



*Coca-Cola İçecek*



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**Additional Information for  
BIST Sustainability Index  
Assessment**

**2013-2014**

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## Foreword

This document summarizes additional qualitative and quantitative information, including our business operating practices, as required by the Borsa Istanbul (BIST) Sustainability Index which focuses on the environment, human rights, and health & safety. Such additional information supercedes those material issues which fall within the scope of our sustainability report (prepared according to GRI G4 Guidelines) and our website ([www.cci.com.tr](http://www.cci.com.tr)). The information contained herein has been prepared in line with TCCC (The Coca-Cola Company) standards, and all the policies herewith are relevant for all CCI operations. Further quantitative information is available in CCI's 2013 Sustainability Report ([www.cci.com.tr](http://www.cci.com.tr)).

## ENVIRONMENTAL MANAGEMENT

Minimizing our environmental impact by using fewer natural resources and generating less waste are among our main priorities. This approach is essential not only for the sustainability of our business but also for the sustainability and welfare of the communities in which we operate. CCI's Environment Policy is available at [www.cci.com.tr](http://www.cci.com.tr).

### CCI'S ENVIRONMENTAL APPROACH

With our continuous efforts to minimize water consumption in our operations, to reduce our total carbon footprint, and to preserve natural resources, we aim to deliver on our sustainability commitments and inspire other companies in our industry with our performance. We constantly evaluate the opportunities for reducing, reusing and recycling.

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

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

In addition to the above-mentioned aspects, we also monitor and manage our atmospheric emissions in line with national regulations in all areas where we operate as well as with TCCC standards. All CCI plants (except water treatment plants) are in the scope of "Emission Permission" according to Air Pollution Control Regulation. Sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), dust, and carbon monoxide (CO) parameters are measured once every two years and an air emission report is prepared. Last year, we performed a materiality assessment with regard to sustainability and the environment, and we concluded that air emissions from our factories are both quantitatively and qualitatively insignificant. Consequently, we have not included atmospheric emissions data in this sustainability report.

CCI Turkey Bursa plant stack gas emission analysis results are given below as an example :

Number/Name of the Source	Parameter (kg/hour)					
	CO	NO <sub>x</sub> (NO <sub>2</sub> )	NO	SO <sub>2</sub>	Dust	VOC
1/No2 Steam Boiler Chimney	0.41776	2.26348	1.14016	0	0.04065	-
2/No3 Steam Boiler Chimney	0.09267	1.47178	0.95986	0	0.02129	-
3/HOD Washing Machine Chimney	-	-	-	-	0.00764	0.0042
Total Value	0.51043	3.73526	2.10002	0	0.06958	0.0042
Legal Limits						
SKHKKY*App-3.d	5/50	-	20	60	10	10
SKHKKY App-2 Stack	500	40	-	60	10	30
SKHKKY App-2 Out of Stack	50	4	-	6	1	3

\*SKHKKY : Sanayi Kaynaklı Hava Kirliliği Kontrolü Yönetmeliği (Industrial Air Pollution Control Regulation)

This table is taken from the original report of our Bursa plant's last atmospheric emission measurement in 2014. The first part of the table lists measurement results whereas the second part illustrates limit values (SKHKKY App-2 stack). The table results indicate that the measurements are significantly lower than the limit values and 100% legally compliant. In all CCI plants, results of atmospheric emission measurements are similar to those of the Bursa plant. Atmospheric emissions are not given priority over other environmental concepts, but this does not mean CCI does not make improvement on atmospheric emissions. When boilers work efficiently, the emission values decrease. All plants work continuously to improve efficiencies – both economic and environmental – in all processes.

Our targets for atmospheric emissions are to improve our efficiency values and to remain 100% legally compliant.

### Managing Our Environmental Impacts

In managing our environmental impact, we are guided by legal requirements, TCCC standards, and industrial practices. In all of our operations we establish environmental management systems in order to monitor and improve our environmental performance. As of the end of 2014, all existing plants in Turkey, Jordan, Kazakhstan, Azerbaijan, Kyrgyzstan and Pakistan held ISO 14001 Environmental Management System Certificates. Our Iraq and Turkmenistan operations have set a goal to achieve ISO 14001 certification in 2015-2016. Moreover, we listen to our stakeholders, and we do our best to satisfy their expectations regarding minimizing our environmental impact.

At the end of 2014, we revised our sustainability governance system. 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. Under this Group, we established two working groups to manage environmental issues: Turkey Water & Environment Working Group and Turkey Climate Change & Energy Working Group.

We believe creating environmental awareness in our workplace plays an important role in helping us achieve our ambitious environmental targets. In 2014 we provided 3.698 man-hours of environmental training to our employees in Turkey, Azerbaijan, Kazakhstan and Jordan.

### CCI's Environment Management System

CCI's Environmental Management System has been established in compliance with KORE, which is the Environmental Management System of Coca-Cola Company and TSE ISO 14001, which cover the basic principles and practices of these systems.

This system is built on five basic principles:

#### **Our commitment to being the leader in environmental protection**

For an effective environmental management program, and in terms of our commitment to environmental protection, the full participation of all employees of CCI's operations is required. All employees should completely understand and practice the daily activities which should be complied with in terms of environment.

