize a Local Key Accounts' Joint Business Plan meeting in Istanbul.

### **Our Operations**

We conduct bottling and distribution operations with 25 plants in 10 countries. Legal compliance, continuous improvement and excellence in our operations are key priorities for the sustainability of our company.

#### **Beyond Compliance**

In the Coca-Cola system, the set of operating requirements known as KORE governs food safety and quality, environment, and health and safety performances in our plants. KORE is consistent with the external standards and principles listed in the table below. In all our plants and for all relevant processes, we operate in accordance with the requirements of these standards, and 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
Sustainable supply chain	Supplier Guiding Principles	UNGC, GRI
Marketing responsibly	TCCC Responsible Marketing Policy, TCCC Global School Beverage Guideline	
Human and workplace rights	Workplace Rights Policy	UN Guiding Principles on Business and Human Rights
Anti-corruption	CCI Ethics Code, Workplace Rights Policy	UNGC
Community involvement	TCCC's Policy	UNGC
Overall	Code of Business Conduct, KORE	UNGC, GRI
	Environmental management Water management Energy management & carbon emissions Sustainable packaging & waste management Quality management (Production process) Product quality & safety Occupational health & safety Sustainable supply chain Marketing responsibly Human and workplace rights Anti-corruption Community involvement	Environmental management       CCI Health, Safety & Environment (HSE) Policy         TCCC HSE Policy       KORE - EOSH* Requirements         Water management       KORE - EOSH Requirements         Energy management & carbon       KORE - EOSH Requirements         Sustainable packaging & waste       KORE - EOSH Requirements         Quality management       KORE - OE         (Production process)       KORE         Product quality & safety       KORE         Occupational health & safety       KORE - EOSH Requirements         Sustainable supply chain       Supplier Guiding Principles         Marketing responsibly       TCCC Responsible Marketing Policy, TCCC Global School Beverage Guideline         Human and workplace rights       Workplace Rights Policy         Anti-corruption       CCI Ethics Code, Workplace Rights Policy

\* EOSH: Environmental and Occupational Safety and Health

\*\* GFSI: Global Food Safety Initiative

#### **CCI Plant Certification**

External audits are conducted in our plants for checking and verifying compliance with relevant standards. As of 2015 year-end:

- All the plants in our five countries of operation hold certificates for the following Standards: ISO 9001, ISO 14001, OHSAS 18001 and FSSC 22000.
- 80% of the plants in our 10 countries of operation, except the newly established plants in Kazakhstan, Tajikistan and three plants in Iraq, hold certificates for the following Standards: ISO 9001, ISO 14001, OHSAS 18001 and FSSC 22000. We plan to complete the certification process of all our plants 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. We also obtained the ISO 50001 certificate for our Burundai plant in Kazakhstan.



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

To support the continuous improvement of our business processes and systems, we aim to create a culture of Operational Excellence (OE). The OE Model we apply is developed based on Lean Six Sigma methodologies. The OE Model is applied to all of the company functions, and it focuses on maximizing quality and efficiency while minimizing failure and waste.

Since 2008, we have been training our employees in the OE Model. Thanks to the 177 OE Projects that were implemented in our five countries of operation in 2015, we managed to identify and implement improvements that resulted in an annual saving of approximately \$6.8 million.

Since the introduction of our OE Model, we have implemented a total of 1,015 projects in our five countries of operation, and we have received 667 certifications.

#### Achievements in Turkey

2008	2015 Actual	2015 Actual (Cumulative since 2008)
6 Projects	131 Projects	634 Projects
42 Certifications	81 Certifications	478 Certifications
\$1.2 million per year in savings	\$4 million per year in savings	\$49.5 million* savings

\* Calculated on a yearly basis.

#### **CCI Turkey Innovation Day**

"Harnessing creativity and innovation" is one of the fundamental goals in the EFQM Model. To fulfill this need with a more systematic approach, on March 2016, as CCI Turkey, we organized our first CCI Turkey Innovation Day to recognize and award innovating and energizing new ideas that can positively impact both our communities and our business operations. The Innovation Day combines CCIdea, OE projects and the Innovation Competition under a single framework. 200 invitees including top managers participated in the Innovation Day.



**CCIdea** is a platform where all of our employees can share their ideas. The submitted ideas are evaluated by evaluators who are experts their subject areas and trained in the evaluation methodology. In 2015, CCI Turkey employees submitted 323 project ideas. 10 projects were selected. After conducting further feasibility studies, we will implement the projects that are most feasible in terms of resource use and financial return.

#### **Innovation Competition**

We made use of the CCIdea platform to collect innovative project ideas. 145 ideas were submitted, where nine of them were presented during the Innovation Day. The winners were determined by the votes of the participants.

#### OE

During the Innovation Day, 29 employees received their green-belt certificates and eight finalist projects were presented. The winners were determined by the votes of the participants.

#### **Social Responsibility Project Competition**

Through the CCIdea platform, we collected more than 100 ideas for social responsibility projects. The top three voted projects will be provided funding.

#### **Continuous Improvement and Excellence in Turkey Plants**

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 the Coca-Cola system is categorized according to the Maturity Continuum based on its progress towards these requirements. During the reporting period, all CCI plants in Turkey reached the Excellence category in the Maturity Continuum, which constitutes around 56% of all the plants in the entire Coca-Cola system that reached this category.

In July 2015, all CCI Turkey plants were granted a 5-Star Excellence certificate by the EFQM following an assessment carried out in 2014. EFQM's recognition also signifies that all CCI plants in Turkey have obtained the level of Excellence within TCCC's Maturity Continuum model.

#### CCI Turkey's Quality Award Journey

2009	2010	2011	2012	2014	2015
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 Mahmudiye plants: KalDer Turkey Excellence Award İzmir, Çorlu, Mersin, Köyceğiz and Elazığ Plants: Recognition for Excellence 5-Star	Bursa plant: Developing Organizational Capability prize in the EFQM Excellence Awards Mahmudiye plant: The Grand Award in the SME category in the KalDer Turkey Excellence Awards Recognition for Excellence 5-Stars for Turkey operations, including plants, logistics, planning and purchasing.

#### **Supplier Satisfaction Survey**

In 2015 we conducted our second supplier satisfaction survey, an opportunity for our suppliers to assess our company. The suppliers assess CCI under the following four categories: tendering and order management, payments, approach, and communication. We achieved an overall score of 83% in 2015. According to the survey methodology, this score, which is significantly higher than 70%, indicates that our suppliers are satisfied to work with CCI. For the areas identified as requiring improvement, we already began taking action. Our goal is to conduct this survey every two years and increase our supplier satisfaction score.

### **Our Suppliers**

Our suppliers provide us with the ingredients, raw materials, equipment and services necessary for our business. The main ingredients of our products are concentrates and syrups that are directly supplied by TCCC. We also buy ingredients and packaging material from strategic suppliers authorized by TCCC. Some of these include sugar, juices and carbon dioxide used as product ingredients, and packaging materials such as PET plastic, aluminum, shrink-wrap and corrugated cardboard. 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 their 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 establish the minimum requirements to which we expect our suppliers to adhere. Before we can contact a direct material or cooler supplier, it is obligatory to that the supplier goes under an SGP audit and complies with SGP standards.

Since 2002, the SGP has been included in our supplier agreements, valid for TCCC's direct and authorized suppliers, as well as direct suppliers to bottlers including CCI. Our suppliers are provided a copy of the SGP at the contraction stage and are expected to communicate it to their employees.

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, auditors develop an action plan including corrective actions that the suppliers are expected to implement. 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 suppliers.

The frequency of audits depends on a number of factors 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. CCI closely monitors the audit results and organize training programs if necessary.

Of the 34 direct suppliers in Turkey, Jordan, Kazakhstan and Azerbaijan that were audited in 2015 for compliance with SGP, 68% of them passed without any major issues. Major findings of 2015 SGP audit were related to working hours especially night shifts, rest day violation, overtime issues and health and safety in Turkey. In 2015, the overall SGP success rate for these four countries of operation has increased to 82% compared to last year's rate of 78%, however we could not achieve our goal of 91%. In Pakistan, 4 direct suppliers were audited in 2015, and 25% compliance was achieved. We are working with the suppliers to solve their issues and to become SGP compliant again. 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 ingredients and packaging suppliers.

The full text of the SGP can be viewed on this link:

#### http://assets.coca-colacompany.com/1bd5/9c8554554f d29678c97791e27c83/SGP\_Brochure\_ENG.pdf

In our supply chain, we do not tolerate child labor, forced labor, abuse of labor and discrimination. We also expect our suppliers to fully support freedom of association and collective bargaining within their workforce and all comply with related laws and regulations.

Suppliers to TCCC and suppliers authorized by TCCC are required to meet the minimum standards on the following topics with respect to all their operations:

#### **SGP** Topics

• Laws and regulations	• Freedom of association and collective bargaining	• Health and safety
• Child labor	Discrimination	Environment
• Forced labor	• Wages and benefits	• Demonstration of compliance
<ul> <li>Abuse of labor</li> </ul>	• Work hours and overtime	

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

Our strategic suppliers are required to have one of the certificates recognized by the Global Food Safety Initiative (GFSI), a condition also valid for all of our plants. Therefore all of our authorized strategic suppliers possess a current food safety certificate such as the FSSC 22000. Suppliers that hold the FSSC 22000 certificate are also required to have ISO 9001 Quality Management Systems established.

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

- 97% of our strategic suppliers' plants hold a relevant and current certificate for the ISO 9001 Quality Management System and FSSC 22000 (or similar).
- 67% of our strategic suppliers' plants hold a certificate for the ISO 14001 Environmental Management System.
- 52% of our strategic suppliers' plants hold a certificate for the OHSAS 18001 Health and Safety Management System.
- 18% of our strategic suppliers' plants hold a certificate for the ISO 50001 Energy Management System.

Note: This data refers to the 33 plants of our top 16 strategic suppliers that supply us with packaging materials and ingredients.

#### Working with Local Suppliers

As CCI, we make direct and indirect contributions to the local economies where we carry out our operations. We make a direct economic contribution through our local spending. The proportion of spending on raw materials from local suppliers (within the same country) is provided in the table below.

Local Procurement (%)	Turkey*	Jordan**	Kazakhstan***	Azerbaijan***	Pakistan
2015	95	49	13	47	95
2014	98	65	12	54	95
2013	96	68	17	48	94
2012	96	20	12	41	n/a

\* 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 TCC.)

### **Our Distributors**

Distributors are our strategic business partners. 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. As of 2015 year-end, we work with 261 distributors in Turkey, which conduct around 75% of our distribution operations.

We share our know-how and expertise with our distributors and support them in building the same high-quality systems that we have in place for their own operations. Our overall goal is to bring our business partners up to our standards as we hand over our distribution responsibilities to them. 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" aspect of the Distributor Business Development project, we provide a series of capacitybuilding trainings to the owners and employees of our distributors. In 2015, we provided 677 training sessions on numerous technical and personal development topics, which were attended by a total of 1,758 participants from our distributors.

In 2015, CCI initiated the Distributor Safety Program and implemented it in Azerbaijan, Turkey, Kazakhstan, Jordan and Pakistan. We reached 345 distributors with 5,869 employees. Further information about this Program is provided under the Employees section of this report.

"We provided 52,578 man-hours of OHS training to our distributors in 2015."

#### **Distributor Satisfaction Survey**

To evaluate the satisfaction level of our distributors, a third-party service provider conducts a Distributor Satisfaction Survey, which includes an evaluation of our company image. The results of these surveys for the last five years illustrate an increase in the satisfaction scores, and are given in the table below. Around 94% of our distributors participated in the 2015 Survey.

Distributor Satisfaction Survey	2011	2012	2013	2014	2015
Satisfaction Score	76.0	83.8	84.0	84.9	84.5
Company Image	81.6	89.2	88.4	87.8	87.7

### **Our Customers**

In all CCI countries, we have around 740,000 sales points, including supermarkets, restaurants, convenience stores, hotels and other retail outlets.

We aim to develop strategies that focus on maximizing customer satisfaction. We try to identify and implement measures to reduce our environmental footprint along the value chain, e.g. through delivering energy-efficient coolers to our customers. Renewing or replacing coolers also helps us build a stronger relationship with our customers.

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

In countries 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. Based on these engagement surveys, we determine improvement areas and develop action plans accordingly. The surveys are conducted by an independent research company by questionnaires, telephone and face-to-face interviews.

To engage with our customers, we utilize the Customer Satisfaction Surveys, Distributor Customer Satisfaction Surveys, Distributor Satisfaction Surveys and Focus Groups with Customers.

#### **Customer Satisfaction Survey**

CCI Turkey has been conducting customer satisfaction surveys since 2005. Other CCI operations (excluding Syria, South Iraq and Tajikistan) conducted this survey for the first time in 2012. Since then, surveys have been conducted at least once every two years, and sometimes more often depending on the countries' needs. We plan to conduct a survey in 2016, involving approximately 2,000 customers from Turkey and 3,700 from other CCI operations.

#### Annual Customer Business Development Meeting

We hosted our modern trade channel customers at the annual customer business development meetings organized in our İzmir, Ankara and Mersin plants in 2015. During the meeting participants reviewed past year's results and discussed improvement opportunities. Presentations on sales, marketing, human resources and results on our community development and **BADIMOVE** projects were followed by a discussion on joint plans for 2015.



# CORPORATE GOVERNANCE AND ETHICS

### **Goals & Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Risk Management	To utilize CCI Portal for communication and to develop an awareness program for Enterprise Risk Management (ERM).	We launched the ERM website and made it available to our employees.	٥	To update and further develop the ERM website.
	To continue to share best practices with other bottlers in October during the Coca-Cola System ERM Exchange.	We took part in the regular Coca-Cola System ERM Exchange Virtual Meetings throughout the year, and shared our experience with other bottlers during the annual ERM Exchange meeting held in Tokyo.	٥	To integrate the ERM process into strategi planning.
Information Security	To create awareness on information security and to train our employees, starting with the Group Office.	We placed posters on bulletin boards and handed out leaflets in our Group Office premises; and started giving trainings sessions for our employees.	0	To implement Information Security standards in our other country of operations.
Business Ethics	To give training on the Foreign Corrupt Practices Act and anti-bribery policy to management teams.	We provided this training in all CCI countries except North Iraq and Tajikistan.	0	To give training on Code of Ethics and ant bribery policy to all management teams in all CCI counties. To review and update Code of Ethics and anti-bribery policy in line with TCCC practices.
Business Continuity	To provide IMCR training to teams in Kazakhstan and Jordan.	IMCR training was delivered to teams in Kazakhstan.	9	To provide IMCR training to teams in Jordan.

### **Corporate Governance**

CCI conducts all of its operations within the framework of all 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 that corresponds 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. There are three committees under the CCI's Board of Directors: Audit, Corporate Governance and Risk Detection. CCI's Corporate Governance Committee oversees the determination and implementation of the sustainability strategy.

For further details on corporate governance in CCI please see the CCI 2015 Annual Report and our investor relations page on cci.com.tr.

### **Risk Management**

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

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

Under the ERM framework, CCI's management identifies critical threats and opportunities 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.

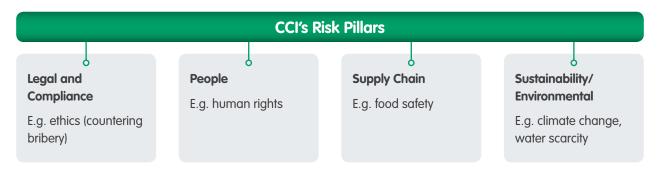
The ERM investigates risks on country and group levels and shares opinion with the management on identified risks. Risks that are assessed as high-priority are reported to the Risk Committee along with mitigation action plans, to be reported to the Board of Directors. CCI employees are regularly trained on risk management. CCI management uses the pillars explained in the company's strategic business plan to evaluate business risks. The Sustainability pillar lists environmental risks such as community relations, water scarcity, wastewater, energy, climate change, air emissions, and noise. Risks such as food safety, packaging, water, supplier management and quality are listed under the Supply Chain pillar. Legal and Compliance pillar includes all compliance risks, bribery, corruption and ethics; whereas the People pillar includes risks related to workplace rights, human rights and health and safety. Each country operation's management assesses these risks periodically and prepares mitigation plans, which are monitored by the top management and the Risk Committee.

During the 2014-2015 period, CCI's priority risks included health, safety, security, climate change, recycling, water scarcity and legal compliance. Financial risks which are rated as top three risks of CCI for 2016 are exchange rate uncertainty, slowdown in economic activity and adverse tax initiatives, followed by volatile regulatory environment, law and order, brand perception, category health perception, consumer shift to alternative drinks, environmental risks, health, safety and security of employees and industrial relations.

As an example for a mitigation plan, for Turkey, global warming and drought is identified as a risk area; and we aim to tackle the risk through effective water use management and identifying new water sources.

In 2015 we launched our ERM website that is accessible to all CCI employees through the internal CCI Portal. On the ERM website we describe the ERM program and processes in detail. We also provide an ERM tool along with guidelines, leading articles, useful links and an ERM awareness training presentation.

Throughout 2015, we participated in the Coca-Cola system ERM Exchange virtual and face-to-face meetings with TCCC and other bottlers. This made it possible for us to observe and track the collective ERM program progress that is made across the Coca-Cola system. The annual ERM Exchange meeting with TCCC and main bottlers from the system also helps us advance enterprise-wide culture of risk management that enables and equips us to proactively address risks, seize opportunities and deliver business objectives.



### **Information Security**

CCI published an official CCI policy on information security in 2014, and since then, a number of actions have been taken to increase employee awareness on this topic. These included display of posters in working areas and distribution of leaflets to employees on the importance of information security. A new intranet site on information security became online for our employees in 2014 and we started to conduct information security training sessions starting with the Group Office employees in Turkey.

As of March 2016, 704 employees were trained in CCI about information security with 280 hours of training.

### **Ethics**

Integrity and honesty are of vital importance for the success and continuation of our business, as well as for our reputation. Besides, one of the most valuable assets of CCI is the Coca-Cola brand. This brand presents unique and very crucial qualities such as esteem that arises from honesty and reliability.

CCI Code of Ethics guides our employees to live our values and "do the right thing". The Code was updated on April 30, 2013 and its scope was expanded to apply to all CCI countries of operation. CCI Code of Ethics and Code of Ethics Handbook are available for everyone for their further review and understanding, and can be reached on CCI's corporate website:

 www.cci.com.tr/en/investor-relations/corporategovernance/code-of-ethics.

#### **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:
  - Be extra careful 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 and facilitation payments are prohibited.

#### **Communication Channels**

We offer alternative channels of communication to our employees for expressing their concerns. They can directly contact their own managers or their Local Ethics and Compliance Officers. Alternatively, they can use the CCI Ethics Service, which is run by a completely independent third party and is available 24/7 to all our employees. There are translators providing translation services online in Arabic, English, Georgian, Russian and Turkish.

CCI Ethics Service communication channels are:

- 1. E-mail: employee's name and e-mail address 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.

#### **Roles and Responsibilities**

CCI's Corporate Governance Committee ensures full implementation and enforcement of the Code of Ethics. Implementation of the Code is the responsibility of the CCI Ethics and Compliance Officer and the Local Ethics and Compliance Officers. There is also a CCI Ethics and Compliance Committee, which is composed of CCI's CFO, Human Resources Director, General Counsel, Corporate Affairs Director and Chief Audit Executive.

#### Procedural Rules and Available Sources

CCI Internal Audit Department handles the investigations concerning Code of Ethics violations and the CCI Ethics and Compliance Committee takes decisions based on the findings of the investigations. Certain categories of decision-making authority may be delegated to Local Ethics and Compliance Committees in accordance with the Guidelines for Handling Code of Ethics Matters.

We impose disciplinary measures that fit the nature and circumstances of each Code violation. Letters of reprimand are issued for less significant, first-time offenses. Violations of a more serious nature may result in suspension without pay, loss of progress payments and bonuses or termination of employment. All newly recruited employees must sign an acknowledgement form confirming that they have read the Code of Ethics and agree to abide by its provisions. All employees are required to make this acknowledgement periodically. Code of Ethics Handbook and Guidelines for Handling Code of Ethics Matters are shared with our employees in electronic format. Moreover, representatives and consultants assigned by CCI and third parties doing work on behalf of CCI may also obtain a copy of the Code and learn about their obligations therein.

### Training

Starting in 2013, we began training our employees on the revised Code of Ethics, the Code of Ethics Handbook and procedural provisions. In 2014, we provided 4,200 man-hours of training on the Code of Ethics in 13 locations, including sales points and plants in Turkey. In 2015, we provided 2,000 man-hours of training in six countries, mainly during orientation training sessions. In 2016, to ensure that the Code of Ethics is rolled-out effectively in all CCI countries, we will train Code of Ethics trainers in each country to start local training sessions. We conduct the Code of Ethics training at least once every two years.

### **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. Implementing the IMCR program is a key management activity, and it is everyone's responsibility in 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 training sessions, and collectively they work on simulations of complex incidents. In addition to the IMCR training sessions that were delivered to teams in Turkey, Jordan, Azerbaijan and Kazakhstan in 2014, we provided further training in Kazakhstan, and Tajikistan in 2015. We plan to conduct IMCR training in Jordan in 2016.

As a part of the IMCR program, each country conducts the IMCR Validation program, which aims to create readiness for crisis situations, build awareness, identify gaps and develop action plans to make improvements. We completed the IMCR Validation program in Azerbaijan, Jordan and Pakistan in 2014, and in Kyrgyzstan and North Iraq in 2015. In 2016, we plan to carry out the program in Tajikistan, Turkmenistan and South Iraq.



# me

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

- Soals and Commitments
- Product Safety and Quality
- Consumer Well-Being
- > Active, Healthy Living

#### **Enhancing Personal Well-being**

Our longstanding commitment to our consumers' well-being begins with ensuring that each and every beverage we deliver is safe. Furthermore, we work to inspire our consumers to pursue healthier lives by providing expanded beverage choices and transparent nutrition labeling, conducting responsible marketing practices and supporting active, healthy living programs in our countries of operation.

#### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Product safety and quality	To have zero major findings in food safety and quality audits.	There were no major findings identified during the food safety and quality audits.	۵	To have zero major findings in food safety and quality audits.
Consumer Well-being	To continue with the Open to Curiosity (Merak Ettim) platform as a means to communicate with our consumers.	We have received around 18,600 questions from our consumers via the Open to Curiosity platform since 2014.	Δ	To continue with the Open to Curiosity platform as a means to communicate with our consumers.
Active, healthy living	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.	We mobilized almost 70,000 young people in 10 cities. We reached 100 schools and collaborated with 120 physical education teachers within the <b>3211 MOVE!</b> program in Turkey.	٥	To reach 80,000 young people in 120 schools in Turkey to inspire them to be more physically active.
	To train 7,000 youth and inspire more than 60,000 young people in Pakistan and Iraq to be more physically active.	7,000 young people regularly participated in the program delivered by 375 coaches and youth leaders.	۵	No new target.
	To launch the <b>321 MOVE!</b> Program in Kazakhstan and reach out to 18 disadvantaged schools.	3,000 young people in 19 schools benefited from the program.	۵	To inspire more than 3,500 young people in Kazakhstan to be more physically active, support 28 schools and reach 70 physical education teachers.