#### **Compliance with environmental matters and going beyond compliance**

Our commitment to environmental protection extends beyond the legal requirements and regulations relating to the environment.

#### **Minimizing our impact and continuous improvement**

We continuously pursue opportunities to minimize our environmental impact through benchmarking our performance according to industry standards, implementation of new technologies and resource efficiency projects. Pollution prevention and control implementations are practiced in a responsible manner, thereby minimizing our waste as well as costs related to waste management.

### Auditing environmental activities

For continuous development, every activity we perform and every written document produced with respect to the environment should be audited pursuant to the quality system and environmental management system. If there are findings as a result of the audits conducted by auditors or government agencies or the auditors of TCCC, then the necessary corrective and preventive actions should be taken.

### Social responsibility

As a part of living in a society, we use all kinds of information and combine our energies with public, private, and non-governmental organizations in a manner to create positive improvements and fulfill our social responsibilities to the environment.

### Target Setting & Planning:

At the beginning of each year, under the leadership of the Operations Manager and with the participation of the Environmental team, the objectives and targets of our plant environmental management system is defined for the new year according to the local legislation and company requirements as well as environmental policies in order to minimize the environmental impacts or to keep them under control. While determining the targets for the new year, the factors like the results of the previous years, company targets, legal requirements, measurability, traceability and applicability of the objectives are considered in accordance with our continuous development principle.

Major environmental performance indicators and targets determined by the plants are incorporated in CCI's business plan.

Plant environmental performance indicators are shared with all employees and the Business Unit (BU). Performance indicators are constantly followed throughout the year and the compliance with the objectives is kept under control. Performance indicators are reported monthly to the BU, plant management and senior management.

### Environment Management System Audits

The environmental management system is audited once a year within the scope of internal audit. The non-conformities in matters regarding environment management system that are found both in internal and external audits and in daily practice are processed according to the relevant procedures. The Environmental Coordinator is responsible for the assessment of the environment management system and for the follow-up of the corrective/preventive activities. The Environmental Management System is assessed every quarter during operation meetings and in annual management review meetings. The existing regions are also audited in terms of Environmental Management System during monthly Environmental checks.

Those responsible for executing and coordinating CCI's environmental management activities in our plants do so in line with the legislation, conduct and internal audit according to the provisions of the relevant legislation at least once a year and issue a report at the end of the internal audit. Non-conformities are followed and preventive and corrective actions are taken according to the relevant procedure.

CCI plants ensure that the obligations defined in the relevant legislation are fulfilled by monitoring the operations performed in regular intervals.

The assessment of environmental management system performance at CCI locations is necessary to understand the effectiveness of the program. The final summary of the environmental performance is the monthly assessment of the factory environmental performance measurement report.

The basic performance indicators reported are as follows;

- Water Usage Ratio (l/l)
- Energy Usage Ratio (MJ/l)
- Wastewater Generation Ratio (l/l)
- Solid Waste Generation Ratio (g/l)
- Solid Waste Recycling Ratio (%)
- CO2 Emission Ratio (g/l)

All CCI plants are also audited regarding environment management system requirements and TCCC's standards by TCCC audit department regularly (at least every 2 years).

ISO 14064-1 and ISO 50001 Management System Certification Audits are conducted in CCI Turkey plants every year.

### Management Review

Management Review Meeting is held in line with CCI's Environment Management System requirements at least once a year. Environmental key performance indicators are reviewed during Business Plan Meetings.

The Environmental board meetings and the annual management review meeting involves the following topics.

- b)** Review of the environmental management system performance indicators,
- d)** Internal and external audit findings and environmental accidents, feedbacks and complaints regarding environment management system,
- e)** Corrective and preventive activities regarding the environmental management system,
- f)** Improvement recommendation regarding environmental management system,
- g)** Amendments in law and company requirements,
- h)** Assessment of supplier and subcontractor activities and, if any, the nonconformities in environmental practices,
- i)** Reviewing the environment policy and its fitness to the needs,
- j)** Environmental Risk Assessment
- k)** Technological, managerial, design, etc. changes which may affect the environment performance and objectives

### Environment Management Systems Procedures

The Environmental Coordinator is responsible for ensuring all associated operations are in compliance with all relevant laws and regulations regarding environment. He/she should find the method for applying these laws and regulations to work. He/she should follow all updated laws related to environment and evaluate compliance.

As well as laws and regulations, he/she should follow the Coca-Cola KORE system and ISO 14001 standards and adapt them to factory's environmental management system, and ensure its currency.

The Environmental Coordinator also works in coordination with The Coca-Cola Company Business Unit in environmental matters and completely fulfills the requirements of Coca-Cola company in this respect.

There are several procedures that CCI follows and all these procedures are standard in all plants;

- Environmental management procedure
- Waste Management Procedure
- Hazardous Materials Management Procedure
- Wastewater Management Procedure
- Storm water Management Procedure
- Fleet Management Procedure
- Ozone Protection Procedure
- Air Pollution Control Procedure
- Water Management Procedure
- Energy Management Procedure (ISO 50001)
- ISO 14064-1 GHG Manual (CCI Turkey)

### Environmental Operations Management Designs

While designing new packaging, products, processes, factories or offices, their full compliance with environmental laws should be checked. In new designs, systems which are recently invented and which will further protect the environment should be used.

### Packing materials

Packing materials such as stretch film, shrink wrap and separators which we use in the factory should be chosen from recyclable materials. Less material may be used by decreasing the thickness or sizes of such type of packing material. While choosing packing material, the relevant documents of Coca-Cola company should be observed. The materials consisting of heavy metals and PVC should not be used in packing materials.

### Hazardous Substance Management

It is intended to prevent any damage to human and environmental health through hazardous materials used at CCI locations. It is used in transportation, stocking, use and disposal of all hazardous substances in solid, liquid and gas state used. Materials such as construction materials, gaskets, and others which contain asbestos should not be used within the factory as they are hazardous. Medical wastes and hazardous wastes of the factory should be collected and disposed of in a manner that complies with legislation. The radioactive devices in the facility should be kept under control.

### Prevention of Chemical Spills

Any chemicals used at CCI locations should be determined, listed and kept under control. Documents regarding the acceptance, stocking, use and disposal of chemicals should be issued and identified. Measures while receiving, stocking and using chemicals and the prevention of a possible chemical diffusion, and the measures to be taken in case of a chemical diffusion, should be determined.

### Preventing Air Pollution and Protecting the Ozone Layer

The materials used and the practices at CCI locations should be at a level to minimize air pollution and should not harm the ozone layer. Use of materials damaging the ozone layer at CCI locations should be strictly controlled. Emissions (stack gas, forklift, etc.) which cause air pollution should be measured and checked regularly, and they should be kept below the limit values determined by legislation.

### Energy and Water Minimization

We intend to keep the negative effects on the environment at minimum level and to eliminate any surplus costs which will occur as a result of unnecessary consumption through effective use of energy (electricity, natural gas, vapor, compressed air, LPG, diesel fuel, fuel oil, etc.) and water resources used at CCI locations. Reusable waste water is determined through studies required for reuse, and waste water in factories is minimized.

**Water Resources Protection Plan**

Water Resources Management Team (WRMT) accomplishes the e-learning trainings provided by TCCC, who issue and ensure the accuracy of the Source Water Protection Plan (SWPP), and they are responsible for their implementation.

**Management of Company Assets**

Emission measurements of fleet vehicles are made in compliance with legislation. Maintenance of fleet vehicles is performed in authorized service centers according to legislation. Waste lubricants and batteries of company cars are disposed of in a manner that is compliant with hazardous substances legislation. Performing the maintenance of vehicles on time saves fuel and reduces exhaust emissions through full combustion.

Forklifts using LPG should be used when possible in the factory while electric forklifts should be used indoors. Maintenance of forklifts is performed regularly. Waste from forklift maintenance is disposed of in a manner that is compliant with legislation. Waste Management

The type of waste generated at CCI locations, recyclable solid wastes, where and how to collect them, the amount of waste and whether to remove them from the collection area are determined. The hazardous waste of the factory is determined by the Environmental Coordinator by considering the provisions of relevant regulations, and the storage and removal methods are appointed according to the same regulations. Recyclable waste, hazardous waste, and medical waste is stored separately in the factory. Wastes which may not be recycled is collected and disposed of separately from recyclable waste.

**Rainwater Pollution Prevention**

Rainwater drainage channels are marked on a project plan showing all infrastructure drainage channels at CCI locations. The contamination of rainwater with substances hazardous to the environment through chemical diffusion or contamination of waste water generated from the processes via channels in the factory is brought under control. Operations employees are trained on preventing the contamination of rainwater.

**Waste Water Management**

All process and domestic waste water at CCI locations are processed (local treatment facility, neutralization, central treatment facility, etc.) as required in order to discharge them to the receiving environment in compliance with discharging standards without harming the environment. The operation and analysis methods and the principles of local treatment facility are described in the relevant procedures/guidelines. The required intervention in case of nonconformities in the quality of the treated water from the waste water facility is made by the Treatment Facility Operator under the supervision of the Quality Assurance Chief.

The central treatment facilities are periodically visited, and discharge water analysis results are taken. In case of nonconformity, a Corrective/Preventive action is taken.

**Environmental Risk Assessment and Generating Control Plans**

The environmental aspects which constitute a potential risk to the environmental pollution and ecological balance at CCI locations are determined. The environmental risk is scored on this list and the control measures for important environmental risks are determined. An action plan (Environmental Program) is prepared for medium and high risks, and it is updated in case of environmental accident, process amendment, new line installation, or legislation amendment. It is reviewed once every year.

**Noise Control**

To determine the effects that noise generated at CCI locations has on the environment and our employees, the necessary assessments are made. If a situation which exceeds standards is detected in the measurements, then required improvements are performed. The purpose is to reduce noise at its source.

## WATER MANAGEMENT

As water is the main ingredient in our beverages, it is central to our manufacturing process. It is also required by our suppliers in order to grow the agricultural products we use as ingredients. A sufficient quantity of safe, accessible water is not only essential to the welfare and good health of the communities in which we operate, but it is also key to our business success.