#### **Product Safety and Quality**

Product safety and quality is the starting point of our commitment to well-being. The safety and quality of our products are ensured through rigorous standards. We make sure that international food safety standards and/or TCCC's Operating Standard (KORE) are respected by all actors in our value chain, including our strategic suppliers along with our own plants. We implement various globally accepted standards in our plants such as the FSSC 22000 Food Safety Standard. 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 both by our suppliers and our own plants is regularly monitored through unannounced audits by TCCC. In 2015, 10 CCI plants were audited and all of them passed the audit successfully. In addition, third-party external audits on compliance with the FSSC 22000 standard are conducted, resulting in either re-certification or follow-up. As of 2015 year-end, all the plants in our five countries of operation hold FSSC 22000 certificates.

(Further information about the quality processes is provided in the Sustainability in the Value Chain section of the report under the subheadings Our Operations and Our Suppliers.)

#### **Consumer Well-Being**

We are committed to promoting consumer well-being by marketing responsibly, offering low- or no-calorie beverage options in every market and providing transparent nutrition information on our products.

We engage with our consumers, health professionals and the public to highlight the importance of active, healthy living and the role our products play in such a lifestyle. TCCC's support of evidence-based, 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.

We strive to provide consumers with clear, understandable and scientific information regarding our products. Through this approach, we fulfill our obligation to comply with local legal requirements and our commitment to the policy of transparent communication about our products.

The online Open to Curiosity platform in Turkey is established to address concerns at the consumer level regarding our products. In addition, we organize plant tours for those who are interested in seeing our production processes. Consumers may either physically visit our plants, or take virtual tours online to learn about the production phases of Coca-Cola products. Please visit

- Merakettim.coca-colaturkiye.com and
- S coca-colafabrikasi.com or further information.

#### **Coca-Cola Ambassador Program**

Coca-Cola Ambassador is an initiative designed to ensure that all employees use the same language when talking about our company and its products, and that they are strong ambassadors of Coca-Cola. Launched in 2011 in Turkey, within the past years the program expanded to all CCI countries as well as to CCI distributors. As of 2015 year-end, more than 15,000 employees and distributors have received the Ambassador training.

In addition to classroom training sessions, selected content from the Ambassador training was adopted as an integral part of CCI's onboarding orientation program in 2015 to familiarize our new colleagues with brand affiliation, our core values and our success story.

We also launched a refresher campaign in 2015 for our country operations where the classroom training sessions were completed. The campaign includes an internal communication campaign and an online refresher training. Our Turkey, Jordan and Kazakhstan operations successfully launched the refresher campaign. Currently, the online Ambassador training is available in English, Turkish, Arabic and Russian.



#### **TCCC's Transparency Initiative**

Regarding consumer health, we continue to work in partnership with TCCC, the owner of the brand. TCCC is increasing its efforts to ensure maximum transparency regarding its actions concerning the fight against obesity.

In 2015, TCCC took the first critical step in becoming a better company and partner against obesity by publicly sharing a list of the health and well-being partnerships and research activities it has funded over the last five years, along with a list of its efforts which will be updated every six months.

Being a part of the Coca-Cola system CCI also participates in this initiative. TCCC's transparency website features a list of organizations, scientific experts and researchers that it funds, along with answers to frequently asked questions.

www.coca-colajourney.com.au/stories/well-dobetter-coca-cola-vows-to-improve-transparency

#### **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 about 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 by nature free of calories.

#### Low- or No-calorie Beverages

With the aim to meet the ever-evolving preferences of our consumers and to build a stronger business, we provide more choice across our beverage portfolio, including low- or no-calorie beverage options.

We offer a no- or low-calorie alternative for regular sparkling soft drinks in the CCI countries of operation where the per capita consumption of sparkling soft drinks is relatively high.

Some of the highlights for Turkey in 2015 were:

- In 2015, we started serving Sprite light in 330 ml cans and 1 L PET, and Coca-Cola zero in 200 ml returnable glass bottle.
- 16.3% of the volume of our products sold in Turkey in 2015 was in the category "without energy" (< 4kcal/100 ml) (excluding tea, including Fuse tea light, Coca-Cola light, Coca-Cola zero, Sprite light, Damla Minera, Damla water in PET). In 2014, this rate was 14.1%.
- Coca-Cola zero and Coca-Cola light comprised 7.8% of all the Coke-category products we sold in Turkey in 2015. This rate was 6.9% in 2014.
- In terms of product portfolio, 26% of the product and package alternatives (excluding water) we offer to the market are in the "without energy" category.

#### **Small Packs**

In addition to the expansion of low- and no-calorie beverages, a critical component of our business and well-being strategy is the expansion of smaller package sizes. For example, in Turkey we see an increase in the market share of the products sold in 200 ml returnable glass bottle and 200 ml cans.

#### **Responsible Advertising and Marketing**

In line with our principle of complying with legal regulations, we conduct only responsible and lawabiding advertising and promotional activities in all CCI countries regarding all advertising media for all of our beverages. In addition to legal requirements and the expectations of our stakeholders, TCCC's standards and policies serve as our fundamental auide in our marketina practices. The Global School Beverage Guidelines, as established by TCCC, forms the basis of our approach to responsible marketing. We voluntarily do not conduct any sales activities for our sparkling beverages in elementary schools within 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 the age of 12. Details for our responsible marketing policy can be found on:

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





#### **Product Calorie Profile**

#### Active, Healthy Living

Supporting more inclusive active, healthy living programs is one of TCCC's global commitments on well-being, as well as one of the main focuses of CCI's community engagement programs. According to research, regular physical activity is vital to attaining and maintaining good health. Therefore, a key pillar of our well-being efforts is supporting programs that make exercise and movement accessible to as many people as possible.

As CCI, our vision is to inspire, empower and engage a generation of youth regarding the importance of an active, healthy lifestyle and regular physical activity. We put this vision into practice through a number of projects and programs that are making a great difference in the lives of young people. These include **320 MOVE** in Turkey, Iraq, Pakistan and Kazakhstan; ongoing Coca-Cola Grassroots Football Tournaments in Azerbaijan and Kazakhstan; Olympic Moves program in Azerbaijan and the Coca-Cola Life Plus Foundation's Let's Play project in Turkey.

## 3 2 1 MOVE!

**Turkey:** 10 Cities - 100 schools - activated 70,000 young people

Iraq: 180 coaches and youth leaders -30 schools - trained 3,251 young people

**Pakistan:** 195 coaches and youth leaders - 30 schools - trained 4,075 young people

**Kazakhstan:** 70 coaches and youth leaders - 19 schools - 3,000 young people

We developed and launched the **321 MOVE** program in 2013 in Turkey with the participation of volunteer physical education teachers. Our vision with the program is 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.

In 2014, we launched the program in Iraq and Pakistan in partnership with Mercy Corps, which is a global humanitarian organization that empowers people to recover from crisis, build better lives and transform their communities for good. In 2015, we launched the program in Kazakhstan and supported 19 schools in rural areas.

Participation in the program is either regular (trained) or non-regular (activated). In 2015 we touched the lives of about 80,000 young people in Turkey, Pakistan, Iraq and Kazakhstan through **3211 NOVE** 



#### Turkey

Launched in three pilot cities in October 2013, the program expanded to 10 cities in 2015, inspiring close to 70,000 young people to live a more physically active and healthy life.

In 2015, the program was carried out in 100 secondary schools and high schools in the provinces of Istanbul, Mersin, Bursa, Sakarya/Sapanca, Van, Ordu, Hatay, Aksaray, Erzincan and Elazığ. The projects were developed and implemented under the leadership of physical education teachers, where CCI supported them by providing indoor and outdoor physical activity fields as well as sports equipment. Through these projects, young people started taking active part in various activities such as athletics, gymnastics, table tennis, basketball, volleyball, dance, step, korfball, bocce, archery, handball and badminton.

The program provides the youth with fun spaces to move and the opportunity to learn and to connect with one another. Through the activities and upgraded school facilities offered by **321 MOVE** young people started to participate in quality physical education classes. Young boys and girls got used to "moving" together. They learned to play new games and had fun while developing their friendships. They also started to meet not only in physical education classes, but also in their spare time.



Based on the field research conducted by academics, the program has not only increased the time spent by youth in physical activity, but also significantly increased their self-confidence and self-esteem, while strengthening their relationships with peers. 90% of the youngsters responding to the survey stated that they participated in the project activities and exercised more. Meanwhile, 88% of them experienced a positive impact on their relationships with their friends.

#### **Pakistan and Iraq**

Based on its success in Turkey, the program was launched in Iraq (1.2.3 Entalik!) and Pakistan (3.2.1 Bhago!) in selected secondary schools and high schools in Lahore, Pakistan and Baghdad, Iraq during the 2014/15 academic year. In the second year, we expanded the program with learnings from the first year. In the 2015/16 academic year, the number of youth leaders in the program and their responsibilities were increased. By doing that, we managed to expand our reach both in Iraq and Pakistan.

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 over 20,000 youth through school-wide and community events, and is projected to reach an additional 20,000 young people by the end of the school year.

The application of **DOVE** in these countries is unique because not only does it emphasize physical activity, it also aims to enhance life and leadership skills. One of the program goals is to help build substantial relationships between the mentors and the youngsters to support their personal development. To achieve this goal, **DOVE** teaches teamwork, leadership and communication skills.





After six months into the program, 80% of the youth reported that they were more physically active than before. For example, 50% of the girls in Pakistan had never participated in sports activities prior to the program. 90% of the parents reported that their children were more active than they were before the program and, even more strikingly, they reported that their children were showing better health and 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.



#### Kazakhstan

Launched in March 2015 in Kazakhstan, **Display Moves** was implemented in 19 schools from low-income rural areas within the Arshaly district of the Akmola region. Within the scope of the program, more than 70 youth leaders and coaches received training on mobilizing youth in their schools and communities, while over 3000 students received sports equipment. The indoor sports hall in the Izhevsk village in Arshaly was renovated, and the floor of the Saryoba village school was repaired. The program reached over 27,000 community members through youth-led events.



#### Coca-Cola Grassroots Football Tournaments

**Azerbaijan:** Started in 2011 - 250,000 young people participated in 2015

**Kazakhstan:** Started in 2006 - 400,000 young people participated in 2015

#### 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 students 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 at least one female player. Some of the students that participate in the Coca-Cola School Cup move on to play in professional leagues. A joint group of experts evaluates the impact of the project based on the number of school children involved, their performance at school and their plans to continue physical activity.



#### Kazakhstan

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 Coca-Cola Bylgary Dop. Since then, Coca-Cola Bylgary Dop has become the country's biggest football tournament, organized by the Coca-Cola Company and the Football Federation of Kazakhstan (FFK) for the ninth season already. The 2014-2015 season brought together a record number of children, about 400,000 boys from 5,500 schools, aged 9 to 15, which represents more than 80% of Kazakhstan's male student population. From year to year, Coca-Cola Bylgary Dop gives the children of Kazakhstan an opportunity to play in the Copa Coca-Cola international tournament, which brings together children from all over the world.



#### **Olympic Moves**

On December 2015, Coca-Cola, the worldwide partner of Olympic Games, and the National Olympic Committee of Azerbaijan, together with the Ministry of Youth and Sports and the Ministry of Education of Azerbaijan announced the launch of Olympic Moves, a new innovative mass sports program for schoolchildren in Azerbaijan. Olympic Moves is an international school sports program created by Coca-Cola and the International Olympic Committee in 2001, in partnership with the Dutch Olympic Committee. This global program's extension to Azerbaijan has been realized as part of Coca-Cola's commitment to positively contribute to the wellbeing of communities wherever it does business.





Olympic Moves will directly engage over 50,000 teens from close to 500 schools of Baku in regular sports activities in athletics, cycling, basketball and badminton. The program will primarily focus on the four sports disciplines and will start at the school level, followed by intra-school championships and inter-school tournaments that will culminate in the Olympic Moves Finals in Baku. The Baku Finals, the largest school sports event in the country, will take place in one of Baku-2015 European Games venues. Olympic Moves will aim to inspire local communities in Azerbaijan to live a more active lifestyle, whereby both children and their parents will have a chance to be engaged in regular physical activity by doing sports together; many of them for the first time ever.



Olympic Moves has been developed based on the ongoing Active Family, Healthy Community (Feal Ailem, Sağlam Alem - FASA) program; and from 2016 it will be replacing FASA. FASA is carried out in the form of regular and entertaining sport activities among schoolchildren, together with their parents. In 2015, more than 10,000 parents and 40,000 schoolchildren participated in the national tournament that covered 20 regions. Winning families from the regions then participated in a series of contests in the finals held in Baku.

## CCI Jordan Supports Active, Healthy Lifestyle

CCI Jordan signed a five-year agreement with the Zaha Cultural Center, which is a part of the Greater Amman Municipality, to develop the center's facilities to promote active, healthy lifestyle. CCI Jordan will support the construction of a walking track in Amman that will serve more than 500 families weekly, a garden and a play area inside Zaha Cultural Center in Madaba, which will serve more than 200 families weekly.

#### The Coca-Cola Life Plus Foundation 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 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 creativity, become physically more active and develop communication abilities with their peers while playing games. The Let's Play project creates game clubs that develop new games, which are then used during in-school activities. As of December 2015, the project created 500 game clubs and reached 800,000 children.

#### For more information:

www.hayataarti.org/disari\_oynayalim.html

## We Employees

We aim to provide a happy, safe and motivating workplace where our employees can fulfill their true potential.

- Our Workplace
- Soals 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**

Our employees play a critical role in our company's success. While recruiting, developing and retaining the best talents, our priority is to provide a happy, safe and motivating workplace where our employees can fulfill their true potential. We work hard to establish an engaged, diverse and inclusive workforce, welcoming and encouraging everyone to share their views.

In CCI, we celebrate diversity. We come from 10 different countries. We are an equal opportunity employer. We hire and promote our employees on an equal basis, regardless of whether they are young or old, with or without disabilities, male or female.

We value our relationship with our employees and build our success with the contribution of every single employee. We are determined to create open and participatory workplaces that are based on universal human rights principles. We value each and every employee and encourage them to fulfill their best potential.

#### **Workplace Rights**

Respecting the human rights of our employees, and creating an environment for them to succeed is both a moral and a business imperative for us. Our policy on workplace rights is clearly outlined and published in our Workplace Rights Policy, which has the main focus of creating transparent and inclusive workplaces. This policy clearly states our commitment to the fundamental principles of international human and workplace rights everywhere we do business.

In line with the target priorities stated in our 2025 Vision, we fully integrate human and workplace rights into our practices, corporate values and 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.

We are guided by the CCI Workplace Rights Policy (WRP) in all our operations, and our suppliers are required to comply with the Supplier Guiding Principles (SGP) which also covers all the issues of the WRP (please see the Our Suppliers section for detailed information on the SGP).

Issues related to workplace and human rights, and health and safety risks such as overtime work, health and safety, workplace conditions and compliance, and use of child labor are part of our risk assessment processes and are assessed under the People pillar. Each country operation assesses these risks periodically, and CCI top management and the Risk Committee monitor their mitigation plans.

CCI's 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 was 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 the Code of Ethics are also included in the training provided to fresh employees during the onboarding and orientation period.

In CCI, we implement the three components of the UN Guiding Principles on Business and Human Rights that 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 that CCI causes or to which it contributes.

#### **Workplace Rights Policy**

Our WRP supports our values and establishes a set of fundamental standards on human rights and working conditions. It is based on international principles on 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.

When the WRP provides broader protection than the applicable laws, policies or common law in our countries of operation, it provides guidance to our approach and implementation. Local laws and 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 official languages in our countries of operation. It is also available online on our website on www.cci.com.tr/UserFiles/pdf/2015/CCIWRPPolicy.pdf.

The WRP covers the following elements:

- Freedom of Association and Collective Bargaining
- Prohibition of Forced Labor
- Commitment Not to Employ Child Labor
- Arbitrary Discrimination
- Working Hours and Wages
- A Safe and Healthy Workplace
- Workplace Security
- Community and Stakeholder Engagement

#### **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 auditing companies authorized by TCCC routinely audit CCI plants as well as our suppliers against the SGP.

When a CCI operation is recognized as non-compliant with WRP components, an action plan is developed and implemented. After completing the action plan, an independent auditing company conducts a follow-up audit to evaluate the corrective actions taken.

Independent WRP and SGP compliance audits took place in 2014 and in 2015 for our plants in North Iraq, Turkmenistan, Pakistan (six plants), Turkey (four plants), Kyrgyzstan, Kazakhstan, Azerbaijan and Turkmenistan. In 2015, we received a "pass" score for all CCI operations except South Iraq, which was not yet audited.

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 the 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 the HR or Legal department representatives. Further information about our ethics procedure is provided in the Governance section of the report.

# we – Employees

#### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Workplace Rights	To obtain "green" scores on WRP audits for all CCI operations in 10 countries.	All CCI countries of operation obtained "green" scores on WPR audits.	A	To obtain "green" scores on WRP audits for all CCI operations in 10 countries.
Diversity and Inclusion	To maintain the current female-male ratio (which is 14.6%).	Female-male ratio of our employees increased to 16%.	A	To sustain and increase female representation in managerial positions and in the Executive Committee (ExCom) across CCI
	To continue working on business processes that concern TCCC's gender equality goal.	Diversity survey was conducted to understand our employees' point of view.	A	To initiate a program on women empowerment in line with our commitment to UN WEPs.
				To establish a Diversity and Inclusion Steering Committee and to define a diversit and inclusion strategy and a framework for CCI.
Leadership Development	To offer top-level managers and supervisors two new programs: the Manager on Board program (MOB) and the Supervisor on Board (SOB) program.	Train the trainer sessions for MOB and SOB were delivered to all country HR representatives so that they can roll out the programs in their respective countries. Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkmenistan rolled out MOB and SOB, while Group Office, Kyrgyzstan and Turkey could not roll them out due to busy schedules.	P	To complete MOB and SOB rollouts to all target audience in Group Office, Kyrgyzstan and Turkey.
	To complete the iLead2020 program for mid-level managers in Pakistan.	Two of the modules of the iLead program are completed.	P	To complete the remaining two modules in Pakistan.

### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Work-life balance	To set annual leave usage targets as a part of our management objectives.	This target is embedded in people manager's targets.		To include the annual leave usage target in the performance targets of all leaders in all country operations. To review overtime monitoring processes within the policy standardization project.
Employee Engagement	To conduct the Employee Engagement Survey in all countries of operation in 2016.	Employee Engagement Survey will be conducted in April 2016.	A	To define and follow up engagement action plans based on the survey results. To set engagement targets as part of CCI's
				management objectives.
OHS policy, procedures and systems	To make sure that all countries of operation develop and publish their own disciplinary procedures.	All CCI countries have developed and issued their own disciplinary procedures.	A	To renew legal compliance assessments in all countries of operation.
Safe driving	To make sure that all CCI countries have defensive driving training.	All CCI countries organized defensive driving training sessions.	0	Continuous goal, therefore no new goal.
a	To install GPS devices in all suitable Turkey and Group Office vehicles.	GPS devices were installed to a large part of the suitable Turkey and Group Office vehicles.	P	To test an alternative vehicle tracking technology.
OHS performance	To further reduce the LTIR (lost time injury rate) to a maximum of 0.50 in the four countries of operation, and to a maximum of 0.45 for all countries of operation.	LTIR was 0.49 in the five countries of operation and 0.52 in all 10 countries of operation.	<b>A</b> *	To further reduce the LTIR to a maximum of 0.42 in all countries of operation.
OHS along the supply chain	To develop and share CCI contractor safety procedures in all CCI countries.	CCI Contractor Safety program was developed and procedures were shared in all CCI countries of operation.	۵	To start implementing the Contractor Safety program in all CCI countries of operation.
	To develop and share CCI distributor safety procedures in Turkey.	Distributor safety procedures were developed and shared with distributors in Turkey, Jordan, Kazakhstan, Azerbaijan, Pakistan and Kyrgyzstan.	A	To initiate a monthly reporting system on OHS for selected distributors.
	To train our distributors' employees in six countries on KORE requirements.	KORE requirements training was given to targeted distributor employees in six countries of operation.	A	To conduct warehouse spot checks at least in 10 distributor warehouses in each country of operation.

\* We achieved this target for the five countries of operation, however we did not achieve it in all countries of operation.

A Achieved Partial O Ongoing Not Achieved

#### **Employee Profile**

As of 2015 year-end, 9,543 people were employed by CCI in the 10 countries of operation, of which 7,632 were from the five countries of operation. For detailed data about our employee profile (gender and employment type), please see the Performance Indicators section of the report.

In the five countries of operation, it is not a common practice to employ part-time employees. In 2015, we employed 9 part-time employees in the Group Office in Turkey for operational tasks. 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 also employ seasonal workers in Turkey and Azerbaijan. In 2015, we hired 395 seasonal employees in Turkey and 95 in Azerbaijan.



Number of Employees per Employee Category	Country	2013	2014	2015
Senior Management	Turkey – Group Office	114**	9	10
	Turkey – Operations*	114	7	8
	Jordan	4	6	6
	Kazakhstan***	25	25	8
	Azerbaijan	6	6	6
	Pakistan	n/a	n/a	10
Other Employees	Turkey – Group Office	0.750	157	133
	Turkey – Operations*	2,759	2,335	2,211
	Jordan	405	391	398
	Kazakhstan	724	820	942
	Azerbaijan	367	384	346
	Pakistan	n/a	n/a	3,554

\* Turkey operations include plants and sales offices.

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

\*\*\* From 2015 onwards, we include only the leadership team in this category, not the extended leadership team as it was the case in previous years' reports.

#### **Diversity and Inclusion**

In CCI, we maintain 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 and talented workforce, which is reflective of the diverse marketplace we serve.
- Fostering an inclusive culture which helps us to embrace differences and positively impacts our capacity to meet our 2025 Vision goals.

In the geography where CCI operates, there are major challenges for female employment. The majority of our employees work in production and sales positions. Our recruitment efforts also focus on these positions, which are usually not among the first choice of female candidates. Therefore, we dedicate major efforts to encourage female recruitment in both CCI's operations and those of our partners. CCI's signing of the UN's Women Empowerment Principles (WEPs) is an indication of its commitment to make progress in this area. This commitment not only includes our own employees, but also women in the communities we serve.

As of 2015 year-end, 10.2% of CCI's employees in the five countries of operation were female, which shows an increase compared to 2014. In line with our commitment to WEPs, we aim to increase the ratio of our female employees in our Turkey operations to 20% by 2025, which is currently 14.1%, and to increase our overall female workforce ratio from 8% to 20%.