Given that water is acutely stressed and increasingly threatened, especially as global demand rises from growing populations, economic development, and the impacts of climate change, we take every opportunity to reduce the amount of water we use in line with our water management policy and strategy. We reuse and recycle water, treat it via wastewater treatment facilities, and replenish it via our community projects. At the local level, we conduct source vulnerability assessments (SVA) and implement the resulting plans to protect water catchment basins in the regions where our plants are located. While our business volume increases, our goal is “to produce more beverages by consuming less water.”

We fully support TCCC’s ultimate goal of “replenishing every drop of water used.” As a bottling partner, we implement TCCC’s global water strategy, focusing on:

- Production facility performance through water efficiency and reuse as well as wastewater treatment
- Watershed protection, particularly via conducting SVAs and implementing source water protection plans
- Sustainable communities by helping create access to safe water
- Raising global awareness and promoting action around water challenges.

Similar to the Energy & Climate Protection Work Group, we established a “Water and Environment Work Group” in Turkey consisting of representatives from plants as well as managers responsible for purchasing, logistics, administrative affairs, corporate affairs and TCCC. The responsibilities of the Work Group include, among others, preparing strategies and a road map with regard to water and the environment, submitting these strategies and their budgets to top management for approval, and collecting data and reporting on water use and total waste.

In 2014, we submitted our first detailed annual report to the Carbon Disclosure Project (CDP) Water Program on our water strategy and water use data. We submitted our second CDP Water program report in 2015.

### Source Water Vulnerability Assessment:

As an environmental requirement, a study for identification and assessment of the social, environmental, economic, regulatory and political risks to sources of process water is performed in each CCI facility every five years. The source water protection plan (SWPP) derived from this study is approved and followed by Water Resource Management Teams.

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

- The conceptual hydrologic model for the watershed and groundwater basin
- The sustainability and supply continuity of water supplies
- Potential internal and external risk factors which affect raw water quality and quantity
- Historical water quantity and quality issues
- Stakeholder analysis

The study is performed by an expert water consultancy company with the participation of the CCI Water Resource Management Team members who are trained in specific water areas such as:

- Hydrology and hydraulics of surface water system
- Biological health of natural water systems
- Hydro-geology of groundwater systems, geochemistry, zones of contribution and protection zones
- Water balancing and budgeting
- Public sector local and regional water resource master planning and long-term planning
- Local and regional water rights along with water resource and watershed management policy
- Types of potential pollution sources within watersheds and/or groundwater basin, the associated potential contaminants and the best management

Practices to reduce the likelihood of contaminant release from these sources are approved by TCCC and updated periodically.

### Water Efficiency

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

In all countries of operation, we monitor our water efficiency through the water use ratio (WUR), which gives an indication of water used for every one liter of product. We also set water use reduction targets based on this KPI and keep close track of our performance.

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

### Water Use

Water Use Ratio (L/L)	2006	2012*	2013*	2014
Turkey	1.74	1.39	1.41	1.41*
Jordan	3.44	2.06	2.00	2.04
Kazakhstan	2.10	1.76	1.65	1.55
Azerbaijan	2.10	1.90	1.92	1.82

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

### Water Assessment

Since the end of 2012, TCCC has required all of its bottling plants to conduct a local source vulnerability assessment (SVA) and to develop a SWPP to mitigate water-related risks to our System and to the communities we serve. SVAs allow us to assess vulnerabilities to community sources of water and help us to determine potential impacts of our water usage and wastewater discharge. As of 31 December 2014, all CCI plants had completed their SVA studies in all countries of operation. This assessment is conducted every five years in all CCI plants.

Our plants in Turkey will complete their second SVA study cycle by 2016. The second SVA study cycle will be completed in all CCI operations, including Iraq, by 2019.

During any SVA study, an analysis of water basins and sub-basins around our plants is conducted, and SVA will include the topographical, geological, hydro geological and hydrological assessment of the study areas as well as identification of any risks to the sustainability of water resources within these areas. SVA studies include processes such as field surveys, interviews with plant authorities or site representatives, interviews with local and national authorities as well as desktop studies. These assessments inventory the social, environmental and political risks to the water sources supplying our facilities and surrounding communities. We evaluate the results of these studies with a SWPP and take action on a plant-by-plant basis. CCI plants in the four countries of operation relevant to this report have developed SWPPs and have begun implementing improvements.

In line with the information gathered as a result of the assessment studies, various practices were conducted to avoid contamination, prevent water quality decrease arising out of pesticides contamination, and foster water usage minimization and recycling. Other studies held in conjunction with assessments focused on alternative water resources, ensuring business continuity, improving the knowledge level of employees, and explaining water policy and facts of TCCC to the community.

### TCCC's Replenishment Goal

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

- 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 the amount of water equivalent to our product volume through locally-relevant water and sanitation projects.

Between 2005 and the end of 2013, TCCC balanced, or replenished, an estimated 68% (based on 2013 production volumes) of the water used in its finished beverages, an amount equal to 108.5 billion liters. The water replenishment rate for Turkey has reached 23%, equal to about 665 million 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's "Life Plus Environment" Program

We want to play our part in building thriving communities. Therefore, we are committed to increasing the power of communities to be resilient to climate change through sustainable land and water use and water management within the framework of ecosystem approach. We are committed to doing this in partnership with the government, NGOs, and universities.

Turkey is a leader among countries engaged in intense agricultural production.. One essential component to high agricultural production per unit area is irrigation. Even though Turkey, with an average allowance of only 1,520 m<sup>3</sup> of water per person, is considered to be nearly water scarce, more than 70% of its fresh water is being used for agricultural purposes. In this sense, water saving in irrigated farming will be a positive step, not only for the country, but also for the global food security.

The Program aims to apply a new approach to land and water management in alignment with the adaptation to climate change and decreasing water resources.

As part of the Life Plus Environment Program, two projects have been conducted:

- 1) Agriculture of the Future, and
- 2) Harran Night Irrigation projects.

The Program has resulted in the conservation of 1.8 million liters of water in 13 million square meters of agricultural land and the planting of 100,000 saplings as a wind break system in the Konya basin. It has impacted 1,415 people including farmers, public and NGO representatives, and academicians.

### **Agriculture of the Future Project**

This Project has two objectives:

- 1) to improve the water holding capacity of soil, ensuring the efficient use of land and water, and
- 2) to increase the capacity to use the ecosystem services in agriculture.

In order to do this, the Project implements direct seeding and windbreaks. Direct seeding machines were provided to farmers in four districts in the Konya basin. In an agricultural area of 8 million square meters, the machines were used and 110 farmers have benefitted from yield increases and water savings. In addition to this, 100,000 saplings were planted, essential for protecting both the crop and the soil. The Project was conducted in partnership with the Coca-Cola Life Plus Foundation, Turkey's Ministry of Food, Agriculture and Livestock, and the Nature Conservation Center.

### **Biodiversity Conservation Aspect of the Agriculture of the Future Project**

Conventional nature conservation activities have focused on conservation of certain species or their ecosystems. Due to the limited capacity of these methods in meeting the needs of complicated relationships between socio-economic activities and natural ecosystems, new approaches have been developed serving not only conservation areas but also semi-natural environments.

The new approaches such as ecosystem and biodiversity conservation take into account the multi-sector nature of conservation practices and are aimed at sustainable use and conservation of natural resources. The Agriculture of the Future Project focuses on promoting the ecosystem services approach in agricultural practices in order to conserve agricultural ecosystems and biodiversity without reducing the prosperity of society. Ecosystem Services Approach in the Project

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

The project includes conservation agriculture activities such as implementing direct seeding and wind breakers. These activities are important tools for protecting soil and water resources which are important components of agro ecosystems. In order to increase the integration level of the ecosystem approach into the project, the following activities are being carried out:

- Mapping of agricultural ecosystems
- Determining the benefit of ecosystem services to agricultural practices
- Developing, in collaboration with Yale University School of Forestry and Environmental Studies, a methodology for mapping these services
- Mapping ecosystem services through advanced scientific approaches and incorporating local knowledge through a participatory approach
- Analyzing the vulnerability of agricultural ecosystems
- Modeling climate parameters related to agriculture
- Determining to what extent ecosystems are vulnerable to climatic changes and human activities
- Developing recommendations for protection of the vulnerable ecosystem services

Below are ecosystem services maps produced for the Cihanbeyli District of Konya.

### Biodiversity Monitoring Activities in the Project

The conservation agriculture activities in the project protect soil and water, both significant resources for biodiversity elements in the region. In order to monitor the interaction of the project activities with the biodiversity of the area, we developed a continuous monitoring program which includes:

- Determination of the species groups to be affected from agricultural activities
- Determination of rare/endangered/endemic/sensitive species in Konya
- Determination of the monitoring and inventory methodology
- Continuous monitoring of selected species groups, especially those that are rare/endangered/endemic/sensitive.

The monitoring program is carried out on birds, plants, butterflies and mammals throughout the year in cooperation with scientists from various disciplines. So far, 43 bird species, 18 plant species, 15 butterfly species, and 10 small mammal species has been observed in the pilot project sites of direct seeding and wind breakers implementation.

### Night Irrigation Project

The Harran Plain is one of Turkey's important agricultural production centers. In summer months, irrigation is performed under high temperatures, increasing the rate of evaporation. In order to reduce the amount of water lost by evaporation, it is important to irrigate in the early hours of the day, in the evening or at night instead of during midday hours. Reducing water loss will also minimize environmental problems due to over-irrigation, including salinization, fungal diseases, and pollution.

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

### Wastewater Management and Reclamation

“Zero wastewater generation” and “reclamation” are concepts that define our wastewater management approach. In addition to complying with local laws regulating wastewater treatment and discharge in all the countries in which we operate, we also act in accordance with TCCC's standards that determine the wastewater pollutant limits for bottler operations. In many cases the allowed discharge limits set by TCCC are much lower than the limits established by the local authorities.

We monitor our wastewater parameters with periodic analyses and reduce our environmental impact by treating wastewater prior to discharge. In line with our OE objectives, we develop projects to reduce wastewater generated as a result of our activities. These projects include,

among others, reusing water after reverse osmosis processes, reusing treated wastewater as irrigation water, and reusing final rinse water for floor washing.

It is a requirement for all CCI operations to comply with 100% of all legal requirements and TCCC waste water limits. All CCI operations are regularly audited in detail in this scope, in addition to ISO 14001 Environment Management System Audits by third parties.

All CCI plants must comply with legal regulations and TCCC's Water Discharge Limits as outlined in KORE procedure, "Wastewater Quality Requirements."