Employees by Gender	20	2013		14	2015	
(%)	Male	Female	Male	Female	Male	Female
Turkey – Group Office	83.7	16.3	59.0	41.0	55.9	44.1
Turkey – Operations*		10.5	85.0	15.0	85.9	14.1
Jordan	95.6	4.4	95.0	5.0	94.6	5.4
Kazakhstan	84.9	15.1	86.2	13.8	85.7	14.3
Azerbaijan	88.2	11.8	87.7	12.3	87.5	12.5
Pakistan	n/a	n/a	96.0	4.0	94.4	5.6
TOTAL	85.4	14.6	90.6	9.4	89.8	10.2

\* Turkey operations include plants and sales offices.

#### **Support Platforms for Women Employees**

We support our women employees through various platforms. 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.

Jordan and Azerbaijan Women's Club continued to be a platform for women employees to interact and organize various activities focusing on higher engagement, capability development, leadership skills and empowerment in the workplace and community. These clubs provide opportunities to all women employees to demonstrate and develop their capabilities and collaborate with each other to foster creativity and innovation in their work in a professional environment. Additionally, CCI Pakistan held the Savvy and Successful awards ceremony in 2015 recognizing the unique efforts of eight versatile women from various occupations in Pakistan, which also included two CCI employees.

The Technical Apprentice (KOTA) in CCI Pakistan is a key program for building a talent pool for our operations. With a combination of classroom, on-thejob and practical training, the KOTA program provides a curriculum which provides high-performing trainees a chance to obtain a City & Guild certification, thereby opening up this talent pool to other countries in the Coca-Cola system. Our training center in Lahore is a certified City & Guild test center now, an achievement unique to Coca-Cola in Pakistan.

In addition, as we support Women's Clubs and networking events for women entrepreneurs in the communities where we operate. Detailed information is provided in the Community section of the report.

#### Case: Women's Club in CCI Azerbaijan

#### **Objectives**:

- Improvement of female employees' capabilities
- Increasing female employment ratio
- Creating a synergy among female employees
- Initiating and conducting social responsibility projects
- Conducting social activities
- Having fun while working

#### Main Focus Areas For 2015

500 hours of training was provided to 150 participants for capability development covering topics including women leader talks, presentation skills, MS Excel, money management, vision board and stress management.

Social responsibility projects were realized in communities neighboring CCI on issues such as breast cancer awareness, school visits, violence against women, economic and social empowerment of youth, and disabled women.



#### **Recruitment and Placement**

In 2015, we launched the CCI Talent Acquisition Policy outlining the entire process and required tools, setting the foundation for a standardized recruitment and selection process across all countries of operation.

Some other key programs implemented under the title of Talent Acquisition in 2015 were:

- Developed CCI's EVP (Employer Value Proposition), creating an independent employer identity in key operating markets.
- Created social media presence: CCI's external career page integrated with Success Factors e-recruitment module went live in Jordan, Kyrgyzstan, Pakistan and Turkey, creating automation and efficiency in the hiring process with increased internal customer services and a platform to reach out to Y generation candidates.
- Introduced personality assessments for both white and blue collar positions, which helps increase hire quality and ensure better job fit.
- Launched programs such as new joiner's buddy, onboarding and orientation, facilitating quicker adaptation and enhancing time for the productivity and engagement of new employees.
- Updated the interviewing skills program, and annual hiring plans guidelines and tools.

• Established internal job posting principles and process to create visibility of available opportunities, enabling employees to drive their own careers.

#### **Talent Management**

Talent management is the mechanism through which CCI ensures that it has the right people, optimally deployed and properly engaged to deliver CCI's strategy and produce business results. It is also a key business accountability that is shared by all of our people managers, who co-create and encourage feedback and development. With this aim, we provide tools and resources for personal and career development so that our employees are better enabled to lead their own career.

In line with our 2025 Vision, we are constantly improving our approaches to talent management with the aim of training our HR teams and structuring our leadership teams, which we consider crucial in reaching our strategic objectives.

In 2015, we implemented new practices, enhanced procedures and continued to developed policies such as:

• Better emphasis of our focus with the name change of the ODF process, which is now called Talent Development Forum (TDF)



- Better identification of CCI future leaders with three main factors: agility, aspiration and engagement.
- Bringing better calibration and alignment in talent identification through Hogan Inventory, a new methodology that is commonly used by high performing companies, to be used for development purposes
- More focus on talents' development

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

We continued to conduct our TDFs and strengthen the process in order to fill our vacant positions with the right people. We filled critical positions from our internal talent pool by creating opportunities for 37 employees to gain experience abroad through our talent management process, which also includes the internal job post mechanism.

In 2015, we launched the My Career web platform under CokePort, which is a key platform for Career Management to leverage key opportunities in our diverse organization in a more structured and effective manner. The platform provides end-to-end information and a one-stop solution to career in CCI, talent management and TDF processes. We encourage all of our employees to take charge of their career and to get support from tools and resources offered in CCI.

#### **Performance Management**

CCI's performance management system ensures that we remain able to deliver successful results by improving performance and developing the capabilities of both teams and individuals.

The process includes the following steps: Employee starts to make a self-evaluation against both his/ her business and development objectives. Employee and his/her immediate manager conduct a year-end performance evaluation meeting. This year we have added a new step, which is called Waiting for Review, to ensure that the managers calibrate their teams' rating. Afterwards, the immediate manager shares the ratings with the employee. The ratings can be displayed for the employees' examination and the employee signs his/her own form in the system.

We continue to use SuccessFactors as our HR technology platform. In 2015, we relaunched SuccessFactors and renamed it as MyCareer. The platform includes performance management, e-recruitment, and 360-degree evaluation to support development objectives and succession plans. Our employees use MyCareer to follow their performance and development plans.

360-degree evaluation is a short and quick survey that is only used for development purposes regarding behavior. It is a system in which employees receive confidential, anonymous feedback from the people who work with them. Employees can reach the 360-degree evaluation form in MyCareer platform.

We published our performance management policy and established standards for promoting a two-way system of communication between the people manager and the employee for clarifying expectations about roles and accountabilities. It helps positioning a regular and transparent feedback mechanism for further development.

We aim to work on increasing our people management capabilities, through setting smart business objectives, providing feedback and coaching, facilitating performance review discussions and evaluating team success in an objective manner. In CCI, performance assessment processes are implemented for all employees regardless of gender.

#### Learning and Development

Capability development, both at the individual and the organizational level, is a top priority for CCI. Therefore, we create an environment where learning and development is highly valued.



In 2015, CCI employees participated in many people management and leadership capability development programs. These include:

- *iLead2020* Our award winning flagship program on leadership, continued in Pakistan and Turkey. To date, more than 330 senior and mid-level leaders have participated in the program from all CCI countries.
- *Manager On Board (MOB)* Our in-house developed program for our new managers focusing on creating a strong foundation in people management skills, was launched in 2015. More than 130 new managers from Azerbaijan, Jordan, Pakistan and Turkmenistan attended MOB in 2015. The program will be launched in the remaining CCI countries in 2016.
- Supervisor on Board (SOB) Our tailor-made program for first line supervisors aimed at building knowledge on fundamentals of managing teams. More than 310 first line managers (supervisors) from Azerbaijan, Pakistan and Turkmenistan attended SOB in 2015. The program will be launched in the remaining CCI countries in 2016.

Our iLead2020 program received a CUBIC award from the International Quality and Productivity Center (IQPC) in the Learning Leader of the Year category and Excellence in Practice award from the Association for Talent Development (ATD).



Furthermore, in 2015, functional capability development programs continued to leverage employees' technical knowledge and support them in their functional roles using digital platforms, on-the-job learning and in-class training.

More than 150 HR professionals from all CCI countries participated in the second module of HR Capability Development program. 23 finance professionals graduated from Finance Leader Certification program and 92 finance professionals enrolled in it.

Commercial teams have various development programs which prioritize the field sales force, ranging from e-learning simulations to one-month on-the-job training programs such as the Sales Force Capability Development and Field Sales Coaching.

#### Training

In 2015, more emphasis and focus was put on measuring how training programs have been impacting employees' capabilities and to measure ROI, in order to prepare blended learning solutions on virtual platforms for greater accessibility and reach.

The amount of training hours has increased from 69,949 man-hours in 2014 to 75,980 in 2015 in the four countries of operation, and to 330,885 man-hours including Pakistan. The reason for the very high amount of training hours in Pakistan is that in 2015, many new policies were launched which resulted in the necessity of holding additional training sessions to educate employees. In Turkey, the total training hours dropped in 2015, since a large portion of our employees in Turkey had already received comprehensive training in 2014. Detailed data on average hours of training per employee in the five countries of operation is provided in the Performance Indicators section of the report.

Total Training Hours (man-hours)	2013	2014	2015
Turkey – Group Office	56,429	6,255	1,384
Turkey – Operations*	50,429	19,540	9,596
Jordan	10,788	13,916	26,160
Kazakhstan	10,091	24,757	25,642
Azerbaijan	4,145	5,481	13,198
Pakistan	n/a	n/a	254,885
TOTAL	81,453	69,949	330,865

\* Turkey operations include plants and sales offices.

#### **Compensation and Benefits**

In CCI, we focus not only on providing marketcompetitive compensation and benefits in order to attract and retain best people, but also on recognizing and incentivizing performances to foster an engaging organizational culture. We regularly benchmark our reward programs against leading companies in countries where we operate, modifying accordingly to ensure that we remain competitive to meet the needs of our employees as well as those of the business.

In line with our total reward objectives:

 We focus on market competitiveness in order to attract and retain the best talent. We remain market sensitive in all the regions where we operate, employing both global and local consultancies in order to secure accurate market data to base our policies on.

- We focus on total rewards in order to provide a holistic view of CCI's offerings and to foster employee engagement. This includes focusing our policies beyond base salary and even beyond remuneration.
- We focus on pay for performance in order to concentrate employees' efforts on CCI's objectives.

From base salary increases to variable pay programs, reward programs are designed with performancerelated conditions. We focus on cost management in order to ensure financial feasibility and sustainability of our business.

Benefits Provided to Full-time Employees in 2015	Turkey	Jordan	Kazakhstan	Azerbaijan	Pakistan
Private health insurance	Yes	Yes	Yes	Yes	Yes
Private life insurance	Yes	Yes	No	No	Yes
Individual pension funds	Yes	No	No	No	No
Company products	Yes	Yes	Yes	Yes	Yes
Seniority service awards	Yes	No	Yes	Yes	Yes

#### **Employee Engagement**

Our vision for 2025 is to be the best FMCG company across all our markets. The most valuable asset we have in this challenging journey is our people. Our aim is to be a "great place to work" for all of our employees. With this aim, we have been conducting engagement surveys since 2008 to get our employees' feedback on our strengths and improvement areas.

Our last survey, conducted in 2014, had a very similar score to the global average engagement score of high performing companies. Employee responses in 2015 identified our strengths as involvement and innovation, culture and values, and safety and work environment; meanwhile our improvement areas as efficiency, reward and recognition, and career development. We have been focusing on these areas and have already taken necessary action. Feedback is our strongest input in improving our people processes and work environment and to build a One Team culture. We plan to conduct our next survey in the first half of 2016.

#### Union Rights and Employee Representation In CCI, we respect the rights of our employees to join (or

not to 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 74%. 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 2015.

In addition to CCI Turkey, CCI Pakistan also employs unionized employees.

Employee representation in CCI Turkey is ensured with 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 Employees Covered by Collective Bargaining Agreements		Number of Unionized Employees	Percentage** (%)
Turkey – Operations*	2013	38	4.1
	2014	41	4.3
	2015	52	6.2
Pakistan	2013	2,156	100.0
	2014	1,881	100.0
	2015	1,470	100.0

\* Turkey operations include plants and sales offices.

\*\* The percentage is calculated for the blue-collar employees, not including white-collar employees.

#### **Internal Communication Channels**

In CCI, we use various channels for internal communication to keep our employees informed and engaged. Our corporate communications portal, CokePort, serves users simultaneously in Azerbaijan, Kazakhstan, Jordan, Pakistan and Turkey as a safe and user-friendly working platform. CokePort also helps our operational information to flow smoothly.

In-house publications such as the monthly CCI News Line and CCI Newsletter, as well as the 2020 Magazine, issued bi-monthly for our Turkey operations, are important media for keeping our employees informed about recent developments and plans for the future.

We have a simple yet comprehensive framework, CCIdea, for creating and harvesting new ideas in our daily operations in CCI. Our employees share their ideas through this platform, which is an important part of CCI's working culture.

With the aim of integrating social responsibility into our 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 our countries of operation. These clubs also create a platform for our employees to improve internal communication.

## Occupational Health and Safety (OHS)

A safe and healthy workplace is both a fundamental right for every person and a business imperative. In line with our Workplace Rights Policy (WRP), 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 our ultimate goal **"zero OHS incidents"** in all of our operations.

While the scope of this report is limited to five countries of operation, our OHS approach, policy and management, as with any other CCI 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 adopting industry best practices to establish higher standards than the minimum legal requirements; and
- Protect all other resources and assets of the company from any losses that may be caused by work-related risks and hazards.

#### **OHS Golden Rules**

We believe 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 something that is fundamental to our success. This belief is part of our corporate culture and this policy applies to all CCI operations.

Based on industry research and experience, CCI developed and put into practice the 12 Golden Safety Rules to focus all its employees' attention on common causes of major accidents and serious injuries. 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 five countries of operation covered in this report have OHSAS 18001 Management System certification. The exception is our newly established plant in Astana, Kazakhstan, where we plan to obtain this certification in 2016. OHS issues are also handled within the context of collective bargaining agreements signed with labor unions. KPIs related to health and safety are tracked, measured and reported by all CCI country operations on a monthly basis. Based on the KPIs, the OHS performance of our plants and of CCI as a whole is evaluated periodically. Moreover, all CCI countries of operation report "near miss" cases in order to reduce the number of accidents and spread the health and safety culture among their employees.

Leadership is crucial in achieving OHS targets and OHS is a priority area for our 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, plants and on the road. In CCI, every employee has the right and obligation to stop any operation that is deemed a potential risk.

In 2015, we organized our second Health and Safety Summit, a four-day workshop with 13 participants including OHS managers of all CCI countries. We plan to organize this summit regularly. During the summit we introduced the participants, both theoretically and practically, CCI's new health and safety program called Hand in Hand Safety in our Ankara Plant in Turkey.

In 2015, 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 2015 to reach our targets.

#### **OHS Audits**

CCI's Internal Audit department carries out workplace health audits in our operations. In 2015, the internal audit team visited and audited CCI's operations in Azerbaijan, Jordan, Kazakhstan and Kyrgyzstan. Additionally, Workplace Health and Safety Audits were realized in CCI Turkey by Anadolu Group's Human Resources Department with the support of an independent audit firm.

#### Hand in Hand Safety Program

According to the Employees criterion of the EFQM Excellence Model, excellent organizations provide a safe and healthy working environment for their employees. As a company that follows this model, in the beginning of 2016 we launched an all-encompassing program called Hand in Hand Safety to reach our ultimate goal of "zero accident".

The motto of Hand in Hand Safety is "achieving zero accident is not a result of chance, but of choice". In order to achieve our goal of "zero accident" and sustain it over the years, we need to make sure that the OHS culture is internalized by everybody. We believe we can create a safe working environment only with the support of top management and the active involvement of individuals and teams. In other words, we can only reach our target with the involvement of the management, individuals and teams "hand in hand".

Hand in Hand Safety Management System consists of seven steps. Our primary objective is to comply with legal safety regulations and international safety standards. Moreover, we aim to promote visual leadership and leading by example by highlighting both unsafe conditions and unsafe acts, transform safety awareness and risk perception from individual to collective, and help all employees adopt a safe and healthier way of living.

## Steps of Hand in Hand Safety Management System:

- 1 Conducting corrective and preventive actions during and after accident investigations
- 2 Ensuring compliance with legal regulations and standards
- 3 International Standards Ensuring compliance with corporate standards
- 4 Top management being a role model and supervision by top management on practices (Country H&S Steering Committee)
- 5 Ensuring active participation of all employees by identified applications and methods (Location H&S Steering Committee)
- 6 CCI being a single team and achievement of a sustainable "zero accident" performance in which the occupational safety culture is internalized
- 7 Supporting wellbeing and active life style for the sake of preventing non-occupational accidents and healthier employees



#### **OHS Training**

OHS training plays an important role in creating a long-lasting company culture to create a zero-accident working environment. Employees, regardless of gender, are provided with targeted OHS training based on their functions. We also provide periodic refresher training for all our employees and contractors that work on our behalf.

In 2015, we continued to teach our new employees our OHS Golden Rules in every CCI location. The OHS Golden Rules guide our efforts to put our policy into practice in our offices, plants and on the road. We communicate the OHS Golden Rules extensively across our operations.

In 2015, we provided 40,900 man-hours of OHS training to our employees in the five countries of operation. The main topics of the training sessions included site orientation, first aid, confined space, working at height, emergency response, OHS Golden Rules, defensive driving and forklift safety.

#### **Focus on Road Safety**

As a company with extensive distribution operations, route-to-market (RTM) safety remains our single biggest safety challenge. A very significant portion of the safety risks to our employees arise outside the plants, e.g., on the roads while distributing our products. Driving safely to eliminate traffic accidents is therefore a priority area.

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 continued to provide defensive driving training in 2015 in order to increase road safety awareness and decrease the number of vehicle crash accidents. In 2015, a total of 193 accidents involving CCI-owned vehicles took place in Turkey, Kazakhstan, Jordan, Pakistan and Azerbaijan; a significant reduction from 308 in 2014 for these five countries of operation. We achieved this improvement mostly through effective defensive driving training provided to vehicle drivers.

#### **Distributor Safety**

In 2015, we launched the Distributor Safety program and started its implementation in Azerbaijan, Jordan, Kazakhstan, Turkey and Pakistan. Through the program, we reached 345 distributors and their 5,869 employees. In 2016, we will continue with the implementation of the program by including more distributors.

We implement the Distributor Safety program in four steps. We start by identifying the distributors that are of relevance. Then we ask them to nominate and assign a capable employee from their company to take part in the program as their OHS representative. We then prepare and share with the distributors a detailed risk assessment that covers all distributor activities. The next step is the training of the OHS representatives on the KORE requirements and OHS Golden Rules by CCI country H&S supervisors. The distributor OHS representatives then train their own colleagues (on average 12 hours per employee). After the training and documentation phase is completed, we move on to the compliance and monitoring phase.

OHS Training	Total Hours of OHS Training (man-hours)			Hours of OHS Training Per Employee			
	2013	2014	2014	2013	2014	2014	
Turkey	9,268	17,751	12,062	2.8	7.1	5.1	
Jordan	1,043	1,562	679	1.3	3.9	1.7	
Kazakhstan	4,370	2,118	2,235	0.7	2.5	2.4	
Azerbaijan	916	1,218	3,198	0.7	3.1	9.1	
Pakistan	n/a	15,826	22,760	n/a	3.8	6.4	
Overall	15,597	38,475	40,934	3.6	4.6	5.4	

#### **Distributor Safety Program Coverage in 2015**

Countries	Number of Distributors	Number of Employees Trained on H&S	Total Hours of Training
Turkey	99	2,975	35,700
Jordan	7	60	720
Kazakhstan	12	357	4,284
Azerbaijan	3	97	1,164
Pakistan	224	2,380	10,710
TOTAL	345	5,869	52,578

#### **Contractor Safety Management Program**

Ensuring that our contractors comply with our safety standards is an important goal for us. Our detailed analysis shows that 40% (30/74) of our lost time incidents and medical treatment cases result from contractor activities. Besides, in most cases, contractors conduct work that is classified as "dangerous/hazardous" in terms of safety (i.e. confined space entries etc.), which makes the management of this process critical for us.

In 2016, we will start the implementation of our Contractor Safety Management Program. This program will ensure a systematic approach for us in all countries of operation. It will help to enhance contractor safety performance and ensure that we have capable contractors on site from the beginning.

As part of the program, we identified the principles and phases of contractor safety management under six key elements: Contractor Pre-Qualification, Contractor Definition and Award, Pre-Commencement, Contractor Implementation, Handover and Acceptance, Close out and Reviews. We identified the steps that should be covered under each phase and the responsible parties. Moreover, we also created a unique Contractor Pre-Qualification process as part of the program. Our objective with the Contractor Pre-Qualification Process is to verify that the contractor has the technical competency and the capability to perform the proposed type of work safely before the work starts onsite. It is mandatory that all potential contractors undergo the pre-qualification process.

#### **OHS Performance**

In CCI, we follow a systematic approach for OHS and undertake a wide range of initiatives to improve our OHS performance. We monitor and report the OHS performance data of both our employees and contractors. The data on the OHS performance indicators of our five countries of operation is provided in the Performance Indicators section of this report.

In 2015, there was no report of any fatal accident in any CCI operation. The LTIR was realized as 0.49 in the five countries of operation, showing a slight increase compared to the 2014 value of 0.47. In all 10 countries of operation LTIR value decreased from 0.59 in 2014 to 0.52 in 2015, indicating an improvement in our performance.

Lost Time Incident Rate (LTIR)	2012	2013	2014	2015
Turkey	0.90	0.55	0.67	0.68
Jordan	2.62	1.56	1.54	1.42
Kazakhstan	0	0	0	0
Azerbaijan	0.39	0.17	0	0
Pakistan	n/a	n/a	0.27	0.37
OVERALL*	n/a	0.55	0.47	0.49

\* The figure for 2013 for "Overall" does not include Pakistan, while for 2014 and 2015 Pakistan is covered.



## We Community

We strive to build stronger communities where we operate.

- Soals and Commitments
- Sommunity Development
- Volunteerism
- Economic Impact

### **Building Stronger Communities**

As CCI, we strive to build stronger communities where we operate. In collaboration with local and international partners, we develop, implement and support projects to respond to local social needs. We focus our efforts on women's empowerment, youth development, and environmental protection, which are critical issues in our countries of operation. We encourage and support our employees in initiating and actively taking part in community development projects in areas such as education, environmental protection and humanitarian aid. In addition to financial and in-kind support to community development projects, we make substantial contribution to the economies of the countries where we operate; both directly through hiring, and indirectly through local procurement.

As CCI Turkey, in 2015, we donated TL 500,000 to public schools that are part of our **321 NOVE** 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 lifestyle and protect the environment.

#### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Community Development/ Women's Empowerment	To initiate a project on women's empowerment together with TCCC, in partnership with Boğaziçi University, the Union of Chambers and Commodity Exchanges in Turkey, targeting to reach 1,000 women.	The program entitled My Sister was conducted in Kayseri and Malatya in 2015. The first phase of the program was completed by the end of May 2016 and 900 women participated in the training sessions in seven provinces.	0	To implement the second phase of the program by expanding it to five cities and to reach in total 1,000 women in total.
	To train 380 women under the UNDP Women's Empowerment program in Azerbaijan.	310 women benefited from the program.	2	To expand the program to 10 communities, improve education and job opportunities for 300 women and to reach 100 young people (including 15 young facilitators).
	To initiate an entrepreneurship program for women in Kazakhstan and to allocate grants to at least 10 applicants.	More than 2,000 women received training. Grants were allocated to nine women who applied for the women entrepreneurship program.	۵	To train at least 2,000 women and to allocate grants to 10 applicants.
			New	In Pakistan, to help set up 10 Tabeer stores within the scope of the project Zarya that provides micro finance opportunity to disadvantaged women to set up small grocery stores as a mode of income.
Community Development/ Environment	To provide safe drinking water to at least 20,000 people from rural areas in Kazakhstan.	We improved access to clean and safe drinking water for 4,000 children and more than 25,000 rural inhabitants by installing water filters in Kazakhstan.	۵	No new target.
	To reach more than 10,000 youth in Kazakhstan to raise awareness about separate waste collection.	We reached more than 10,000 people in Kazakhstan through the Eco-cross project.	<b>A</b>	No new target.
			New	To conduct a project to demonstrate efficient irrigation technologies in the Kyzylorda regior of Kazakhstan and to reach 70,000 farmers.

#### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Community Development/ Environment	To plant 20,000 trees through the program Plant a Tree, Give a Gift to Life in Azerbaijan.	We planted 22,000 trees through the program in Azerbaijan.	A	To plant 15,000 trees through the program in Azerbaijan.
	To provide clean drinking water to 500,000 people by installing 15 filtration plants in Pakistan through the Paani – Safe Water project until the end of 2016.	In 2015, we installed eight filtration plants in Pakistan and provided clean drinking water to 160,000 people through the project.	0	To provide clean drinking water to 500,000 people in total in Pakistan through the projec until the end of 2016.
Volunteerism	To continue conducting social development activities and projects in the local communities where we have plants.	CCI employees continued to develop and execute social responsibility projects in their local communities. At least one project or activity was conducted in every plant.	A	To launch an idea competition and to fund the projects initiated and developed by CCI employees.
	To engage 500 participants in volunteer projects in Azerbaijan.	We engaged around 600 participants in our volunteer projects, 150 of them being CCI Azerbaijan employees and their family members.	A	No new target.

#### **Community Development**

We care about the needs of the local communities where we operate. We identify community challenges and needs, and develop and implement projects to address them in partnership and collaboration with both local and international partners. We encourage our employees and stakeholders to take an active role in these projects through volunteering.

In Turkey, on behalf of CCI, the Anadolu Foundation conducts projects on community development focusing on women empowerment and youth employment; while The Coca-Cola Life Plus Foundation conducts projects on environmental protection and active healthy living.

#### Women's Economic Empowerment

Unleashing the entrepreneurial potential of women is one of the most powerful and enduring ways to help families and communities prosper. There is vast evidence showing that empowerment and achieving equality for women has both immediate direct benefits for women and larger effects that benefit the society in a broader sense. Studies show that women do 66% of the world's labor, yet earn only 10% of the world's income. Women invest a sizable portion of the income they earn on the health and education of their children and in their local economies, creating a tremendous economic impact\*. In recognition of both the challenges faced by women and their economic potential, in 2010 TCCC launched 5by20, its global commitment to enable the economic empowerment of five million women entrepreneurs across TCCC's value chain by 2020.

Through 5by20, TCCC addresses the most common barriers that women face when trying to succeed in the marketplace. As a bottling partner of TCCC and observing similar needs, barriers and gaps in our countries of operation, we contribute to this global commitment. Our efforts focus on offering women access to business skills training courses, financial services and connections with peers or mentors. CCI also became a signatory to the Women's Empowerment Principles (WEP) in March 2015.

<sup>\*</sup> Sources: Gender Equity: The Big Picture, UNICEF, 2007 and Women Empowered: Inspiring Change in the Emerging World, Phil Borges, 2007.

#### Azerbaijan

**Women's Club:** Inspired by CCI's goal of encouraging women's leadership and empowering women in the workplace and community, CCI Azerbaijan established its Women's Club comprised of the company's female employees. In 2015, various internal training sessions on personal and professional development were conducted for female employees.

#### UNDP Women's Empowerment Program: CCI

Azerbaijan signed an agreement with the United Nations Development Program (UNDP) Azerbaijan in 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 local economic and social life.

The program's activities included training women on subjects such as business development and effective communication and presentation skills; as well as establishment of a Women's Resource Centre and various awareness raising activities including a workshop and a campaign to eliminate gender stereotyping. Local executive authorities were also trained on developing policies on economic empowerment and community-based activism of young women. The program also provided in-kind contribution to disabled women willing to start their own businesses. As of 2015 year-end, about 310 women benefited from the program, which will continue in 2016.

#### Kazakhstan

Launched in 2013, The Coca-Cola Belestery program aims to develop entrepreneurship among women in Kazakhstan. Our partners in the program are the Coalition for Green Economy and Development of G-global, and the Social Dynamics Public Fund. The program provides business skills training and technical support to women in Almaty and Astana on how to start and effectively run a business.



Throughout 2014 and 2015, the program focused on the development of female entrepreneurship in rural areas using green technologies. In 2015, more than 2,000 women received training on business-related topics such as how to open and run small businesses. Nine grants were awarded to women who opened their own small businesses. As of 2015 year-end, the program provided more than 60 business skills training sessions and green technologies opportunities to around 5,400 women in the villages of Almaty and Akmola regions. Additionally, 21 grants were awarded to the best business plans and business ideas proposed by the participants since 2013.

#### **Pakistan**

CCI Pakistan initiated the project Zarya with the objective of empowering women in the workplace and society. As the first leg of Zarya, the Zeenat Gari project was launched to provide microfinance opportunities to disadvantaged women in Pakistan.

The project offers women from disadvantaged sections of the society an opportunity to purchase rickshaws and use them as a means for earning a livelihood. This unique project helps women to make a living by driving rickshaws and gives them an opportunity to become financially independent. The project is realized in collaboration with the local NGO Seed Out. In the first phase of the project, CCI Pakistan has impacted the lives of five women in Lahore. All five women belong the lowincome families and have a pressing need to support their households financially.

In 2016, CCI Pakistan will further expand the project Zarya and launch the second leg of the project called Tabeer Stores. Tabeer Stores too will provide microfinance to disadvantaged women in order to set up and run small grocery stores as a mode of income. 10 Tabeer stores will be established in 2016.

#### Turkey

My Sister program aims to help women improve their individual and social lives by creating platforms where they can improve their business skills and gain competences, and by offering training and consultancy support to women in order to boost their participation in economic life.

The program is conducted by TCCC and Boğaziçi University, with the support of the Union of Chambers and Commodity Exchanges of Turkey, governorships, and municipalities in the project cities. The goal is to reach 1,000 women in the target cites of Kayseri, Malatya, Gaziantep, Trabzon, Adana, İzmir and Sakarya. The first phase of the program was completed by the end of May 2016, where 900 women participated in the training sessions in seven provinces. While still trailing male literacy rates, female literacy rates in Turkey have grown substantially to above 90% in 2012. Illiteracy is particularly prevalent among rural women, who are often not sent to school as girls. Half of the girls aged between 15 and 19 are neither in the education system nor in the workforce. Furthermore women's employment has decreased since 2000 in Turkey, and the participation of women in the workforce lags behind western countries. One of the main reasons for this is the increased migration of rural women, who would otherwise have been employed in the agriculture sector.

The project offers personal development and business skills training to women aged between 18 and 55. Both young women who are secondary school dropouts and older women who migrated from rural areas to cities lack business skills and knowledge that is necessary to succeed in business. The project will create opportunities that would help women strengthen their position in social life and equip them to assume effective roles in economic life.

#### 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 building stronger societies. Together with local partners, we encourage and support entrepreneurship among youth through education and skill-building.

#### Azerbaijan

In 2013, TCCC launched its Youth Inc. program with the objective to help develop a new generation of young entrepreneurs who would establish and run successful businesses and become future leaders of the private sector in Azerbaijan. The program is supported by CCI Azerbaijan and organized in partnership with Azerbaijan's Ministry of Youth and Sports, and the Debates in Civil Society Public Union.

Consisting of five stages, the program is designed to spread over five years. During the first three stages, more than 5,500 young people participated in training courses on various elements of business management, such as how to start a business, how to develop a business case and how to develop marketing strategies. Once they complete the training courses, young entrepreneurs get exposed to real business management practices in selected companies, they get to meet and talk to successful entrepreneurs, and then become ready to access the initial funds to start their businesses. In 2015, 15 youth companies received support, 8 start-ups were launched and about 140 young people got full-time employment in supported start-ups. Since the launch of the program, 15 new start-ups and 340 new jobs have been created.

#### Jordan

As the global sponsor of Startup Weekend, CCI Jordan supported Startup Weekend Amman, which is a 54-hour event where developers, designers, marketers, product managers and start-up enthusiasts come together to share ideas, form teams, build products and launch start-ups. 22 competing teams and 130 people attended the event.

CCI Jordan also signed a five-year partnership agreement with the University of Jordan, which envisions the construction of a fully equipped study hall in the university's library that would benefit 46,000 students. In addition, part of the profits earned from the water sold inside the campus will be allocated to provide financial assistance to students in need.

In November 2015, CCI Jordan supported an advanced training program by Generations For Peace (GFP), a leading global non-profit organization founded by HRH Prince Faysal Al Hussein. The GFP is dedicated to sustainable peace building and conflict transformation through sport, arts, advocacy, dialogue and empowerment. The event was organized in the King Hussein Youth City with more than 120 trainees from 10 countries.

#### Kazakhstan

Change the World Around You! is a competition program organized by the University of Central Asia's School of Professional and Continuing Education in collaboration with TCCC, with the key objective of empowering young people to contribute to Kazakhstan's socio-economic development and reduce youth unemployment. It is open to all students in Kazakhstan, mainly of ages between 19 and 28, who aspire to become social entrepreneurs. The program's shortlisted applicants are invited to participate in training sessions on how to formulate a business idea, write a business plan and present it. The participants are able to develop solutions to a number of social issues in the country through entrepreneurship.

In 2015, four winners were selected based on the sustainability, feasibility, originality and social importance of their project ideas; and received their awards at the ceremony held at the International Academy of Business in Almaty. The winning projects were:

- A dance and art studio for children, including orphans in Almaty;
- An innovative mobile application to measure blood sugar levels of individuals with diabetes;
- A website to support yard playgrounds in Almaty and to promote physical activities for children and young people; and
- Constructing greenhouses in Taldykorgan to provide employment opportunities for orphans and retired people.

#### 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. It has been conducting projects in partnership with about 135 institutions including NGOs, universities and public agencies in order to have an impact at the national level. The foundation focuses on public benefit and enables stakeholder participation to ensure environmental and social sustainability in all of its projects.

It has conducted more than 60 projects in more than 50 cities in Turkey, reaching more than 1,000,000 people and investing close to TL 30 million in social and environmental development since 2009.

The Coca-Cola Life Plus Foundation contributes to the sustainability of communities and the environment via three main initiatives: Life Plus Environment Program, Let's Play and My Sister. The recently launched My Sister program focuses on the social and economic empowerment of women. (Please see the World and Me sections of the report, and visit

 www.hayataarti.org for detailed information on these initiatives.)



#### The Anadolu Foundation

The Anadolu Foundation was established by the founders of Anadolu Group in 1979 with the aim of creating permanent achievements that would serve for generations in areas where there is a need in the society. The foundation's mission is to make a difference by improving people's quality of life through supporting development in education, health and social issues. The funds of the foundation are raised entirely from donations of Anadolu Group companies, which donate 1-5% of their annual earnings to the foundation.

In tandem with this mission and vision, the foundation has established more than 50 permanent buildings in Turkey, including schools, dormitories, sports facilities, university buildings, hospitals and community healthcare centers and provided scholarships to more than 20,000 students.

In the field of health, the foundation established the Anadolu Health Center in partnership with Johns Hopkins Medicine where the foundation has so far offered the patients in need approximately 100,000 physical examinations, 8,000 operations and 22,000 days of in-patient treatment free of charge. Through the project Healthy Children, Happy Future, the foundation provided free physical examinations to 2,328 children.

The foundation has also been focusing on approaches and initiatives on strategic community development. A mentoring program was launched to create a sharing and learning platform between scholars and older generations. Through the foundation's 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. The My Dear Teacher project, conducted by the foundation on a national scale, offers the possibility for youth and teachers to develop sustainable solutions for their communities.

For more information and to see the 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 work with local communities and other local stakeholders on activities related to safe and sufficient water supply, local cleanup and reforestation.

#### Azerbaijan

Plant a Tree, Give a Gift to Life: In order to achieve its water replenishment targets and contribute to the environmental well-being of Azerbaijan, TCCC and ADA University launched a multi-annual project in Azerbaijan entitled Plant a Tree, Give a Gift to Life. The joint campaign aims to plant 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. In 2015, about 22,000 trees were planted in Baku and other regions of the country, in addition to the 8,000 trees that were planted in 2014. Several national sports federations such as the Cycling Federation were invited to support the tree-planting campaign. The project is expected to be completed in 2020.

#### Jordan

**Green Amman 2020:** CCI Jordan participated in one of the sub projects of Green Amman 2020 in collaboration with the Greater Amman Municipality and Abella Foundation for organizing youth activities. The first phase of the project included planting of 200 trees in order to achieve the main objective of turning Amman into a green city. 150 volunteers participated in the first phase of the project.

International Day of Recycling: In November 2015, CCI Jordan organized an event for the International Day of Recycling in Aqaba City. The event aimed to raise awareness about recycling and its benefits to maintain a healthy environment and was attended by more than 250 students.

Dead Sea Environmental Cleanup and Awareness

**Campaign:** CCI Jordan signed a three-year partnership agreement with the Jordanian Dead Sea Friends Association. During the first phase, CCI Jordan placed 30 trashcans with an awareness message around a public beach in the Dead Sea area that hosts approximately 2,000 locals and tourists weekly. During the second phase, volunteers will be involved in awareness and cleaning campaigns in the campaign area.

#### Kazakhstan

Water Stewardship Program: Collaboration between the UNDP and TCCC in a new global initiative and the Water Stewardship Program in Kazakhstan has resulted in the improvement of both potable and irrigation water supply and sanitation systems in nine rural areas in five regions of Kazakhstan. Since its launch in 2014, about 2,700 communities in four villages of the Aralsk region of Kazakhstan were provided with safe drinking water through improvement of the water supply system and installation of water filters. Furthermore, joint projects touched the lives of 118,000 inhabitants in nine rural areas through the introduction of efficient water use. Hundreds of farmers were informed about different water-saving technologies in agriculture, which in turn has resulted in a water savings of about 1.7 million m<sup>3</sup>. The program will continue in 2016.



**Eco-cross:** CCI Kazakhstan launched the Ecocross project in 2015, which aims to contribute to environmental protection in the country by encouraging the separation of waste into different elements during collection. The project involves six universities, where more than 10,000 volunteers are engaged to form eco-teams. The main objective of the eco-teams is to motivate university students to collect plastic and paper waste separately. The project will continue in 2016 where teams will continue to compete with each other on the amount of plastic waste they collect, while also working on engaging more students and citizens.



#### Pakistan

CCI Pakistan launched the Paani - Safe Water project to address the critical issue of access to safe drinking water in disadvantaged communities. The project so far has provided safe drinking water to over 160,000 people across Pakistan and aims to reach to over 500,000 people across Pakistan by the end of 2016.



During the initial phase of the project, two filtration plants were installed with the contribution of CCI Pakistan, in partnership with Rotary International and the Clean Water Trust. In 2015, CCI Pakistan signed a partnership agreement with WWF-Pakistan for the project, and together they installed eight filtration plants with intensive community outreach and mobilization. Each filtration plant can purify 2,000 liters of water per hour and provides safe drinking water to approximately 20,000 people every day. In 2016, seven more filtration plants will be installed across Pakistan.

#### Turkey

In Turkey, CCI supports The Coca-Cola Life Plus Foundation in developing and implementing programs to protect the environment. In 2015, the foundation continued to run the Life Plus Environment Program, which aims to foster a new approach to land and water management considering the effects of 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 in Harran. Through the program, 3.6 million liters of water in 20 million m<sup>2</sup> of agricultural land was saved, and 200,000 saplings were planted as part of a windbreak system in Konya basin. The program has reached 1,500 people, including farmers, NGO representatives, academicians and the local community. (For detailed information on these two projects, please see the World section of the report.)

#### Volunteerism

We launched the CCI Volunteers initiative in 2013 and since then it has spread to various countries of operation where Employee and Families Volunteering Clubs have been established. Through the CCI Volunteers Initiative, we support community initiatives and support our employees to gain relevant skills and experience.

#### Azerbaijan

**Coastal Cleanup:** CCI Azerbaijan organized the Sixth Annual Coastal Cleanup Day to clear the coastal line of the Caspian Sea with the participation of its employees and representatives of governmental and nongovernmental organizations.

**Volunteering by Women's Club:** In 2015, among other activities, the Women's Club held an event on the International Day for Protection of Children with the participation of around 100 employee children. The club members also participated in a charity event organized by the children's shelter Ümid Yeri.



#### Jordan

**Dead Sea Cleaning Campaign:** Volunteers from CCI Jordan participated in the Dead Sea Cleaning Campaign in 2015. The event's objective was to clean a main street between the two very important touristic areas in the Dead Sea region. The event was organized in collaboration with the Dead Sea Friends Association. More than 80 students from the Middle East University and seven volunteers from CCI Jordan participated in the event.

**Together Against Hunger Campaign:** In collaboration with the Jordanian Food Bank, CCI Jordan successfully completed another food aid campaign during 2015 to support disadvantaged families in Jordan. 4,000 meals and 800 food packages were delivered to 800 families, mostly refugees, based in Amman, Aqaba, Jarash and Mafraq, with the active participation of 40 volunteers from CCI Jordan. The campaign was also promoted by the local print media and TV channels to encourage more Jordanians to volunteer and participate in the campaign.

**School Adoption Project:** As a part of the INJAZ School Adoption Project, CCI Jordan adopted Om Ayman School in Madaba, a secondary school with 1,400 students. The school was supported by training sessions on several topics and skills such as how to plan a career and how to start a small business. More than 30 volunteers from CCI Jordan participated in the weekly training sessions. The second part of the adoption program focused on enhancing the learning environment of the students by improving school infrastructure and providing new learning materials.

#### Kazakhstan

Volunteers of CCI Kazakhstan touched the lives of more than 500 children, including orphans, children with disabilities and children from disadvantaged families. Volunteers visited the children, gave them special gift sets and bought them school uniforms.



#### Pakistan

**Blood Donation Campaign:** In collaboration with the Sundas Foundation, CCI Pakistan organized a blood donation campaign across its operations to collect over 226 units of blood. The campaign was launched with an event at CCI Pakistan headquarters with active participation from all employees. A lecture covering the importance of a healthy and balanced diet, the importance of blood donation, protection from contagious diseases, and the significance of blood screening before transferring blood was delivered by medical specialists. Fitness instructors also coached employees on how to stay fit.

World Environment Day: CCI Pakistan joined hands with WWF on 5 June to celebrate the World Environment Day. 80 employees actively participated in the event by cleaning the Karachi beach and planting mangroves in WWF's Wetland Centre at Sandspit Beach. The day also offered employees an opportunity to learn more about environmental issues and participate in team building exercises.

#### **Turkey**

In 2015, Employee and Families Volunteering Clubs continued to conduct social responsibility projects and community welfare activities based on the local needs of the communities where our plants are located. 15 volunteer events were organized, some of which were: supporting primary schools in underdeveloped regions, contributing to the social development of children through the Social Services and Child Protection Agency, supporting disabled young people in integration to social life, giving applied training at vocational high schools, visiting the elderly at nursery homes, donating blood, and increasing environmental awareness.

#### **Economic Impact**

CCI creates both direct and indirect economic impact in its operating countries. To measure our economic contribution, we conduct economic impact assessment studies.

## The Economic Impact of Coca-Cola in Pakistan

An independent economic impact study conducted for CCI Pakistan showed that the company has an output multiplier of 4.9, which means that an injection of PKR 10 billion by the company generates PKR 49 billion in the Pakistani economy. CCI Pakistan directly employs over 5,000 people and indirectly employs over 70,000 people through its value chain. A diverse range of sectors benefit from the production and distribution of Coca-Cola products, including the plastic, motor-vehicles, electricity, business services, trade, food and agriculture. According to the study, CCI's tax multiplier in Pakistan is 1.65, and in the last five years the company has paid over PKR 61 billion in taxes.

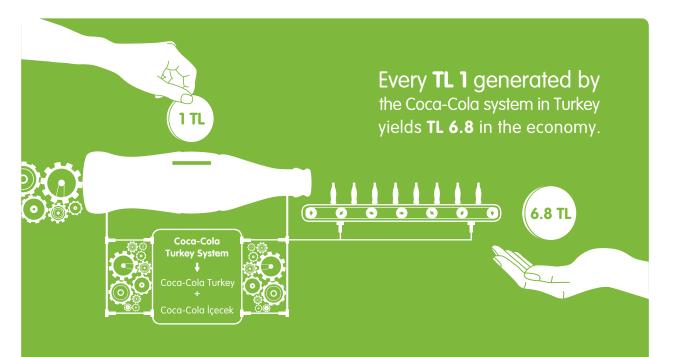
## The Economic Impact of Coca-Cola in Turkey

- Every TL 1 of value created by the Coca-Cola system in Turkey actually results in a contribution of TL 6.8 for the Turkish economy.
- The Coca-Cola system employs 3,000 people and indirectly creates employment for 30,000 people.
- Each employee contributes per hour with TL 132 to the GDP.
- In the last 10 years, it contributed TL 2.7 billion to the Turkish economy through direct and indirect taxes.
- The Coca-Cola system is also a driving force in Turkey's agriculture industry; it generated income for 145,000 farmers through its beet sugar, corn sugar, and juice concentrate purchases. Coca-Cola Turkey's trade with the local retailers created TL 2.5 billion of added value.

**Note:** Overall impact calculation methodology including bottom-up calculations with targeted Input / Output multipliers" was used during the study, which was conducted and published by Mckinsey in 2014.)

we - Community

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



Enables TL 2.5 billion value added in the retail business, supporting the industry.



Generated income for **145,000 farmers.** 

# 

Our approach is based on the hierarchy of prevention, reduction, reuse and recycle.

- Environmental Management
- Soals and Commitments
- Energy Efficiency and Climate Protection
- Water Management
- > Sustainable Packaging and Waste

#### **Protecting the Environment**

In a world where populations are growing, natural resources are stressed, communities are forced to do more with less and our consumers' expectations are increasing; we understand that sustainability is core to our business continuity and long-term value creation.

Our environmental approach is based on the hierarchy of prevention, reduction, reuse and recycle. Minimizing our environmental impact by minimizing our natural resources consumption, generating less waste and reducing our total carbon footprint are among our main 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.

In line with our environmental approach, we focus on three key areas:

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

#### **Environmental Management**

We are guided first and foremost by legal requirements, and then by TCCC standards and industrial practices in managing our environmental aspects. 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 all of our operations, we establish environmental management systems in order to monitor and improve our environmental performance. As of 2015 year-end, all CCI plants, except for those in South Iraq and Tajikistan (planned for 2016), hold the ISO 14001 Environmental Management System Certificate.