Results of CCI's Kazakhstan plant's water discharge analysis made by an accredited laboratory in 2014 are given as an example :

Discharge Parameter	Unit	2014 Result	Legal Limit
COD	mg/dm <sup>3</sup>	488	900
BOD	mg/dm <sup>3</sup>	270	500
pH	-	7.25	6-9
TDS	mg/dm <sup>3</sup>	-	
TSS	mg/dm <sup>3</sup>	79	500
Phosphorus	mg/dm <sup>3</sup>	2.3	5
Nitrogen	mg/dm <sup>3</sup>	1.6	30
Sulphate	mg/dm <sup>3</sup>	12.3	500
Iron	mg/dm <sup>3</sup>	2	3
Chloride	mg/dm <sup>3</sup>	33.7	350
Oil products	mg/dm <sup>3</sup>	0.17	4.4
Nitrates	mg/dm <sup>3</sup>	0.05	5

Source: Kazakhstan Laboratory of Sanitary and Environmental Monitoring  
Accreditation certificate number: KZ.I.02.0 217 Test Date: 29.09-08.10.2014

## ENERGY MANAGEMENT & CLIMATE PROTECTION

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

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

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

The newly established Energy & Climate Protection Work Group in Turkey consists of energy managers at plants as well as representatives from purchasing, logistics, cooling equipment, administrative affairs, and TCCC. The responsibilities of the Work Group include, among others, preparing strategies and a road map with regard to energy use reduction & climate protection, submitting these strategies and their budgets to top management for approval, and collecting data and reporting on GHG emissions.

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

- Increasing the energy efficiency of our plants and offices, thereby reducing GHG emissions
- Reducing logistics-based emissions with effective fleet and fuel management practices
- Reducing indirect emissions by focusing on our climate-friendly refrigeration applications
- Increasing awareness of climate protection by collaborating with our distributors, dealers, suppliers and other stakeholders
- Constructing new plants in line with green building standards
- Calculating, verifying, and reporting accurate carbon footprint data of our operations
- Preparing to calculate the carbon footprint of our products
- Researching and investing in clean and renewable energy where possible

### Energy Use

Energy Use Ratio (MJ/L)	2006	2012*	2013*	2014
Turkey	0.26	0.26	0.26	0.26*
Jordan	1.12	0.47	0.41	0.41
Kazakhstan	0.72	0.28	0.44	0.40
Azerbaijan	0.67	0.39	0.41	0.39

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

### Energy Saving Projects At Plants

Every year, energy saving and GHG emission reduction projects are implemented within the context of Operational Excellence Program in all country operations. Approximately 54 million MJ energy was saved as a result of projects implemented in Turkey, Pakistan, Kazakhstan, Azerbaijan and Jordan operations.

### LEED Certification for Elazığ Plant

CCI Turkey's Elazığ Plant achieved LEED-certification for its comprehensive energy efficient and environmentally-friendly features. The U.S. Green Building Council recently awarded the plant "gold" status, the second-highest possible status in the "existing buildings" category. The Elazığ plant is the first amongst all TCCC plants to achieve gold certification in "LEED v2009 Existing Buildings." LEED, or Leadership in Energy & Environmental Design, is a green building certification program that recognizes best-in-class building strategies and practices. The certification is based on an assessment of the building in five categories: sustainable site, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality and innovation in design.

### GHG Emission Management

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

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

The Coca-Cola System launched the "Reduce CO<sub>2</sub> emissions embedded in the drink in your hand by 25% by 2020" global initiative in 2013 to reduce GHG emissions across its entire value chain. We are going to align our CCI climate protection target with this overall target in order to achieve comprehensive carbon footprint reductions across the manufacturing processes, packaging formats, delivery fleet, refrigeration equipment and ingredient sourcing. This is a comprehensive approach since this goal covers Scope 1, 2 and 3 emissions.

For three consecutive years, we have calculated our GHG emissions for our Turkey operations and have had them externally verified by SGS pursuant to the requirements outlined in ISO 14064-3. The carbon footprint calculations, which follows the requirements of ISO 14064-1, cover emissions from our plants, offices, and vehicle fleet in Turkey. As a result of this verification, our total absolute scope 1 and scope 2 GHG emissions were 108,777.5 tons of CO<sub>2</sub>-e for 2014, which is 5.35% less than our 2013 emissions.

### Transportation and Logistics

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

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

To support our efforts, we use a technological platform called "Road Net" which we established for our Turkey operations in 2013. As of 2014, our 64 distributors in Turkey use this platform. In 2014, we further rolled out Road Net to our five direct distribution points. Additionally, we continued to test delivery route optimization software for use in Kazakhstan and Jordan where we aim to begin software installation in 2015. According to our estimates, using Road Net in Turkey will result in a reduction of 1.35 million kilometers driven and approximately 1,050 ton of CO<sub>2</sub> as well as USD 650,000 worth of fuel saving.

In addition to minimizing the daily number of vehicle movements and the daily kilometers driven, we prefer vehicles with lower fuel consumption and carbon emissions.

### Cooling Practices

For the consumer to enjoy the best experience, it is important to serve most of our products cold. We have in Turkey, alone, approximately 296,000 pieces of cooling equipment and about 600,000 in total across the four countries of operation included in this report. All equipment is operated by our customers on their own premises.