In addition to our three key areas, namely energy use and greenhouse gas (GHG) emission, water use, and packaging and waste, we also monitor and manage our atmospheric emissions and wastewater discharge quality in line with the national regulations of the countries where we operate and TCCC standards. All CCI plants, except water bottling plants, are required to obtain emission and wastewater discharge permits according to the Air Pollution Control Regulation in the five countries of operation. SOx, NOx, dust, CO and CO<sub>2</sub> values are measured and reported to the regulatory authorities periodically. According to the materiality analysis we conducted in 2014-2015, atmospheric emissions and wastewater discharge data from our plants are evaluated as "low to medium" importance, also given the sector in which we operate. We report this information and our detailed performance results on our website. In 2015, there was no legal non-compliance in any of our plants related to atmospheric emissions.

CCI Turkey plants are exempt from environmental impact assessment (EIA) that is commonly required by environmental legislation for planned (infrastructure) projects in Turkey. We fully implement TCCC's environmental policy and support projects conducted by The Coca-Cola Life Plus Foundation that focus on the conservation of eco-systems. (For further details, please see the water section of the report.)

#### Governance

We have a sustainability governance structure in place to manage our key environmental aspects systematically. The Operational Sustainability Group, which reports to the CCI Sustainability Steering Committee, is responsible for setting annual targets, reviewing quarterly performance on KPIs and approving data for disclosure. Within this group, we established two working groups to manage and report on environmental aspects: the Turkey Water and Environment Working Group, and the Turkey Climate Change and Energy Working Group. Environmental coordinators of the Water and Environment Working Group are responsible for implementing the requirements of ISO 14001 Environmental Management Systems, tracking performance and environmental KPIs against legal requirements and TCCC standards.

#### Training

We believe that creating environmental awareness in our workplace plays an important role in helping us achieve our ambitious environmental targets. In 2015, we provided **5,185** man-hours of environmental training to our employees in Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey.

Hours of Environmental Training	2013	2014	2015
Turkey	2,490	3,342	2,590
Jordan	80	34	56
Kazakhstan	63	98	344
Azerbaijan	79	224	224
Pakistan	n/a	n/a	1,971
TOTAL	2,712	3,698	5,185

#### **Key Performance Data**

We closely monitor four KPIs related to our three focus areas. The table below provides the results for 2015 and our targets for 2020.

Country	Year	Key Performance Indicators				
		Energy Use Ratio* (MJ/L)	GHG Ratio** (g CO <sub>2</sub> -e/L)	Water Use Ratio (L/L)	Total Waste Recycling Rate (%)	
Turkey	2015	0.27	27.68	1.44	96	
	2020 Target	0.28	28.54	1.31	98	
Jordan	2015	0.33	49.31	1.89	94	
	2020 Target	0.30	50.00	1.50	95	
Kazakhstan	2015	0.41	49.44	1.47	93	
	2020 Target	0.38	45.00	1.47	96	
Azerbaijan	2015	0.37	64.58	1.85	96	
	2020 Target	0.32	55.00	1.79	98	
Pakistan	2015	0.48	41.82	2.03	71	
	2020 Target	0.43	tbd	tbd	tbd	

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

\*\* 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, please see the Reporting Guidance section of the report.

#### **Goals and Commitments**

Priority Areas	2015 Goals	Performance in 2015	Status	2016 Goals
Energy Efficiency	To achieve the following energy use ratios:	We achieved:		To achieve the following energy use ratios:
	0.26* MJ/L for Turkey	0.27* MJ/L for Turkey <sup>1</sup>	N	0.26 MJ/L for Turkey
	0.39 MJ/L for Jordan	0.33 MJ/L for Jordan	Α	0.32 MJ/L for Jordan
	0.31 MJ/L for Kazakhstan	0.41 MJ/L for Kazakhstan <sup>2</sup>	N	0.72 MJ/L for Kazakhstan
	0.39 MJ/L for Azerbaijan	0.37 MJ/L for Azerbaijan	A	0.37 MJ/L for Azerbaijan
		0.48* MJ/L in Pakistan	New	0.43 MJ/L in Pakistan
	To initiate extended piloting of Energy Excellence & Behavioral Energy Efficiency program in our Bursa, İzmir and Çorlu plants in Turkey.	Energy Excellence & Behavioral Energy Efficiency program was successfully initiated in our Bursa, İzmir and Çorlu plants in Turkey.	4	To explore the opportunities to roll out the program in other plants with the lessons learned from the pilot implementation.
Climate Protection	To achieve in plants a carbon emissions ratio of:	We achieved:		To achieve in plants a carbon emissions ratio of:
	27.5 CO <sub>2</sub> g/L in Turkey	27.7 CO <sub>2</sub> g/L in Turkey <sup>1</sup>	P	27.5 CO <sub>2</sub> g/L in Turkey
	52.0 CO <sub>2</sub> g/L in Jordan	49.3 CO <sub>2</sub> g/L in Jordan	Ā	48.0 CO <sub>2</sub> g/L in Jordan
	45.0 CO <sub>2</sub> g/L in Kazakhstan	49.4 CO <sub>2</sub> g/L in Kazakhstan <sup>2</sup>	N	68.0 CO <sub>2</sub> g/L in Kazakhstan <sup>2</sup>
	70.0 CO <sub>2</sub> g/L in Azerbaijan	64.6 CO <sub>2</sub> g/L in Azerbaijan	Α	65.0 CO <sub>2</sub> g/L in Azerbaijan
	-	41.8 CO <sub>2</sub> g/L in Pakistan	New	38.0 CO <sub>2</sub> g/L in Pakistan
	To ensure that 100% of all new cooler equipment purchased is HFC-free by the end of 2015 (depending on the availability of the coolers).	We could not achieve our target since commercially feasible and suitable alternatives were not available. We will continue supporting our suppliers to help them develop feasible alternatives.	-	To ensure that 100% of all new cooler equipment purchased is HFC-free by the end of 2017.

1: Energy use ratio was realized slightly above the target due to high crystal sugar use.

2: Energy use ratio and GHG ratio were realized above the target due to the start up of new Astana plant. For the same reason, 2016 goal is higher than the 2015 performance value.

 $\dot{\ }$  This figure has received limited assurance from the independent assurance firm EY.

#### **Goals and Commitments**

<b>Priority Areas</b>	2015 Goals	Performance in 2015	Status	2016 Goals
Climate Protection	To increase our EMD- equipped coolers to 89% of the total in 2016 in Turkey.	We increased our EMD-equipped coolers from 84% to 87% of the total in Turkey.	0	To increase our EMD-equipped coolers to 89% of the total in Turkey.
Water Management	To achieve a water use ratio of:	We achieved:		To achieve a water use ratio of:
and Stewardship	1.36 L/L in Turkey 1.90 L/L in Jordan 1.54 L/L in Kazakhstan 1.81 L/L in Azerbaijan	1.44* L/L in Turkey <sup>3</sup> 1.89 L/L in Jordan 1.47 L/L in Kazakhstan 1.85 L/L in Azerbaijan <sup>4</sup> 2.03* L/L in Pakistan	New	1.40 L/L in Turkey 1.85 L/L in Jordan 1.50 L/L in Kazakhstan 1.84 L/L in Azerbaijan 1.89 L/L in Pakistan
	To conduct the second SVA study in our Ankara, Mersin, Bakü, Lahore and Rahim Yar Khan plants.	The second SVA study was conducted in the Ankara, Mersin, Bakü, Lahore and Rahim Yar Khan plants.	٥	To conduct the second SVA study in our Bursa, Elazığ, Mahmudiye, Köyceğiz, Almaty and Amman plants.
	To submit our second CDP Water Program report.	We submitted our second CDP Water Program report.	0	Continuous
Packaging and Waste	To achieve a total waste ratio of:	We achieved:		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	5.09 g/L in Turkey <sup>5</sup> 2.46 g/L in Jordan 1.96 g/L in Kazakhstan <sup>6</sup> 1.23 g/L in Azerbaijan <sup>7</sup> 9.66 g/L in Pakistan	<ul><li>New</li></ul>	4.9 g/L in Turkey 2.2 g/L in Jordan 2.2 g/L in Kazakhstan 1.2 g/L in Azerbaijan 11.1 g/L in Pakistan
	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.	We conducted a benchmark study and shared the results among all plants to increase awareness about lightweight applications.	٥	To continue assessing opportunities to reduce resin and glass used in the packaging we use. To conduct feasibility studies for implementing Lightweight projects in Pakistan.
	To start Lightweight projects in Jordan.	We started Lightweight projects in Jordan.	۵	
	To produce all 330 ml and 1 L Damla water bottles in Turkey using PlantBottle resin.	We produced all (28.5 million) 330 ml Damla water bottles in Turkey using PlantBottle resin.	P	
	To reduce the weight of 200 ml OWB from 150 g to 140 g in Turkey.	We reduced the weight of 200 ml OWB to 140 g in Turkey and saved 52 tons of glass.	۵	To produce all 1 L Damla water bottles in Turkey using PlantBottle resin.
	To reduce the weight of 200 ml RGB from 230 g to 185 g in Turkey.	We reduced the weight of 200 ml RGB from 230 g to 185 g in Turkey and saved 820 tons of glass.	۵	
Environmental Compliance**	100% compliance with legal environmental limits and TCCC's standards.	We received a fine for a plant in Turkey regarding waste water quality. The fine is less than USD 200,000.	0	100% compliance with legal environmental limits and TCCC's standards.

3: WUR was realized above the target due to the changes in sanitation standards and higher consumption of crystal sugar.

4: WUR was realized above the target due to the decrease in production volume.

5: TWR as realized above the target since waste is recorded only when it is collected from the plant and some types of waste are only collected and thus recorded as waste during certain periods.

6: TWR was realized above the target due to the start up of new Astana plant.

 $7\!\!:\!\mathsf{TWR}$  was realized above the target due to the decrease in the production volume.

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

Note: A new plant became operational in Astana, Kazakhstan in 2015, therefore the target values for 2016 are higher than the values realized in 2015.

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## Energy Efficiency and Climate Protection

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 wide-ranging, with potential negative impacts on public health, energy and water sources, agriculture and biodiversity.

We recognize that climate change may have mediumterm direct and indirect implications for our business, our supply chain and communities. These potential effects bring on the need to take immediate action. Burning fossil fuels for energy (electricity, heat and transportation) is one of the largest sources of human-caused GHG emissions. Therefore energy efficiency and climate protection is a priority area in our sustainability strategy. We strive to reduce our energy consumption and GHG emissions both to achieve better financial performance and to contribute to the efforts to tackle the issue of global climate change.

We set reduction targets for energy use and GHG emissions every year, and track the performance of our operations. We also systematically seek measures to reduce our energy consumption and related GHG emissions in our value chain (packaging, manufacturing, transportation and cooling processes) and implement GHG reduction programs, while improving operational efficiency and quality in order to achieve our goals. Moreover, we support or take part in national and international efforts for climate protection.



#### **Focus Areas**

According to a recent study conducted by TCCC, ingredients and packaging account for around 48% of the total GHG footprint of the products, while manufacturing, distribution and refrigeration account for 11%, 9%, and 32% respectively. In other words, 80% of the GHG footprint in the product value chain is embedded in the things that we purchase. As CCI, we focus our GHG emission reduction efforts on the value chain processes where we have the most control, namely **manufacturing, distribution, cooling,** and to a lesser degree **packaging**.

## The focus areas of our energy efficiency and climate protection strategy are:

- Increasing the energy efficiency of our plants and offices, thereby reducing GHG emissions;
- Reducing logistics-based emissions with effective fleet and fuel management and optimization practices;
- Reducing indirect emissions by focusing on climate-friendly (low GWP and energy-efficient) refrigeration alternatives;
- Increasing awareness on climate protection by collaborating with our distributors, dealers, suppliers and other stakeholders;
- Calculating, verifying and reporting accurate data on the carbon footprint of our operations;
- Calculating the product carbon footprint;
- Researching and investing in clean and renewable energy where possible;
- Promoting climate protection awareness;
- Constructing our new plants in line with green building standards; and
- Developing and making available integrated communication platforms including audio-visual telecommunications, which helps reduce the number of business trips.

#### Governance

The Energy and Climate Protection Work Group in Turkey is responsible for, 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. The Work Group consists of energy managers from plants, as well as representatives from CCI's Corporate Affairs, Purchasing, Logistics, Cooling Equipment and Administrative Affairs; along with TCCC's Public Affairs and Environment and Occupational Health functions. In 2015, Energy and Climate Protection Work Group held four meetings. It provided support for the preparation of CCI's 2015 CDP Report, calculated 2015 GHG emissions and energy savings, shared good practices on energy, implemented the Behavioral Energy Efficiency Program, revised the targets for energy and GHG goals, explored investment opportunities to reduce GHG emissions, attended meetings regarding the results of COP21 UN Climate Change Conference in Paris and the meetings organized by TUSIAD Climate Change & Environment Work Group. It also prepared a summary report on its 2015 activities for the top management.

Since 2011, we have been submitting annually comprehensive reports to the CDP Climate

Change Program on our climate change strategy and GHG emissions. Our CDP Climate Change Reports can reached on

**⊘** www.cdp.net.

#### Manufacturing

As CCI, we focus our climate protection efforts on the value chain processes where we have the most control, such as manufacturing. In our plants, we conduct bottling operations that essentially consist of mixing the beverage ingredients and filling them into cans and bottles. In some of our plants, we also have processes such as washing reusable glass bottles, blowing PET resins to form bottles and electricity generation.

#### **Our Strategy**

Our energy efficiency strategy in our plants includes:

- conducting OE projects to identify potential measures for efficiency increase;
- increasing line productivity;

- optimization of equipment (e.g. boilers for optimal combustion);
- reducing blowing pressure;
- investing in more energy-efficient equipment;
- heat recovery; and
- exploring and analyzing renewable energy investments by implementing pilot projects.

#### Management

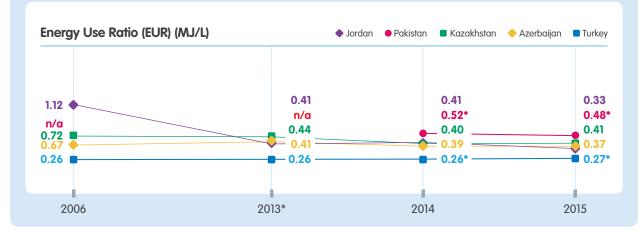
Processes related to energy consumption are managed within the framework of CCI's Energy Management System, in accordance with the ISO 14001 Environmental Management System, the ISO 50001 Energy Management System, the OE model and our corporate KPIs related to operational plans.

As of 2015 year-end, our plants in Turkey and Kazakhstan were certified according to the ISO 50001 Energy Management System Standard. We plan to obtain this certification for our Jordan and Azerbaijan operations by 2017. We continue to lay the foundations for robust energy management systems in our other countries of operation.

CCI's senior management monitors and evaluates the performance results related to energy use. Energy coordinators implement the Energy Management System in our Turkey plants.

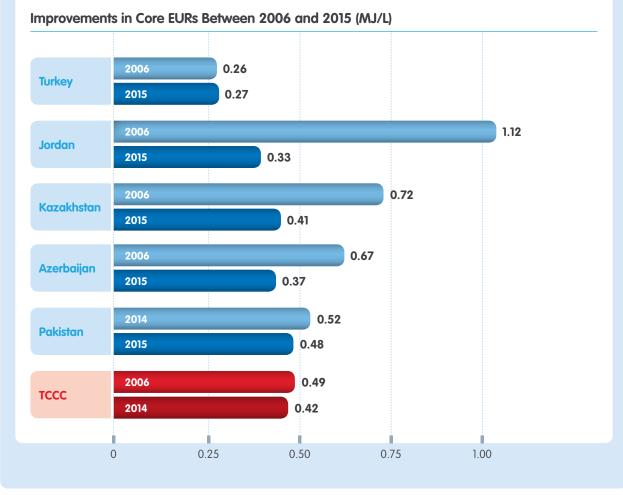
#### **Energy Use**

In our plants, the main energy sources are electricity, natural gas, LPG and diesel. We report the energy use of our plants in two categories. The first category is the energy use for "core" operations, namely bottling, while the second category includes all the other processes in the plants. For the purpose of making benchmarking among plants possible, the figures for energy use ratios (EURs) are calculated based only on the "core" operations values. For detailed data on both core and total energy use, please see the Performance Indicators section of the report.



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

In our Jordan, Kazakhstan and Azerbaijan plants, we managed to reduce our EUR compared to 2006. In Turkey, energy-efficiency has been a top priority for all plants, where major improvement measures have already been taken. Additionally, due to the increase in production volume and the increase in natural gas consumption linked to the use of crystal sugar during production in Turkey, the EUR values show a steady trend.



\* These figures have received limited assurance from the independent auditing firm EY. **Note:** TCCC figure is the average EUR value for all bottlers within the Coca-Cola system.

#### Energy Excellence and Behavioral Energy Efficiency Program

In line with TCCC's goal of "reducing the carbon footprint of the drink in your hand by 25% by 2020", as CCI, we continue our efforts to improve energy-efficiency in our plants. For example in January 2011, TCCC and WWF launched the Top 10 Energy Saving Challenge program to encourage and support TCCC's bottling partners to deliver key actions that have the greatest potential to achieve energy savings in bottling plants. Plants that successfully completed this program moved on to the Second Top 10 Energy Saving Challenge. Including CCI plants, numerous bottling partners have begun to realize substantial cost, energy and carbon emission savings from these actions. The Behavioral Energy Efficiency program (Energy Excellence), launched in 2015 in Turkey, aligns with and builds upon the Top 10 Energy Saving Challenge program with a focus on staff awareness and cultural change. The approach examines how people interact with systems and technology, and how the existing systems, policies and procedures - and anything else including personal habits and perceptions - at the site influence people's behaviors. The program aims to create a savings of up to 10%, often through simple actions that require little to no investment. The essential underlying principle is to achieve a "whole organization" approach to energy excellence, spreading ownership and accountability for energy management to the entire organization.

world

The pilot phase of the program was successfully completed in three plants in Turkey. The plants expect to see around 5% reduction in their overall electricity consumption. In addition to quantitative results, some other benefits of the program include employees becoming more aware of energy usage and spillage, and the more effective usage of internal suggestion,

reporting and monitoring systems. In 2016, we will look into the possibility of implementing the program in other plants, based on the learnings from the pilot implementation.



Another noteworthy impact of the Energy Excellence program was the Share & Gain initiative started by employees in our İzmir plant, which focuses on achieving energy efficiency at home. Informative bulletins were prepared on four main subjects: electricity efficiency, heating-cooling, water efficiency and waste management. A platform was established to encourage employees to share their best practices. More than 50 best practices were shared during the first month.

#### **Energy and GHG Emissions Reduction**

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

Through the efficiency projects conducted in our Azerbaijan, Jordan, Kazakhstan, Pakistan and Turkey plants, we achieved a total annual energy savings of 54 million MJ in 2014 and 27.2 million MJ in 2015. The total energy savings resulted in a reduction of 2,378 tons of  $CO_2$  emissions in 2015. Details are shown in the table below. The total amount of energy-efficiency investments in Turkey reached close to USD 790,300 (including investments by cooler, sales and fleet departments).

Below are some examples for the energy efficiency and GHG reduction projects realized in 2015:

- In Turkey, we installed the flash steam recovery system in our condensate collection system and saved a significant amount of natural gas.
- In Azerbaijan, the plant stopped using diesel fuel and switched to natural gas, which will help reduce the GHG emissions compared to diesel combustion.
- In Pakistan, steam jackets on valves were insulated, an extensive leakage detection survey was conducted, where 177 leaking points were identified and addressed.

We make use of a photovoltaic solar system and a wind turbine to provide energy to one of the production lines in our İzmir plant in Turkey. Other plants in Turkey are regularly assessing the feasibility of renewable energy investments.

Energy Saved and GHG Emissions Reduced due to Efficiency Projects in Plants	20	14	2015		
	Energy (Million MJ)	GHG Emissions (tons of CO <sub>2</sub> )	Energy (Million MJ)	GHG Emissions (tons of CO <sub>2</sub> )	Monetary Saving (USD)
Turkey	28.4	1,890	11.7	1,402	247,886
Jordan	4.7	515	2.5	200	40,869
Kazakhstan	9.0	1,499	0	0	0
Azerbaijan	0.8	59	0.2	28	2,655
Pakistan	11.1	674	12.8	1,168	387,455
TOTAL	54.0	4,637	27.2	2,378	678,865

#### **Transport and Distribution**

We transport millions of goods and products from our suppliers to our plants, and from our plants to our customers and distributors. Our extensive logistics network means that the sales and distribution of our products together form the largest part of our operations. As such, optimization of distribution is crucial to our business performance. In addition, according to a TCCC study, fleet and distribution account for about 9% of the total GHG emissions of the value chain.

#### **Our Strategy**

- Minimizing the daily number of vehicle movements and the daily kilometers driven in our sales and distribution operations; and
- Preferring vehicles with lower fuel consumption and carbon emissions.

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 and we are further improving route planning for our sales and distribution teams. In line with our strategy to reduce the daily kilometers driven, in 2013 we started using a technological platform called Road Net in our Turkey operations. As of 2015, our 64 distributors and five direct distribution points use this platform in Turkey. Additionally, we signed an agreement to use this route optimization software in Kazakhstan and Jordan. We will start the software installation process for these countries of operation in 2016. According to our estimates, using Road Net in Turkey resulted in a reduction of 1.35 million km driven and approximately 1,050 tons of CO<sub>2</sub> emissions, as well as allowing a savings of USD 650,000 in fuel costs.

#### **Cooling Practices**

For the consumers to enjoy the best experience, it is important to serve most of our products cold. We have around 301,000 pieces of cooling equipment in Turkey alone and a total of about 795,000 in the five countries of operation. Cooler equipment is owned by our sales operations and operated by our customers on their premises.

#### **Our Strategy**

- Preferring more efficient equipment for new purchases;
- Switching to HFC-free equipment containing refrigerants with low global warming potential;
- Fitting existing equipment with energy-efficient technology; and
- Working with suppliers and other partners to innovate and develop climate-friendly cooling technologies.

According to a study conducted by TCCC, cooling equipment is a large source of GHG emissions in the value chain, including ingredients and packaging it accounts for about 32% of the total. The GHG emissions result from electricity consumption by coolers 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.

#### **Existing Equipment**

Our policy is to buy new equipment when a cooler can no longer be refurbished economically. 75% of all the equipment we placed in the market in 2015 in Turkey is refurbished equipment. We fit existing cooling equipment with energy-efficient technologies (EMDs and LED lights). Any equipment that cannot be refurbished is collected and disposed of safely. In 2015, about 34,577 pieces of old cooling equipment (weighing approximately 2,418 tons), compared to about 25,950 pieces in 2014, was disposed of properly by our Turkey operations.

#### **New Equipment**

We work with our suppliers to develop alternative technologies for commercially viable, climate-friendly (HFC-free) refrigerant gases. In addition, to save energy, we stopped buying large, open-fronted units (OFUs) in Turkey since 2014.