Cooling equipment is a large source of GHG emissions in our value chain, accounting for approximately 17% of the total. GHG emissions result from electricity consumption as well as refrigerants leaking from coolers. Therefore, reducing the amount of energy consumed per refrigerator and switching to Hydrofluorocarbon- (HFC-) free cooling equipment (equipment that does not contain refrigerants with global warming potential) are important elements of our 2020 energy management and climate protection targets.

### Energy Management Device (EMD)

Since 2009 we have been working on an Energy Management Device 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 (larger than 250-liter capacity) which are equipped with an EMD. In addition, we convert our customers' non-EMD coolers to EMD-fitted coolers. By the end of 2014, 84% of our coolers in Turkey were equipped with EMDs, an improvement over 2013's 77%. Also, in Azerbaijan, Jordan and Kazakhstan we have been installing EMDs in existing coolers, the ratios of which are available in the table below.

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

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

Between 2009 and 2014, our EMD program in Turkey resulted in a total energy savings of about 1.123 billion kWh (equal to the annual energy consumption of 197,000 Turkish households) and a total reduction of approximately 515,000 tons of CO<sub>2</sub> emissions (equal to the amount of CO<sub>2</sub> that 43 million trees extract annually from the atmosphere).

### HFC-Free Coolers

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

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

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

#### Percentage of HFC-free cooling equipment in Turkey

Year	%HFC free
2009	0
2010	11
2011	27
2012	40
2013	57
2014	59

#### GHG Emissions due to Electricity Use by Coolers

GHG Emissions (tons CO <sub>2</sub> -e)	2010	2011	2012	2013	2014
Turkey	288.56	304.38	338.38	328.63	321.16
Jordan	22.57	22.82	20.51	27.07	27.20
Kazakhstan	29.61	35.07	31.42	34.84	42.99
Azerbaijan	9.12	8.95	9.63	12.72	14.09
Total	349.86	371.22	399.94	410.02	405.45

## SUSTAINABLE PACKAGING AND WASTE

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

Reducing, reusing and recycling packaging material helps conserve energy and other resources. Conserving energy and resources such as PET resin and glass helps us reduce our total carbon footprint, and it also makes good business sense. We safely dispose of the waste which we cannot avoid and support programs which encourage consumers to recycle used beverage packaging. Three fundamental principles define our approach to sustainable packaging:

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

### Our Sustainable Packaging Strategy

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

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

### Reducing Materials Used in Product Packaging

In line with our strategy of reducing the amount of natural resources used in packaging, we have been testing the use of minimal amounts of resin and glass while ensuring that we do not undermine the safe transport of our products.

Our first lightweight PET bottle was used in 2008 at our Izmir plant through reducing 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 plants in Turkey, Kazakhstan and Azerbaijan. In the coming years we plan to extend the implementation of these projects to our operations in other countries.

As a result of our "Lightweight" and "Short Neck" projects, we saved 1,471 tons of resin in our Turkey operations in 2014, and 5,564 tons cumulatively over the last three years. In Kazakhstan, we saved 1,875 tons of resin in 2014 and 3,469 tons in the last two years, and in Azerbaijan 481 tons of resin was saved. Our projects and design changes have also resulted in savings at our plastic cap and closure suppliers in Turkey and in Kazakhstan. Since 2010, we also have been implementing Lightweight projects to reduce the amount of glass used at our suppliers. In Kazakhstan, we worked with our supplier to reduce the amount of glass used in one-way-bottles (OWB) by 15 grams per bottle. Being the first application of its kind in the whole Coca-Cola System, this application resulted in an annual saving of 274 tons of glass.

### Recycling and Reuse of Packaging Materials

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

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

We purchase from our suppliers glass and aluminum packages produced from recycled materials. In Turkey, our percentage of recycled material in 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 the use of recycled material in packaging material for use in direct food contact is prohibited by law.

In 2013, we formed a Recycling Task Force, a cross-functional team with the aim of defining CCI's long-term recycling strategy for post-consumer packaging material. The Task Force was established especially for CCI's country operations where there is no legal, organized recycling scheme. The Recycling Task Force conducted an analysis of the waste infrastructure, legal background, and stakeholder expectations regarding "recycling of packaging material" in our countries of operation. In Kazakhstan, one of CCI's priority countries to establish a recycling scheme, we commenced stakeholder engagement efforts to create a common vision for recycling in the country.

### Renewable Packaging Material

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

Developed by TCCC, PlantBottle packaging replaces the traditional fossil-based ingredients 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. Essentially, we are trading fossil fuels for plant-based materials without sacrificing performance or recyclability.

In 2013 we conducted several trials at our plants using PlantBottle. After obtaining legal permits in 2014, we began producing 330 ml Damla water bottles in Turkey by using PlantBottle resin. We aim to begin production of 1.5 liter Damla water bottles in 2016.

Detailed information about PlantBottle can be found at:

<http://www.coca-colacompany.com/stories/plant-bottle-basics>)

More info: <http://www.damlasu.com.tr/pages/landing/index.html>

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

### Waste Management

In addition to post-consumer packaging waste, we also manage the waste that is generated in our plants. This includes waste due to production, construction, food service or other activities. We are committed to minimizing the discharge of waste and its impacts on the environment as well as to ensuring that all waste is managed in an environmentally friendly and safe manner.