#### **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.

The table below provides a country-based overview of the ratio of coolers that are EMD-equipped.

Climate-friendly Cooling Practices in Turkey	2012	2013	2014	2015
Number of coolers with LED lighting system	29,000	75,000	85,000	110,556
Percentage of coolers with LED lighting system (%)	8	19	22	32
Percentage of HFC-free coolers (%)	40	57	59	60
Percentage of EMD-equipped coolers (%)	59	77	84	87

EMD-Equipped Coolers (%)	2011	2012	2013	2014	2015
Turkey	35	59	77	84	87
Jordan	5	5	5	5	5
Kazakhstan	12	19	29	29	39
Azerbaijan	50	50	50	50	50
Pakistan	n/a	n/a	n/a	n/a	0.3

In 2015, thanks to the EMD program, we managed to save approximately 428 million kWh electricity in the five countries of operation, resulting in a  $CO_2$  reduction of approximately 184,000 tons (equal to the amount of  $CO_2$  that 15.3 million trees annually extract from the atmosphere).

In Turkey alone, in 2015 we reduced our energy consumption from refrigeration by approximately 402 million kWh and our  $CO_2$  emissions by approximately 172,000 tons. These results placed CCI among bottlers that are closest to realizing the 2015 refrigerator inventory goals within the Coca-Cola system. We will continue our efforts to reduce  $CO_2$  emissions resulting from our coolers. Since the launch of the program in 2009 until the end of 2015, the cumulative energy savings in Turkey has added up to 1,543 million kWh, equaling to 696,000 tons of  $CO_2$  emissions. (Please see the Performance Indicators section of the report for detailed data on energy savings and avoided GHG emissions.)

#### **More Efficient Lighting**

To reduce the 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 2015 year-end, approximately 115,000 of our coolers in Turkey were equipped with LED lighting systems.

#### **HFC-Free Coolers**

Together with its bottling partners, TCCC established a goal which states that 100% of its new cold-drink equipment will be HFC-free by the end of 2015. Hydroflorocarbons (HFCs) used as refrigerants in coolers are known to contribute to global climate change. 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. As CCI, we ensure that coolers are properly emptied of any gases that may remain before disposal.

Meanwhile, a commercially viable HFC-free solution was not available for CCI in 2015. Therefore, we could not yet reach our goal of 100% HFC-free cooler equipment. The HFC-free coolers currently available in the market produce a high-level of noise, which makes them undesirable for our customers. We are collaborating with our suppliers to overcome this problem.

Since the launch of the HFC-free Program in 2009, we increased the percentage of our HFC-free coolers in Turkey from 0% to 60% by the end of 2015. Between 2009 and 2015 we achieved a cumulative  $CO_2$  emission reduction of 1,203 tons. In 2015, we achieved a  $CO_2$  emission reduction of 145 tons with HFC-free coolers, and a total of 764 tons  $CO_2$  between 2013 and 2015.

#### **Our Carbon Footprint**

While advancing towards our 2025 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 our business. In 2015, we managed to reduce our total Scope 1 emissions from 111,787 tons in 2014 to 104,635 tons in 2015. Our Scope 2 emissions increased slightly, from 111,394 tons in 2014 to 115,932 tons in 2015. Overall Scope 3 emissions from coolers slightly decreased when compared to last year's emissions due to the decrease in IEA factors of Turkey, Pakistan, Kazakhstan and Azerbaijan and decrease in Kazakhstan's cooler inventory in 2015.



HFC-free Program in Turkey	HFC-free Cooling Equipment (%)	GHG Emission Reduction (ton CO <sub>2</sub> )	Annual CO <sub>2</sub> Extraction (Number of Trees)
2013	57	320	26,700
2014	59	299	24,900
2015	60	145	12,000
2013-2015 (Cumulative)	764	63,600	

A table providing a detailed overview of our GHG emissions for the five countries of operation is provided in the Performance Indicators section of the report.

In addition to monitoring total emissions for each country of operation, we also monitor our GHG emissions ratio, which represents grams of  $CO_2$ -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 launch of "hot fill" operations, which consume more energy and crystal sugar.

GHG Emissions Ratio (g CO <sub>2</sub> -e/L)	2012	2013	2014	2015
Turkey	28.52	28.47	27.92	27.68
Jordan	55.31	54.76	55.89	49.31
Kazakhstan	41.07	39.22	49.85	49.44
Azerbaijan	62.55	69.38	71.82	64.58
Pakistan	n/a	n/a	n/a	41.82
тссс	37.81	37.10	36.89	n/a



# Reduce the CO<sub>2</sub> Emissions Embedded in the Drink in Your Hand by 25% by 2020

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. In 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>/l GHG emissions by 2020 covering manufacturing, fleet and cooler functions.

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

In 2015, due to various successfully implemented projects, we achieved a GHG emissions reduction of 176,987 tons of  $CO_2$ -e in Turkey.

	Savings in	Scope	Am	Amount		
Turkey (tons of CO <sub>2</sub> -e)			2014	2015		
Celii D	Product distribution fleet improvement	Scope 1	366	2,075		
	Fugitive emissions reductions in coolers	Scope 1	299	145		
	Energy efficiency and low-carbon projects in plants	Scope 1+2	2,030	1,402		
0407a • • • • • • •	Route optimization	Scope 3	1,050	1,050		
	Cooler EMD improvement	Scope 3	175,000	172,315		
	Total		178,745	176,987		

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

For four consecutive years we have had our Scope 1 and Scope 2 GHG emissions related to our Turkey operations externally verified by a third-party auditing company, SGS, in line with the requirements of the ISO 14064-3. Our carbon footprint calculations cover emissions from our plants, cooler equipment fugitives, and vehicle fleet in Turkey, and follow the requirements of ISO 14064-1.



# Water Management and Stewardship

Water is the main ingredient in our products, therefore both its quality as well as quantity is crucial for the success and continuity of our business. We also need water to carry out our own manufacturing processes. Moreover, water is a key resource for our suppliers, which is necessary 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 communities, critical to ecosystems and key to our business success. We have a particular interest in protecting the water sources that sustain communities. 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.

As the global demand for water rises due to increasing population, economic development and the impact of climate change, water supplies are acutely stressed and increasingly threatened. It is therefore critical that we use every opportunity to reduce the amount of water we use in line with our water management policy and strategy.

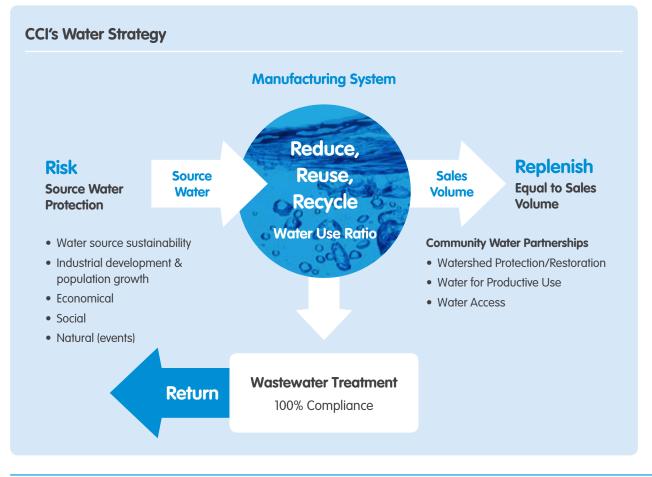
We reuse and recycle water in our plants to reduce the consumption of fresh water, treat it via wastewater treatment facilities and replenish it through community projects. At the local level, we conduct source vulnerability assessments (SVAs) and implement the resulting plans to protect water catchment basins in the regions where our plants are located.

As our business volume increases, our overall goal is "to produce more beverages by consuming less water".

#### **Our Strategy**

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 our overall water-use efficiency;
- Managing wastewater and stormwater discharge in our plants (striving for 100% compliance in wastewater treatment);
- Mitigating risk for communities and for our business by partnering with governments, NGOs and communities to assess, understand and chart effective, long-term water stress solutions, and implementing source water protection plans;
- Replenishing the water we use back to communities and nature.



#### Governance

The Water and Environment Work Group in Turkey is responsible for, among other tasks, preparing strategies and road maps with regard to water and the environment. They conduct risk assessments on water and climate change, and submit reports on these risks, their recommended strategies and budgets to top management for approval. They also collect and report data on water use and total waste. The work group consists of representatives from our plants, as well as managers responsible for purchasing, logistics, administrative affairs, corporate affairs from CCI and TCCC. In 2015, the work group reviewed and updated the water risk assessment for Turkey, supported the data collection and verification process and contributed to the preparation of the report submitted to the CDP Water Program.

In 2015, we submitted our second detailed annual report to the CDP Water Program, describing our water strategy, disclosing our SVA study summary update, the results of water risk assessments, and the data on our water withdrawal, discharge and consumption. We will submit our third report the CDP Water Program in June 2016.

#### Water Consumption

Water is the main ingredient in our products. Our use of water resources is relatively high in the regions where our plants are located, but relatively insignificant in the countries where we operate. We work hard to minimize our impact by setting ambitious targets to preserve and replenish water resources in our areas of operation.

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 Turkey accounts for 0.0038 billion m<sup>3</sup>, or only 0.076% of Turkey's industrial water usage. (Source: www.dsi.gov.tr/toprak-ve-su-kaynaklari)

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.

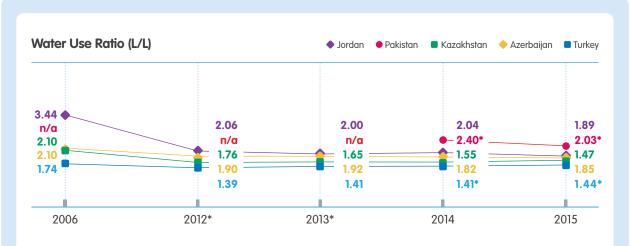
In 2014, the total water consumption in the five countries of operation amounted to  $8,502,396 \text{ m}^3$ , and in 2015 to  $8,215,227 \text{ m}^3$ , which indicates a decrease. Detailed data on the total water consumption for the last three years for the five countries of operation is provided in a table in the Performance Indicators section of the report.

#### Water Efficiency

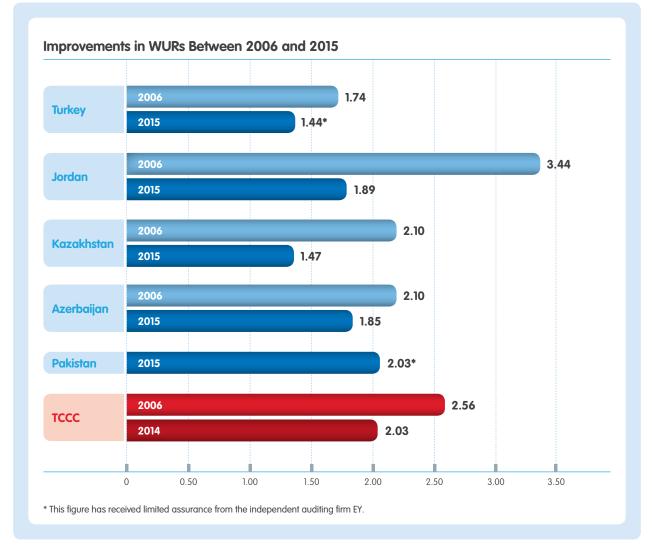
Parallel to the growth of our business and our production volume, our related water consumption increases. Thanks to OE and efficiency projects in our plants, we manage to reduce the amount of water we consume per liter of product.

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

In line with TCCC's goal of improving the Coca-Cola system's water efficiency by 25% by 2020 (taking 2010 as base value), we will continue to improve our WUR. As can be seen from the graph below, we managed to reduce our WURs compared to 2006. Moreover, in all of these countries, the WUR value is lower than the average within the Coca-Cola system.



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



We achieved approximately 5.1% reduction in water consumption from 2014 to 2015 in the five countries of operation.

In 2015, we saved about 177,000 m<sup>3</sup> of water in the five countries of operation, where the total water efficiency investments amounted to approximately USD 100,000 (of which USD 40,000 was in Turkey).

Some of the achievements in our Turkish plants in 2015 include:

- We achieved approximately 18% of water savings per liter of product resulting from efficiency projects implemented from 2006 to 2015.
- We saved approximately 80,000 m<sup>3</sup> of water through projects focusing on reuse and recycling in our plants. For example, our Ankara Plant installed a new generation bottle washer by making an investment of approximately USD 1.5 million, thereby reducing its annual water consumption by 5,000 m<sup>3</sup>. Our Çorlu Plant recycled 15,000 m<sup>3</sup> of water thanks to its bottle washer water reuse system.

#### Water Minimization Workshop

Within the framework of the CCI Capability Development Program, we provided training to CCI country representatives on various topics including water use minimization. Representatives from CCI countries came together for a one-day workshop to discuss the importance of water in our operations, technical measures to reduce water consumption and our water use targets.



**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 CCI's successful leadership in industrial water efficiency, taking our İzmir Plant as a case study. In the study, the students concluded: "CCI is committed to reducing water consumption not only for 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".



#### Case: Water Mapping Study in Our İzmir Plant

Since 2014, we are actively using the water map we developed in our İzmir plant to better identify opportunities to improve our water use performance. On this map, we plotted water meters and monitored the daily water consumption at each point. The map allows us to identify any problems that may occur at a specific production location and 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. In 2015, with the help of our employees we identified opportunities to eliminate water leakages.

#### Water Preservation and Replenishment

The water we use in our products and our production processes is drawn from local water sources. Because we make our beverages in the communities and ecosystems where we operate, we share this precious resource with other stakeholders. In order to source the water responsibly and manage the risks for our business and communities, we are implementing a water stewardship program.

Through this program we assess the vulnerabilities regarding the quality and the quantity of our community water sources, determine the potential impact of our water use and discharge of treated wastewater, and then address potential issues in a source water protection plan.

#### Water Assessment

We have been conducting local source water assessments (SVA) since the end of 2009 for our plants and have been developing a source water protection plan (SWPP) to mitigate water-related risks to our business 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; and
- Historical issues with water quantity and quality.

An SVA study entails conducting an analysis of water basins and sub-basins around our plants. 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. It also includes processes such as field surveys, stakeholder analyses, interviews with plant authorities or site representatives, interviews with local and national authorities, and desktop studies. We evaluate the results of these studies, develop SWPPs based on the results, and take actions in each plant.

An expert water consultancy company conducts the SVAs with the participation of CCI Water Resource Management Teams. Based on the information gathered from the assessment studies, various practices are put in place to avoid contamination, prevent decrease in water quality arising from contamination by pesticides, and encourage water usage minimization and recycling.

SVA studies are conducted every five years in all CCI plants. As of December 31, 2014, all CCI plants had completed their SVA studies in all countries of operation. In 2015, second SVA studies were conducted in our Ankara, Mersin, Baku, Lahore and Rahim Yar Khan Plants. CCI plants in the five countries of operation have also developed SWPPs and have begun implementing improvement measures. Our Turkey plants will complete a second SVA study cycle in 2016, and all CCI operations will do so by 2019, including our Iraq operations and two plants newly opened in Kazakhstan and Tajikistan. SWPPs are revised after the SVA studies according to new risks and opportunities. All our plants have revised their SWPPs and shared them with TCCC.

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

The Coca-Cola system aims to safely return to communities and the nature the amount of water that is equal to what is used as an ingredient in its finished beverages and during their production. This is called "water neutrality" and it is defined as:

1) 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.

The Coca-Cola system returned an estimated 191.9 billion liters of water to nature and communities in 2015 – the equivalent of 115% of the water used in Coca-Cola's finished beverages in the same year. The Coca-Cola system achieved its water replenishment goal through 248 community water partnership projects in 71 countries and since 2004 returned in total an estimated 337.7 billion liters of water.

In 2015, water replenishment rate in Turkey reached 150% (from 58% in 2014), equal to about 4.27 billion liters of water. In TCCC's Eurasia region (which includes CCI's Turkey, Azerbaijan, Kazakhstan, and Turkmenistan operations, but excludes Jordan), the replenishment rate has increased to 69%.

#### The Coca-Cola Life Plus Foundation Life Plus Environment Program

We want to play our part in building thriving communities in partnership with governments, NGOs and universities. Turkey is considered a "nearly waterscarce" 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.

Two projects have been conducted under the Life Plus Environment Program: Agriculture of the Future and Harran Night Irrigation. The Program has so far saved 3.6 million liters of water on 20 million m<sup>2</sup> of agricultural land. Some 200,000 saplings were also planted as windbreakers in the Konya basin, and the program has reached 1,500 people, including farmers, NGO representatives, academicians and the local community.

The water replenishment project in Konya initiated by Coca-Cola has a budget of USD 1.5 million distributed over three years, from 2014 to 2016.

#### Agriculture of the Future Project

This project has two objectives. The first is to improve the water-holding capacity of soil, ensuring efficient use of land and water. The second is to increase the capacity to use "ecosystem services" in agriculture through direct seeding and windbreaks. The project was realized 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 the communities. The project's ecosystem services and biodiversity monitoring activities are summarized below.



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

Natural ecosystems that directly or indirectly provide various benefits for human welfare are called ecosystem services. Agriculture is a dominant human activity, and agricultural land covers nearly 40% of the world's total land area. 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 socio-ecological systems. The project is the first of its kind to use such a comprehensive approach in handling socio-economic activities and environmental values together.

#### Harran Night Irrigation Project

Harran Plain is one of the agricultural production centers of Turkey. In 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 do irrigation in the early hours of the day, in the evening or at night, rather than daytime. Reducing water loss will also minimize environmental problems caused by over-irrigation, such as salination, fungal diseases and pollution.

With the implementation of this project, 1.5 billion liters of water were saved in Harran. In addition, farmers achieved a 15% yield increase.



# Wastewater Management and Reclamation

Our wastewater management approach is based on the ambitious goal of "zero wastewater generation". Moreover, one of the two goals of our replenishment strategy is "returning the water we use to make our beverages back to community after we have treated it". In other words, we return wastewater back to the communities and nature after treatment, which is the basis of our wastewater management program.

#### **Our Strategy**

- We implement measures to reduce the amount of wastewater generated. These measures include, among others, use of reverse osmosis, reusing treated wastewater as irrigation water and reusing final rinse water for floor washing.
- We adopt processes and technologies for wastewater treatment, where we strive, at a minimum, for compliance with the local discharge requirements.

In addition to respecting national and local laws regulating quality limits for wastewater discharge in all of the countries where we operate, we track our compliance with TCCC's requirements for treated wastewater quality. (Please see the Performance Indicators section of the report for an overview of these requirements.) In many cases, the allowed maximum discharge values set by TCCC are much lower (stringent) than the limits established by local authorities. Within the scope of ISO 14001 Environmental Management Systems certification, all CCI plants are regularly audited by third parties regarding their compliance with wastewater discharge requirements.

# Wastewater Discharge Between 2006 and 2015

Next to monitoring and managing the quality of the wastewater we discharge, we also monitor the amount of wastewater discharged per liter of product. Since 2006, we managed to decrease our water discharge ratio in the four countries of operation. In Azerbaijan the ratio increased slightly in 2015 compared to last year due to reduction in production volume.

Wastewater Discharge (L/L)	2006	2014	2015
Turkey	0.39	0.41	0.39
Jordan	2.43	1.04	0.89
Kazakhstan	0.87	0.42	0.36
Azerbaijan	1.16	0.94	0.97
Pakistan	n/a	1.35*	1.01

\* Due to a change in the methodology, the 2014 data was revised from 0.56.

# Sustainable Packaging and Waste

For us it is important to deliver beverages that meet the quality expectations of our consumers in the most sustainable way possible. We make progress toward this objective by using lighter packaging, using recycled and renewable materials, and engaging consumers to join us on the journey. This helps conserve not only resources, but also energy. By conserving energy and resources such as polyethylene terephthalate (PET) resin and glass, we reduce our total carbon footprint. Meanwhile, our business also benefits through reduced operational costs.

As waste management is one of our key environmental priorities, we set annual targets and continuously monitor total waste ratios and total waste recycling rates in our plants. We safely dispose of the waste that we cannot avoid. Our ultimate goal is to recover 100% of the hazardous and non-hazardous waste resulting from our operations. We also support programs that encourage consumers to recycle used beverage packaging.

#### **Our Strategy**

Three fundamental principles define our approach to sustainable packaging:

- Reduce Continuously reducing the amount of raw materials and energy used in the manufacturing of packaging, 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 Glass Bottles
RECYCLE	Post-Consumer Material Collection
RENEW	PlantBottle

# 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 and 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 in our İzmir 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 in our Turkey, Kazakhstan and Azerbaijan plants. In 2015, we conducted 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. Thanks to this study, in 2015, our Jordan operations started implementing Lightweight projects and CCI Pakistan started testing alternatives.

As illustrated in the table below, in 2015, we saved a total of 2,212 tons of resin in the four countries of operation through our Lightweight projects.

Resin Savings due to	Saving	ı (ton)*	Cumulative Saving (ton)
Lightweight Projects	2014	2015	2014 and 2015
Turkey	1,471	1,494	3,965
Jordan	0	101	101
Kazakhstan	1,875	150	2,025
Azerbaijan	481	467	948
TOTAL	3,827	2,212	6,039

\* Resin saving for our own production due to Lightweight and Short Neck projects

# world

#### Glass

Since 2010, we have been implementing Lightweight projects to reduce the amount of glass used by our suppliers. Among the five countries of operation, one way bottles (OWB) are only used in Turkey and Kazakhstan; and returnable glass bottles (RGB) in Jordan, Pakistan and Turkey. In 2015, we reduced the glass weight of 200 ml RGB in our Turkey plants from 230 g to 185 g, and achieved a saving of 820 tons of glass. In 2014, learning from our success in Kazakhstan, we reduced the weight of 200 ml OWBs from 150 g to 140 g in Turkey and saved 52 tons of glass in 2015.

#### Labels

In 2015, we started working with our label suppliers in Turkey to develop and use lighter labels for bottles with large surfaces (e.g., the 1 L and 2.5 L bottles). Per label, we reduced density by approximately 12% and 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, a legislation is in force mandating recycling of post-consumer packaging waste. The system in Turkey is based on the concept of extended producer's liability. During the reporting period, the recycling rate in Turkey for plastic, glass, metal and aluminum packaging waste was 48%. 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.

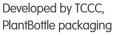


We purchase glass and aluminum packages produced from recycled material from our suppliers. In Turkey, the percentage of recycled material in our glass is about 20-25% and in aluminum about 50%. While it is possible to use recycled plastic for PET bottles in some countries, in Turkey it is not legally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

In Kazakhstan, one of the priority countries for setting up a recycling scheme, we started stakeholder engagement efforts to create a common vision for recycling in the country. As a result of continuous communication with business interest groups and the government, there was an agreement to create an industry-led packaging recycling system. To support this position and provide an industry proposal, a research was initiated to collect the necessary field data, and to conduct economic impact evaluation and risks assessment. The research will be completed in 2016.

#### **Renewable Packaging Material**

Considering that about 60 percent of TCCC's beverage volume is currently offered in PET plastic packaging, and that in some countries it is not legally allowed to use recycled plastic, TCCC invests in alternative technologies to reduce the environmental footprint of its value chain caused by PET use.



replaces the fossil-fuel-based materials 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. PlantBottle packaging uses patented technology that converts natural sugar found in plants into the ingredients for making PET plastic bottles. The packaging looks, functions and recycles like traditional PET but has a lighter footprint on the planet and its scarce resources.

In 2013, we conducted several trials in our plants using PlantBottle. After obtaining legal permits in 2014, we started to produce 330 ml Damla water bottles in Turkey using PlantBottle resin. In 2015, we used about 7,600 tons of PlantBottle resin that is equal to about 3% of our total resin usage. We will start producing 1 liter Damla water bottles using PlantBottle resin in 2016.

Detailed information about PlantBottle can be found on: www.coca-colacompany.com/stories/plant-bottle-

www.coca-colacompany.com/stories/plant-bottle basics and www.damlasu.com.tr.

#### Waste Management

In addition to our efforts to support initiatives to recycle post-consumer packaging waste, we also manage the waste that is generated by our plants. These include waste due to production, construction, food services and other activities. We are committed to minimizing the amount of waste we dispose of and its impact on the environment, as well as to ensuring that all waste is handled safely and in compliance with relevant legislation.

Waste management is a vital part of the ISO 14001 Environmental Management System established in our plants and it is carried out in accordance with CCI's Environmental Policy, local environmental legislation and TCCC's KORE - EOSH requirements.

#### **Our Strategy**

Our approach to waste management focuses on the hierarchy of "prevention, reduction, reuse, recycle and recover". In line with our approach, we set targets and conduct efficiency and OE projects in order to minimize waste generation and maximize recycling values. We collaborate with suppliers in order to recycle waste.

Our ultimate goal is to achieve "zero waste to landfill" in one of our plants in Turkey by 2020.

#### **Our Approach**

All waste that can be reused is reused, and that which can be recycled and recovered is delivered to licensed companies for these purposes. Waste that 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.

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

#### **Total Waste Recycling Rate**

To reach our ultimate goal of "achieving zero waste production", we strive for reusing and recycling all the waste produced from our sites. We monitor and take actions to improve our waste recycling rate regularly. We managed to improve our performance compared to 2006 in all countries of operation, except Kazakhstan. In Kazakhstan we changed the accounting procedure for waste. Currently, solid waste is weighed instead of being calculated using coefficients. In addition, we now have more precise data. As a result, our waste recycling rate for 2015 is lower than that of 2006. In 2015, we report this data for CCI Pakistan for the first time.



#### Improvements in Total Waste Recycling Rate Between 2006 and 2015

#### **Total Waste Ratio**

Total waste ratio is one of the KPIs for our environmental performance. It is an indicator that shows the amount of waste we generate per liter of product produced. Since 2006, in some countries we managed to improve our total waste ratio performance. In 2015, we started reporting this data for Pakistan. The ratio may increase in a particular year since we record waste when it is actually "collected from the plant"; and some types of waste such as wooden pallets and 19 liter water bottles are collected and thus recorded as waste only during certain periods.

Total Waste Ratio (g/L)	2006	2013*	2014	2015
Turkey	3.74	4.99	4.77	5.09
Jordan	15.72	6.44	3.29	2.46
Kazakhstan	4.14	1.59	1.82	1.96
Azerbaijan	0.65	1.28	2.06	1.23
Pakistan	n/a	n/a	n/a	9.66

\* 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 in Products (tons)		Concentrate & beverage base	Sugar	CO <sub>2</sub>
Turkey	2013	40,951	230,222	24,255
	2014	42,169	217,892	23,508
	2015	44,095	227,812	27,072
Jordan	2013	190	7,293	997
	2014	213	8,040	1,151
	2015	229	8,744	1,094
Kazakhstan	2013	5,115	48,890	4,588
	2014	4,672	66,914	4,815
	2015	4,580	49,885	5,518
Azerbaijan	2013	1,809	17,555	2,706
	2014	1,878	18,954	2,954
	2015	1,520	17,085	2,565
Pakistan	2015	63,500	158,838	16,069

Packaging Materials Us (tons)	ed	Steel crown	PE closure	PET preform and resin	Glass	Aseptic carton packaging	Carton	Aluminum cans & cans end	Plastic shrink & stretch
Turkey	2013	945	4,112	55,369	25,664	4,580	8,481	10,866	6,667
	2014	987	3,419	43,168	27,941	4,958	7,692	11,304	5,853
	2015	1,259	3,986	46,274	39,414	5,131	9,742	12,533	6,689
Jordan	2013	62	105	1,056	7,005	0	262	1,076	237
	2014	49	121	1,247	4,942	0	317	1,293	274
	2015	45	129	1,234	1,272	0	220	1,719	289
Kazakhstan	2013	69	1,263	16,305	6,124	694	1,329	339	1,878
	2014	32	1,411	17,418	3,974	663	1,685	361	1,889
	2015	44	1,367	17,464	3,674	581	1,696	325	2,050
Azerbaijan	2013	0	817	9,939	0	0	786	0	850
	2014	0	896	7,171	0	0	570	0	855
	2015	0	528	6,776	0	0	384	0	737
Pakistan	2015	2,100	2,370	43,783	21,762	n/a	4,263	571	4,161

## we - Employees

#### **Employee Profile**

Number of Employees	2013	2014	2015
Turkey – Group Office	0.770	166	143
Turkey – Operations	2,773	2,342	2,219
Jordan	409	397	404
Kazakhstan	749	845	950
Azerbaijan	373	390	352
Pakistan	4,491	4,175	3,564
Iraq	1,349	1,137	1,085
Turkmenistan	348	419	339
Syria	9	9	7
Tajikistan	48	77	125
Kyrgyzstan	366	384	355
Total CCI Employees	10,915	10,341	9,543

Employees by Gender, Employment	Country		Male		Female			
Туре (%)		2013	2014	2015	2013	2014	2015	
Blue Collar	Turkey – Group Office	98.8	0.0	0.0	1.2	0.0	0.0	
	Turkey – Operations*	90.0	98.5	98.5	1.2	1.5	1.5	
	Jordan	100.0	99.5	100.0	0.0	0.5	0.0	
	Kazakhstan	99.3	98.8	99.2	0.7	1.2	0.8	
	Azerbaijan	97.5	97.4	97.1	2.5	2.6	2.9	
	Pakistan**	n/a	99.2	99.2	n/a	0.8	0.8	
White Collar	Turkey – Group Office	76.6	58.4	55,9	23.4	41.6	44.1	
	Turkey – Operations*	/0.0	77.1	78.3	23.4	22.9	21.7	
	Jordan	91.8	90.4	89.4	8.2	9.6	10.6	
	Kazakhstan	75.2	77.7	76.7	24.8	22.3	23.3	
	Azerbaijan	77.7	78.2	81.1	22.3	21.8	18.9	
	Pakistan**	n/a	93.2	90.8	n/a	6.8	9.2	

\* Turkey operations include plants and sales offices. Since 2014, we report the data for Turkey employee profile in two separate categories: Group office and operations.

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

Employees by Gender, Employment Type and Contract			Male			Female		Male		
(Number)	Country	2013	2014	2015	2013	2014	2015	2013	2014	2015
Blue Collar	Turkey – Group Office	873	0	0	11	0	0	0.0.4	0	0
	Turkey – Operations*	873	851	830	11	13	13	884	864	843
	Jordan	190	199	197	0	1	0	190	200	197
	Kazakhstan	299	335	376	2	4	3	301	339	379
	Azerbaijan	193	188	136	5	5	4	198	193	140
	Pakistan	n/a	1,866	1,535	n/a	15	14	n/a	1,881	1,549
White Collar	Turkey – Group Office	1 4 4 7	97	80	440	69	63	1.000	166	143
	Turkey – Operations*	1,447	1,140	1,078	442	338	298	1,889	1,478	1,376
	Jordan	201	178	185	18	19	22	219	197	207
	Kazakhstan	337	393	438	111	113	133	448	506	571
	Azerbaijan	136	154	172	39	43	40	175	197	212
	Pakistan	n/a	2,008	1,830	n/a	147	185	n/a	2,155	2,015
Permanent	Turkey – Group Office	2,319	97	80	451	69	63	2,770	166	143
	Turkey – Operations*	2,319	1,990	1,908	451	347	309	2,770	2,337	2,217
	Jordan	389	349	377	18	19	22	407	368	399
	Kazakhstan	636	726	814	113	117	136	749	843	950
	Azerbaijan	329	342	307	44	48	44	373	390	351
	Pakistan	n/a	3,874	3,287	n/a	162	198	n/a	4,036	3,485
Temporary	Turkey – Group Office	1	0	0	2	0	0	3	0	0
	Turkey – Operations*	1	1	0	Z	4	2	3	5	2
	Jordan	2	28	5	0	1	0	2	29	5
	Kazakhstan	0	2	0	0	0	0	0	2	0
	Azerbaijan	0	0	1	0	0	0	0	0	1
	Pakistan**	n/a	136	78	n/a	3	1	n/a	139	79

\* 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	Outs	source-Core jol	os (*)	Outsource-Auxiliary jobs (**)			
Employees	2013	2014	2015	2013	2014	2015	
Turkey – Group Office	902	0	0	673	0	0	
Turkey – Operations		896	857		0	227	
Jordan	7	0	0	53	55	48	
Kazakhstan	0	0	8	86	106	108	
Azerbaijan	164	153	0	33	42	44	
Pakistan	n/a	806	409	n/a	865	885	

\* 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 E	mployees by	l	Under 30	)	Between 30-50			Above 50		
Age (%)			2014	2015	2013	2014	2015	2013	2014	2015
Senior	Turkey – Group Office	0.0	0.0	0.0	00.0	77.8	60.0	00.0	22.2	40.0
Management	Turkey – Operations	0.0	0.0	0.0	80.0	100.0	100.0	20.0	0.0	0.0
	Jordan	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0
	Kazakhstan	4.0	0.0	0.0	76.0	76.0	75.0	20.0	24.0	25.0
	Azerbaijan	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0
	Pakistan	n/a	n/a	0.0	n/a	n/a	90.0	n/a	n/a	10.0
Other	Turkey – Group Office	07.1	9.6	11.9	77.4	87.3	81.8	11.5	3.2	6.3
Employees	Turkey – Operations	27.1	23.5	23.3	71.4	74.6	75.1	11.5	1.8	1.6
	Jordan	35.3	30.9	38.2	60.0	62.4	56.0	4.7	6.7	5.8
	Kazakhstan	49.9	40.4	36.3	43.1	52.1	56.5	7.0	7.5	7.2
	Azerbaijan	42.5	40.3	36.1	46.0	48.7	53.2	11.6	11.0	10.7
	Pakistan	n/a	n/a	33.3	n/a	n/a	62.7	n/a	n/a	4.0

Number and Percentage (%) of Employees		Male				Female			
by Gender	Countries	2013	2014	2015	2015 (%)	2013	2014	2015	2015 (%)
Senior	Turkey – Group Office	10	7	8	80.0	4	2	2	20.0
Management	Turkey – Operations	10	5	7	87.5		2	1	12.5
	Jordan	4	5	6	100.0	0	1	0	0.0
	Kazakhstan	18	18	4	50.0	7	7	4	50.0
	Azerbaijan	3	3	3	50.0	3	3	3	50.0
	Pakistan	n/a	n/a	7	70.0	n/a	n/a	3	30.0
Other	Turkey – Group Office	2,310	91	72	54.1	449	66	61	45.9
Employees	Turkey – Operations	2,310	1,986	1,901	86.0	447	349	310	14.0
	Jordan	387	372	376	94.5	18	19	22	5.5
	Kazakhstan	618	710	810	86.0	106	110	132	14.0
	Azerbaijan	326	339	305	88.2	41	45	41	11.8
	Pakistan	n/a	n/a	3,358	94.5	n/a	n/a	196	5.5

Note: 2013 Turkey figures include senior managers of CCI Group office and CCI Turkey operations.

#### Training

Average Hours of Training Per Employee	2013	2014	2015
Turkey – Group Office	20.2	37.7	9.7
Turkey – Operations*	20.3	8.3	4.3
Jordan	26.4	35.1	64.8
Kazakhstan	13.5	29.3	27.0
Azerbaijan	11.1	14.1	37.5
Pakistan	n/a	n/a	71.5
TOTAL	18.9	16.9	43.4

\* Turkey operations include plants and sales offices.

#### New Employee Hires

	er and Rate of New	Ma	ale	Female		
Employee H	lires	Number	Rate (%)	Number	Rate (%)	
2013	Turkey – Group Office	170		0.5	01.0	
	Turkey – Operations	179	7.7	95	21.0	
	Jordan	136	34.8	5	27.8	
	Kazakhstan	188	29.6	28	24.8	
	Azerbaijan	82	24.9	1	2.3	
2014	Turkey – Group Office	1	1.0	1	1.5	
	Turkey – Operations	135	6.8	44	12.5	
	Jordan	49	13.0	6	30.0	
	Kazakhstan	206	28.3	29	24.8	
	Azerbaijan	43	12.6	8	16.7	
2015	Turkey – Group Office	4	5.0	3	4.8	
	Turkey – Operations	172	9.0	32	10.3	
	Jordan	156	40.8	6	27.3	
	Kazakhstan	241	29.6	41	30.1	
	Azerbaijan	41	13.3	6	13.6	
	Pakistan	79	2.3	49	24.6	

**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**

	er and Rates of	Mo	ale	Fem	nale	Total
Employee T	urnover	Number	Rate (%)	Number	Rate (%)	Turnover (%)
2013	Turkey – Group Office	0.05	0.0	43	0.1	
	Turkey – Operations	205	8.8	41	9.1	8.9
	Jordan	40	10.2	3	16.7	10.5
	Kazakhstan		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
2015	Turkey – Group Office	13	16.3	4	6.3	11.9
	Turkey – Operations	270	14.2	73	23.5	15.5
	Jordan	53	13.9	3	13.6	13.9
	Kazakhstan	145	17.8	24	17.6	17.8
	Azerbaijan	26	8.4	6	13.6	9.1
	Pakistan	163	4.8	42	21.1	5.8

#### Local Employment

	Employment in ational Operations	Local Senior Management Employment Rate (%)	Local White Collar Employment Rate (%)	Local Blue Collar Employment Rate (%)
2013	Turkey	90.0	99.6	100.0
	Jordan	60.0	97.0	99.0
	Kazakhstan	50.0	98.9	100.0
	Azerbaijan	16.7	96.0	100.0
	Turkey – Group Office	100.0	97.0	0.0
2014	Turkey – Operations	90.0	99.8	100.0
	Jordan	67.0	100.0	100.0
	Kazakhstan	50.0	99.2	100.0
	Azerbaijan	16.7	96.0	100.0
	Turkey – Group Office	100.0	89.5	0.0
2015	Turkey – Operations	87.5	99.9	100.0
	Jordan	33.3	100.0	100.0
	Kazakhstan	62.5	99.5	100.0
	Azerbaijan	16.7	97.2	100.0
	Pakistan	90.0	100.0	100.0

Note: "Local" means from the country in question.

#### Employee Breakdown by Seniority (Years of Service)

Employee Break	down by Seniority (%)	2013	2014	2015
0 – 5 Years	Turkey – Group Office	53.8	53.0	54
	Turkey – Operations	55.0	43.3	40
	Jordan	55.0	53.2	55
	Kazakhstan	61.3	60.0	63
	Azerbaijan	58.5	55.1	56
	Pakistan	n/a	n/a	54
6 – 10 Years	Turkey – Group Office	04.5	32.0	31
	Turkey – Operations	24.5	32.4	31
	Jordan	14.9	15.9	16
	Kazakhstan	27.8	26.6	23
	Azerbaijan	27.9	32.3	28
	Pakistan	n/a	n/a	33
11 – 15 Years	Turkey – Group Office	10.0	4.0	3
	Turkey – Operations	10.0	6.9	11
	Jordan	18.3	14.6	11
	Kazakhstan	5.3	7.9	8
	Azerbaijan	4.6	3.3	5
	Pakistan	n/a	n/a	5
16 – 20 Years	Turkey – Group Office	0.4	5.0	6
	Turkey – Operations	9.4	13.9	13
	Jordan	11.7	10.6	12
	Kazakhstan	5.7	4.7	5
	Azerbaijan	9.1	10.5	10
	Pakistan	n/a	n/a	5
20+ Years	Turkey – Group Office		6.0	6
	Turkey – Operations	2.3	3.5	5
	Jordan	0.0	5.8	5
	Kazakhstan	0.0	0.7	1
	Azerbaijan	0.0	0.0	1
	Pakistan	n/a	n/a	0

Note: Figures as of December 31 in 2013, 2014 and 2015.

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

#### **OHS Performance Indicators**

OHS Performance Indicators		Time Incid vorkdays los		Lost	Time Incid (Number)	ents	Number of Fatalities		
	Employee	Contractor	Total		Contractor	Total	Employee	Contractor	Total
2012									
Turkey	240	204	444	29	22	51	0	0	0
Jordan	186	56	242	12	0	12	0	0	0
Kazakhstan	0	0	0	0	0	0	0	0	0
Azerbaijan	0	0	0	0	2	2	0	0	0
2013									
Turkey	208	79	287	21	12	33	0	0	0
Jordan	140	20	160	10	0	10	0	0	0
Kazakhstan	0	0	0	0	0	0	0	0	0
Azerbaijan	0	21	21	0	1	1	0	0	0
OVERALL	348	120	468	31	13	44	0	0	0
2014									
Turkey	648	94	742	30	7	37	0	0	0
Jordan	146	0	146	9	0	9	0	0	0
Kazakhstan	0	0	0	0	0	0	0	0	0
Azerbaijan	0	0	0	0	0	0	0	0	0
OVERALL (Excluding Pakistan)	794	94	888	39	7	46	0	0	0
Pakistan	156	28	184	10	4	14	1	0	1
2015									
Turkey	146	292	438	15	15	30	0	0	0
Jordan	118	0	118	8	0	8	0	0	0
Kazakhstan	0	0	0	0	0	0	0	0	0
Azerbaijan	0	0	0	0	0	0	0	0	0
Pakistan	174	0	174	7	10	17	0	0	0
OVERALL	438	292	730	30	25	55	0	0	0

Note: For 2014, Pakistan data is provided separately to make it easier to compare the data. In 2015, data for Pakistan is also included.

OHS Performance Indicators	LTIR	LTISR	Total Vehicle Accident	Vehicle Accident Rate
2012				
Turkey	0.90	7.84	250	15.33
Jordan	2.62	52.78	34	19.40
Kazakhstan	0	0	5	1.47
Azerbaijan	0.39	8.34	22	13.70
2013				
Turkey	0.55	4.75	241	13.87
Jordan	1.56	27.67	54	23.80
Kazakhstan	0	0	8	2.93
Azerbaijan	0.17	3.58	6	3.40
OVERALL	0.55	5.90	309	12.97
2014				
Turkey	0.67	8.83	164	14.22
Jordan	1.54	24.91	50	22.02
Kazakhstan	0	0	27	9.89
Azerbaijan	0	0	8	4.28
OVERALL (Excluding Pakistan)	0.62	3.15	249	13.68
Pakistan	0.27	11.87	n/a*	n/a*
2015				
Turkey	0.68	9.5	101	10.44
Jordan	1.42	20.93	74	32.60
Kazakhstan	0	0	2	0.73
Azerbaijan	0	0	3	1.74
Pakistan	0.37	3.77	13	2.51
OVERALL	0.49	6.63	193	8.97

\* In 2014 and 2015 vehicle accident data for Pakistan was not prepared on a consistent basis among the plants.

Note: For 2014, Pakistan data is provided separately to make it easier to compare the consolidated data. In 2015, data for Pakistan is also included.

### world

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

Energy Use in C			Fuel	l - Plant		Purchased Energy		
Operations (Mil MJ) *	lion	Heavy fuel oil	Diesel	LPG	Natural gas**	Electricity	Steam	TOTAL
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
	2015	0	4.07	51.95	281.96	404.47	0	742.45
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
	2015	4.22	1.01	2.81	0	23.41	0	31.45
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
	2015	0	0.38	14.15	82.36	71.62	60.74	229.25
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
	2015	0	0.39	7.25	21.70	48.27	0	77.61
Pakistan	2014	0	180.20	21.50	11.00	85.50	0	298.20
	2015	0	345.83	50.08	46.39	229.22	0	671.53
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
	2015	4.22	351.68	126.24	432.41	776.99	60.74	1,752.28

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

The energy metric used in Pakistan is the Total EUR and not the Core EUR. However, for benchmarking purposes against other international plants it is included in the table above. Pakistan Core EUR has increased in 2015 due to a change in calculation methodology: 2015 relates to all six plants while 2014 relates only to the largest plant, Lahore.

\* The figures for 2012 and 2013 in the four countries of operation and the figures for 2014 and 2015 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 with 2013 energy consumption from on-site electricity generation was allocated to "core operations."

Total Energy Use			Fuel	l - Plant		Purchase	ed 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
	2015	0	4.16	51.95	297.53	492.90	0	846.54
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
	2015	4.22	1.01	2.81	0	23.41	0	31.45
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	379.56
	2015	0	0.38	14.15	172.11	111.72	60.74	359.10
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	180.24
	2015	0	0.39	7.25	75.58	71.61	0	154.83
Pakistan	2014	0	434.85	45.81	57.81	233.57	0	772.04
	2015	0	366.47	50.08	46.39	268.41	0	731.35
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	495.38	129.33	559.64	922.52	63.59	2,175.77
	2015	4.22	372.41	126.24	591.61	968.05	60.74	2,123.27

Note: This table includes data on energy use for all processes in 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.

CCI uses two main KPIs to measure energy intensity:

- 1. Energy Use Ratio (MJ/L), which relate only to the core process (filling), so that the energy efficiency of the core process can be compared between plants. (For more information please see Reporting Guidance section of the 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	2015
Turkey	0.30	0.30	0.30*	0.30*
Jordan	0.47	0.41	0.41	0.33
Kazakhstan	0.69	0.68	0.64	0.65
Azerbaijan	0.74	0.75	0.72	0.74
Pakistan	n/a	n/a	0.59*	0.52*

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

GHG Emissions (tons of CO <sub>2</sub> -e)	2013	2014	2015
Turkey			
Scope 1	49,217*	47,418*	52,162*
Scope 2	62,877*	61,359*	60,397*
Scope 3**	328,628	321,162	299,264
Jordan			
Scope 1	786	866	535
Scope 2	3,412	3,990	4,673
Scope 3**	27,073	27,202	28,062
Kazakhstan			
Scope 1	9,597	18,734	13,942
Scope 2	10,553	10,133	13,420
Scope 3**	34,836	42,998	36,902
Azerbaijan			
Scope 1	5,335	9,215	6,797
Scope 2	10,399	8,817	6,789
Scope 3**	12,716	14,092	14,438
Pakistan			
Scope 1	n/a	35,554	31,199
Scope 2	n/a	27,095	30,653
Scope 3**	n/a	n/a	237,843
TOTAL			
Scope 1	64,935	111,787	104,635
Scope 2	87,241	111,394	115,932
Scope 3**	403,253	405,454	616,509
OVERALL TOTAL	555,429	628,635	837,076

\* Data on Turkey for 2013, 2014 and 2015 are verified by SGS according to the requirements of ISO 14064-1.

\*\* Scope 3 emission includes emissions resulting due to energy consumption by coolers.

**Note:** Scope 1 and Scope 2 data in the table above include emissions from all processes, including filling, preform injection, CO<sub>2</sub> production and electricity production (only in Kazakhstan) in our plants. In all CCI countries except Turkey, emissions from fleet and fugitive emissions are excluded.

Energy and Emission Reductions due to EMD Program in Turkey.	Energy Saving (million kWh)	GHG Emissions Avoided (ton CO <sub>2</sub> )	Annual CO <sub>2</sub> Extraction (tree)
2014	381	175,000	14.6 million
2015*	402	172,315	14.4 million

\* The CO<sub>2</sub> coefficient used in 2015 is different from that of 2014. Therefore, although the amount of energy saved has increased compared to 2014, the amount of GHG emissions avoided has decreased.

Energy and Emission Reductions due to EMD Program in the Five Countries of Operation.	Energy Saving (million kWh)	GHG Emissions Avoided (ton CO <sub>2</sub> )	Annual CO <sub>2</sub> Extraction (tree)
2014	402	185,000	15.4 million
2015*	428	184,000	15.3 million

\*The CO<sub>2</sub> coefficient used in 2015 is different from that of 2014. Therefore, although the amount of energy saved has increased compared to 2014, the amount of GHG emissions avoided compared to 2014 is lower.

#### Water Management

Water Use Ratio (L/L)	2012*	2013*	2014	2015
Turkey	1.39	1.41	1.41*	1.44*
Jordan	2.06	2.00	2.04	1.89
Kazakhstan	1.76	1.65	1.55	1.47
Azerbaijan	1.90	1.92	1.82	1.85
Pakistan	n/a	n/a	2.40*	2.03*

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

Total Water Consumption by Region (m <sup>3</sup> )	2013*	2014	2015
Turkey	3,912,240	3,832,252*	4,000,719*
Jordan	153,656	177,081	180,232
Kazakhstan	849,980	896,218	816,221
Azerbaijan	436,075	457,873	388,103
Pakistan	n/a	3,138,972*	2,829,952*
TOTAL	5,351,951	8,502,396	8,215,227

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

Note: Water withdrawal figures are estimated to be the same as the water consumption figures.

Volume of Water Recycled and Reused (m <sup>3</sup> )	2012	2013	2014	2015
Turkey	114,582	284,782	40,337	80,000
Jordan	10,942	0	0	0
Kazakhstan	0	0	0	0
Azerbaijan	6,758	5,580	5,942	5,191
Pakistan	n/a	n/a	n/a	68,216
TOTAL	132,282	290,362	46,279	153,407

Percentage of Water Recycled and Reused * (%)	2013	2014	2015
Turkey	7.3	1.1	2.0
Jordan	0.0	0.0	0
Kazakhstan	0.0	0.0	0
Azerbaijan	1.3	1.3	1.3
Pakistan	n/a	n/a	2.4
TOTAL	5.4	0.9	1.9

\* Percentage is calculated based on the water consumption figures.

In 2015, we discharged a total of about 2.99 million  $m^{\scriptscriptstyle 3}$  of wastewater.

Water Discharge by Destination (m <sup>3</sup> )	Destination	2015
Turkey	Surface water	421.941
	Organized Industrial Zone	181.205
	Municipal sewage system	489.190
Jordan	Surface water	0
	Municipal sewage system	84.771
Kazakhstan	Surface water	0
	Municipal sewage system	198.552
Azerbaijan	Surface water	0
	Municipal sewage system	204.397
Pakistan	Surface water	156.553
	Organized Industrial Zone	519.763
	Municipal sewage system	735.906
TOTAL	Surface water	578.494
	Organized Industrial Zone	700.968
	Municipal sewage system	1.712.816

Performance Indicators

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

Water Quality Parameters Maximum Allowable Limit Values	
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.

#### Sustainable Packaging and Waste

	Veight of Waste by sal Method (Tons)	Type and	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
2015	Hazardous	Reuse	0	0	0	0	0
		Recycle	18,671	0	17.1	0	0
		Landfill	4,259	0	0	13.5	24.1
		Incineration	18,560	0	0.4	0	324.0
		Recovery	2,045	0	0	0	0
		TOTAL	41,924	0	17.5	13.5	348.1
	Non-Hazardous	Reuse	0	0	173.5	0	3,303.7
		Recycle	7,661,688	225.3	823.6	241.1	9,511.9
		Landfill	283,008	0	71.6	17.4	320.7
		Recovery	144,840	0	0	0	0
		TOTAL	8,089,536	225.3	1,068.7	258.5	13,136.3
	TOTAL		8,131,461	225.3	1,086.2	272.0	13,484.4

\* 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.

**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.

CokePort: CCI's intranet portal.

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

**Crash:** Any collision in which a CCI 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 (Revised):** 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 recognizes best-in-class building strategies.

**Leased Vehicles:** "Distribution" or "all other" vehicles leased by CCI. 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, which 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)

OWB: One Way Bottle

**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.

RGB: Returnable Glass Bottle

TCCC: The Coca-Cola Company

**The Coca-Cola system:** The term used to describe the corporate network, consisting of The Coca-Cola Company (TCCC) and more than 250 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 6

# **CCI Reporting Guidance (RG)**

This document provides guidance on the indicators included in the 2015 CCI sustainability report, some of which have been externally assured for the current or a prior period.

Indicators that have been externally assured for this year's report are marked with an asterisk 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 106-112.

The data within the scope of this guidance document is for the financial year ending on December 31, 2015 and concerns the relevant operations in Azerbaijan, Jordan, Kazakhstan, Turkey and Pakistan. The referral to "The Company" covers these five countries, unless stated otherwise.

#### 2015 Assurance Scope

The RG document covers The Company's data-gathering and reporting obligations for the indicators listed below. It is the responsibility of The 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 (Revised).<sup>1</sup>
- GHG emissions of Turkey operations were verified in line with the ISO 14064-3 Standard.

# Legal entities covered fully by this report include: (G4-17)

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 The Coca-Cola Bottling Company of Jordan Ltd., Jordan Coca-Cola Beverages Pakistan Ltd., Pakistan

For a full list of entities included in CCI's financial statements, please see page 46 of the CCI 2015 Annual Report, available on:

#### http://www.cci.com.tr/UserFiles/Annual\_Reports/ CCI\_Annual\_Report\_2015.pdf

#### **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 in order 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). Manufacturing processes refer to the energy consumed in the core bottling (filling) operation. Total energy consumption also includes preform injection for those plants that use this energy-intensive processes as well as energy used for CO<sub>2</sub> production processes in our plants in Kazakhstan and Azerbaijan.

**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 that fall within the scope of this RG, only the Turkish bottling facilities in Ankara and Çorlu,

<sup>1</sup> Please see external opinion statement on page 113.

the international operations in Kazakhstan and Azerbaijan, and the bottling facility in Lahore, Pakistan employed an operational preform injection process during the reporting period.

- Energy consumption for CO<sub>2</sub> production processes in our plants in Kazakhstan and Azerbaijan is also excluded from the EUR calculation.
- Starting in 2013, electricity producing process, which is present only in Kazakhstan, is included in EUR calculations.

**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 (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3). 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 services or any other activity. 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 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 in 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 wells, 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.

**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.

**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.

**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	×	×	x	×	×
Technical service operations (e.g. repairing of coolers, etc.)	х	х	x	х	x
Administrative buildings located at industrial sites	×	x	x	×	x
Own transportation of materials and products within industrial plant sites (e.g., forklift operations)	х	х	x	х	x
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 (core) 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, an adjustment is made to the EUR for energy consumption for preform injection processes, electricity generation processes (present only in our Kazakhstan plant) and CO<sub>2</sub> production processes (present only in 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)	x
Fugitive emissions from the cooling system (on site)	х
Fugitive emissions from fire extinguishers	х
Fugitive emissions of $CO_2$ filling process	Х
Fugitive emissions from off-site coolers	х
Fugitive emissions from on-site coolers	х

#### Water

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

#### Waste

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

#### **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 the 2015 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 the May 2015 version of the 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 Fifth 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 the 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 necessary in order to align the consumption data from the invoices with the reporting period as agreed with The Company's verifiers.

#### TCCC Default Factors for CO, Emissions

Natural gas (MJ): 0.05049 kg CO<sub>2</sub> LPG (MJ) : 0.0594 kg CO<sub>2</sub> Diesel (MJ, light fuel oil): 0.0704 kg CO<sub>2</sub> Heavy Fuel Oil (MJ): 0.0735 kg CO<sub>2</sub> (Azerbaijan operations only)

Electricity (kWh): For electricity, conversion factors for GHG emissions are obtained from the International Energy Agency (IEA) and shared by TCCC with the entire Coca-Cola system.

In this year's report, we used IEA factors of the year 2013 (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 in these operations. The average value of external laboratory analysis results are used to determine the chemical composition of samples of the natural gas used in 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)	2013 IEA Factors (Used for the 2015 Report
Turkey	0.445025	0.457314	0.4591454	0.42868
Jordan	0.565506	0.637428	0.6356158	0.63939610
Kazakhstan	0.385311	0.395557	0.4608749	0.43242720
Azerbaijan	0.392798	0.444116	0.4936623	0.46879420
Pakistan	Not used.	Not used.	0.4176220	0.41617460

#### Conversion Factors for CO, Emissions due to Electricity Consumption



Materiality Disclosures

Sep 2016

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# GRI G4 Content Index for "In Accordance - option 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 GRI Content Index 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.

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ 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	CCI	Not Assured	
G4-4	Primary brands, products and services		Full	5	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 our 10 countries of operation, this report contains data for Azerbaijan, Jordan, Kazakhstan Pakistan and Turkey.	Not Assured	
G4-7	Nature of ownership and legal form		Full	2015 CCI Annual Report, page 46	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	46 88	Not Assured	Principle 6
G4-11	Percentage of total employees covered by collective bargaining agreements	we-Employees	Full	51	Not Assured	Principles 1, 2, 3
G4-12	Describe the organization's supply chain	Sustainability Across the Value Chain	Full	22	Not Assured	

#### **GENERAL STANDARD DISCLOSURES**

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ 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 we opened three new plants in Multan (Pakistan), Astana (Kazakhstan) and Dushanbe (Tajikistan). In Pakistan, new Multan plant replaced the existing one and its data is included in this report. Data from the new plant in Astana is not included, since it was still in start-up phase in 2015. Our plant in Tajikistan is not covered in 2015 report.	Not Assured	
G4-14	Addressing the precautionary approach or principle	world	Full	67	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	
IDENTIFIED	MATERIAL ASPECTS AND BOUNDARIES					
G4-17	Report coverage of entities included in the consolidated financial statements	CCI Reporting Guidance	Full	101 Out of 10 countries of operation, this report contains data for Azerbaijan, Jordan, Kazakhstan Pakistan and Turkey.	Not Assured	
G4-18	Process for defining the report content and the aspect boundaries	Integrating Sustainability	Full	16	Not Assured	
G4-19	Material aspects identified	Integrating Sustainability	Full	16, 18	Not Assured	
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Integrating Sustainability	Full	16, 18 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	16, 18	Not Assured	
G4-22	The effect of any restatements of information provided in previous reports	CCI Reporting Guidance	Full	105	Not Assured	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		Full	18	Not Assured	

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ Explanations	External Assurance	UNGC Principle
STAKEHOL	DER ENGAGEMENT			• •	<u> </u>	
G4-24	List of stakeholder groups engaged by the organization	Integrating Sustainability	Full	13, 14, 16	Not Assured	
G4-25	Basis for identification and selection of stakeholders	Integrating Sustainability	Full	13, 14, 16	Not Assured	
G4-26	Approaches to stakeholder engagement	Integrating Sustainability	Full	13, 14, 16	Not Assured	
G4-27	Response to key topics and concerns raised	Integrating Sustainability	Full	13, 14, 16	Not Assured	
REPORT PR	OFILE					
G4-28	Reporting period		Full	1 January 2015 to 31 December 2015	Not Assured	
G4-29	Date of most recent previous report		Full	2014	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. 106-112 (GRI Content Index) 113-116 (External Assurance)	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	
GOVERNAM	NCE					
G4-34	Governance and Ethics structure of the organization	Integrating Sustainability Corporate Governance and Ethics	Full	11-12 31-32	Not Assured	
ETHICS AN	D INTEGRITY					
G4-56	Values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics	CCI at a Glance Governance and Ethics	Full	5 32	Not Assured	Principle 1

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ Explanations	External Assurance	UNGC Principle
Economic						
G4-DMA As	pect: Economic Performance	CCI At a Glance		5	Not Assured	Principle 7
G4-EC2	Risks and opportunities due to climate change	world	Full	70 (also provided in the 2016 CCI CDP Report)	Not Assured	Principle 7
G4-DMA Aspect: Indirect Economic Impact		we-Community		57	Not Assured	
G4-EC7	Development and impact of infrastructure investments and services supported	we-Community	Full	61	Not Assured	
G4-EC8	Significant indirect economic impacts including the extent of impacts	we-Community	Full	64-65	Not Assured	
G4-DMA As	pect: Procurement Practices	Sustainability Across the Value Chain		27-28	Not Assured	
G4-EC9	Proportion of spending on local suppliers	Sustainability Across the Value Chain	Full	28	Not Assured	
Environme	ntal					
G4-DMA As	pect: Material	world		84	Not Assured	Principles 7, 8
G4-EN1	Materials used by weight or volume	Performance Indicators	Full	87	Not Assured	Principles 7, 8
G4-EN2	Recycled materials used	world	Full	84-85	Not Assured	Principle 8
G4-DMA Aspect: Energy		world		70	Not Assured	Principles 7 8, 9
G4-EN3	Energy consumption within the organization	Performance Indicators	Full	95-96	Assurance statement of EY on page 113	Principles 7, 8
G4-EN5	Energy intensity	world	Full	71	Assurance statement of EY on page 113	Principle 8
G4-EN6	Reduction of energy consumption	world	Full	73	Not Assured	Principles 8, 9
G4-EN7	Reductions in energy requirements for products and services	world	Full	73-75	Not Assured	Principles 8, 9
G4-DMA As	spect: Water	world		78	Not Assured	Principles 7, 8
G4-EN8	Total water withdrawal by source	Performance Indicators	Full	98	Assurance statement of EY on page 113	Principles 7, 8

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ Explanations	External Assurance	UNGC Principle
G4-EN10	Percentage and total volume of water recycled and reused	Performance Indicators	Full	98	Not Assured	Principles 7, 8
G4-DMA Aspect: Emissions		world	Full	70, 76	Not Assured	Principles 7, 8, 9
G4-EN15	Direct GHG emissions (Scope 1)	world Performance Indicators	Full	77 97	Assurance statement of SGS on pages 114- 116	Principles 7, 8
G4-EN16	Energy indirect GHG emissions (Scope 2)	Performance Indicators	Full	97	Assurance statement of SGS on pages 114- 116	Principles 7, 8
G4-EN17	Other indirect GHG emissions (Scope 3)	Performance Indicators	Partial	97	Not Assured	
G4-EN18	Greenhouse gas (GHG) emissions intensity	world	Full	76	Not Assured	Principle 8
G4-EN19	Reduction of GHG emissions	world	Full	78	Not Assured	Principles 8, 9
G4-DMA As	pect: Effluents and Waste	world		83, 85-86	Not Assured	Principle 8
G4-EN22	Total water discharge by quality and destination	Performance Indicators	Full	98	Not Assured	Principle 8
G4-EN23	Total weight of waste by type and disposal method	Performance Indicators	Full	99	Not Assured	Principle 8
G4-DMA As	pect: Product and Services	world		84-85	Not Assured	Principle 8
G4-EN28	Percentage of products sold (and their packaging materials) that are reclaimed, by category	world	Full	84-85	Not Assured	Principle 8
G4-DMA As	pect: Compliance	world		67	Not Assured	Principles 8, 9
G4-EN29	Fines and sanctions for non- compliance with environmental regulations.		Full	We did not have any significant* fines.	Not Assured	Principles 8, 9
G4-DMA As	pect: Transport	world		73-74	Not Assured	Principle 8
G4-EN30	Significant environmental impacts of transportation	world	Full	73-74	Not Assured	Principle 8
G4-DMA As Assessment	pect: Supplier Environmental	Sustainability across the Value Chain		26-27	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

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ Explanations	External Assurance	UNGC Principle
Social: Lab	oor Practices and Decent Work					
G4-DMA Aspect: Employment		we-Employees		46	Not Assured	Principle 6
G4-LA1	New employee hires and employee turnover by age group, gender and region.	Performance Indicators	Full	91	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	51	Not Assured	
G4-DMA Aspect: Occupational Health and Safety		we-Employees		52	Not Assured	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	we-Employees	Partial	52-53	Not Assured	
G4-LA6	Injuries, lost days, absenteeism and fatalities	Performance Indicators	Partial	93-94	Not Assured	
G4-DMA Aspect: Training and Education		we-Employees		50	Not Assured	Principle 6
G4-LA9	Average hours of training per year per employee by gender, and by employee category	we-Employees	Full	50	Not Assured	Principle 6
	G4-DMA Aspect: Diversity and Equal Opportunity			46-47	Not Assured	Principle 6
G4-LA12	Composition of Governance and Ethics bodies and breakdown of employees	Performance Indicators	Full	90	Not Assured	Principles 1, 6
G4-DMA Aspect: Supplier Assessment for Labor Practices		Sustainability across the Value Chain		26-27	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: Hu	man Rights					
G4-DMA A Collective E	spect: Freedom of Association and Bargaining	we-Employees		51	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	27 51	Not Assured	Principles 1, 2, 3
G4-DMA Aspect: Assessment		Sustainability across the Value Chain		26-27	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 human rights reviews and audits.	Not Assured	Principles 1, 2, 3, 4, 5, 6

Profile Disclosure	Description	Reported in	Scope of Reporting	Reference pages/ Explanations	External Assurance	UNGC Principle
G4-DMA Aspect: Supplier Human Rights Assessment		Sustainability across the Value Chain		26-27	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: Soc	iety					
G4-DMA Aspect: Local Communities		we-Community		57-58	Not Assured	Principle 1
G4-SO1	Local community engagement, impact assessments and development programs	we-Community	Partial	58-64	Not Assured	Principle 1
G4-DMA A	spect: Anti-Corruption	Governance and Ethics		32-33	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
G4-SO4	Anti-corruption training	Governance and Ethics	Full	33	Not Assured	Principle 10
G4-DMA A	G4-DMA Aspect: Anti-competitive Behavior			31-33	Not Assured	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices, and their outcomes		Full	There was no legal action for anti-trust and monopoly practices.	Not Assured	
G4-DMA A	spect: Compliance	Governance and Ethics		31-33	Not Assured	
G4-SO8	Fines and sanctions for non- compliance		Full	We did not have any significant* fines.	Not Assured	
Social: Pro	duct Responsibility					
G4-DMA A	spect: Customer Health and Safety	me		35-36	Not Assured	
G4-PR1	Assessment of health and safety impacts of products.		Full	100% of our products.	Not Assured	Principle 8
G4-DMA A Labeling	spect: Product and Service	me		36-37	Not Assured	
G4-PR3	Product and service information required by procedures for product and service information and labeling	me	Full	36-37	Not Assured	Principle 8
G4-PR5	Results of surveys measuring customer satisfaction	Sustainability across the Value Chain	Full	29	Not Assured	

\* Fines of USD 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 2015 ("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 İçecek A.Ş. 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 (revised)). The assurance statement should not be taken as a basis for interpreting the performance of Coca-Cola İçecek A.Ş. across the scope of issues covered in the Report.

Our responsibility in performing our assurance activities is to the Management of Coca-Cola [cecek 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 we did 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 (revised)). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000 (revised)) 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, 68, 69, 71, 80, 95, 96, 97 and 98 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 101 to 105 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;
- Reviewed Selected Information on site covering Coca-Cola lçecek A.Ş. Corporate Office in Turkey and four plants at Bursa and Köyceğiz in Turkey and Lahore and Karachi 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 Içecek A.Ş.'s Reporting Guidance document (given within the Report) to evaluate and measure the Selected Information;
- Evaluated the design and implementation of key processes and controls over the Selected Information;

<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.

- 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
- Assessed the disclosure and presentation of the Selected 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 i.e. 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015;
  - 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 2015 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 İçecek A.Ş. Sustainability Report for the year ended 31 December 2015, to enable the Directors of Coca-Cola İçecek 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 İçecek 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

kuvan, SMMM vneb

Partner Istanbul, 8 September 2016

## **Greenhouse Gas Verification Statement**



Greenhouse Gas Verification Statement Number CCP223572/1/2015/06/16

The inventory of Greenhouse Gas emissions in the period 01/01/2015 – 31/12.2015 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: 112,532 tCO<sub>2</sub>e

For the following activities soft drinks manufacture and distribution

Lead Assessor: Shane Hughes Technical Reviewer: Peter Simmonds

Jorakan M. Vell

Jonathan Hall Business Manager SGS United Kingdom Ltd Verlfication Statement Date: 29<sup>th</sup> June 2016

This Statement is not veild without the full verification scope, objectives, criteria and conclusion available on pages 2 to 3 of this Statement.



# **Greenhouse Gas Verification Statement**

SGS

Schedule Accompanying Greenhouse Gas Verification Statement Number CCP223572/1/2015/06/16

#### **Brief Description of Verification Process**

SGS has been contracted by Coca-Cola loecek A.S.

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 Umraniye 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 Icecek 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 01/01/2015 – 31/12.2015.

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 March to June 2016.

The assessment included a desk review and site visits at the Coca-Cola Içecek A.Ş. head quarters, an office in Dudullu and two facilities in Elazig and Corlu. The verification was based on the verification scope, objectives and criteria as agreed between Coca-Cola Içecek A.Ş. and SGS on 04/04/2016.

#### Level of Assurance

The level of assurance agreed is reasonable.

#### Scope

Coca-Cola Icecek A.S.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, process emissions, fugitive emissions;

Scope 2 - purchased electricity;

# **Greenhouse Gas 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: 01/01/2015 31/12.2015.
- Intended user of the verification statement: general public.

#### Objective

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 Içecek A.Ş. provided the GHG assertion based on the requirements of ISO 14064-1. The GHG information for the period 01/01/2015 – 31/12/2015 disclosing gross emissions of 112,532 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<sub>2</sub> equivalent emissions for the period 01/01/2015 – 31/12/2015 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 lipacek A.Ş. website https://secure.coca-colaturkkye.com/hakk/mizda. 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.

## Contact

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### Legal Disclaimer

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