Waste management is a vital part of the ISO 14001 environmental management system established in our factories. Waste management is carried out in accordance not only with CCI's Environmental Policy, environmental legislations, and ISO 14001 standards, but also with TCCC's Environmental and Occupational Safety and Health (EOSH) standards.

Our approach to waste management focuses on reducing waste at its source, reusing it, and recycling and recovering it whenever possible. To achieve our targets, we conduct OE projects in order to minimize waste generation and maximize recycling values. In order to reuse waste generated from raw material handling, CCI collaborates with suppliers.

All factory waste that can be reused is reused, and that which can be recycled and recovered is delivered to licensed companies for those purposes. Waste which cannot be recycled or recovered is sorted according to specific, legally-defined categories and delivered to licensed disposal facilities or municipalities to be used as landfill or to be incinerated. According to our waste management standard, all waste disposal sites are evaluated before use, and periodically thereafter, to verify and document site acceptability. All waste disposal facilities that we work with should be able to demonstrate compliance with applicable regulations, operational performance, environmental and financial sustainability. In addition waste is stored in proper waste storage areas as defined in regulations and which receive special attention regarding fire hazards, storm water pollution, and pest controls. Please see the "Performance Indicators" section for detailed data on waste and "CCI Reporting Guidance" for key definitions on waste.

Our ultimate goal is to achieve "zero" waste to landfill in at least one CCI plant in Turkey by 2020.

#### Improvements in Total Waste Recycling Rate Between 2006 and 2014

	Waste Recycling Rate (%)
<b>Turkey</b>	
2006	90.99
2014	96.66
<b>Jordan</b>	
2006	81.60
2014	90.45
<b>Kazakhstan</b>	
2006	94.67
2014	91.70
<b>Azerbaijan</b>	
2006	75.55
2014	94.00

**Total Waste Ratios Between 2006 and 2014**

In addition to monitoring our amounts of total waste, we also monitor the amount of waste we generate per liter of product produced.

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

\*These figures has been verified by independant assurance firm EY.

# HUMAN RIGHTS

## HUMAN RIGHTS POLICY

At CCI, respect for human rights is a fundamental part of who we are and what we do. We value all relationships with all our employees and achieve success through the contribution of each employee. We are determined to develop open and participatory workplaces that are based on recognizing universal human rights. Each employee is valued and encouraged to do his or her best. The CCI Workplace Rights Policy (WRP) is based on international standards of human rights according to the United Nations Universal Declaration of Human Rights, International Labor Organization Declaration of Basic Work Principles and Rights, and United Nations Global Compact.

CCI's Workplace Rights Policy covers the following elements:

- **Freedom of Association and Collective Bargaining:** Our Company respects the right of our employees to join or not to join a union or to establish a union without having the fear of retaliation, threat or harassment. We undertake to establish a constructive dialogue with the representatives who are chosen freely by our employees that are represented by a union recognized by law and authorized according to legal regulations. Our Company is committed to bargaining with these representatives in good faith.
- **Prohibition of Forced Labor:** Our Company forbids the use of all forms of forced labor including prison labor, indentured labor, bonded labor, military labor or slave labor.
- **Commitment Not to Employ Child Labor:** Our Company abides by the minimum age provisions stated in the applicable laws and regulations. The Company forbids the assignment of people under 18 years of age to positions requiring dangerous work. Our Company's prohibition against child labor complies with the standards of the International Labor Organization.
- **Arbitrary Discrimination:** Our Company values all its employees and the contributions they provide, and has a long-established commitment to equal opportunity and against tolerating arbitrary discrimination. It has been determined to keep the workplaces free from any arbitrary discrimination or physical or verbal harassment based on race, sex, color, nationality or social origin, religion, age, disability, sexual orientation or political view, or any other status protected by applicable laws.

Selection, recruitment, placement, training, wage setting and advance payment in the Company are all performed based on capability, performance, and experience.

- **Working Hours and Wages:** Our Company establishes its wage policy according to the sector and local labor market. We carry out our activities in full compliance with the applicable laws including wages, working hours, overtime and benefits. We offer opportunities to our employees through which they can develop their abilities and capacities, and also provide opportunities for advancement.
- **A Safe and Healthy Workplace:** Our Company offers a safe and healthy workplace environment. By minimizing the factors leading to industrial accidents, occupational diseases and health risks, we establish a safe, healthy and efficient work environment.
- **Workplace Security:** Our Company commits to providing a workplace environment free from violence, harassment, threat and other insecure or disturbing conditions arising from threats from both inside and outside the Company. Security protection is provided for the employees when required and with due regard to the employee's privacy and reputation.

- Community and Stakeholder Engagement: We acknowledge that we impact the communities in which we operate, and we accept the responsibilities that come with that degree of influence. While carrying out our business, we undertake to establish a positive relationship with our shareholders in these societies in order to listen to their opinions, obtain information, and illustrate that we take their opinions into account. When appropriate, we undertake to establish a dialogue with our stakeholders about our business and workplace rights within our field of operation, as we believe that local problems are solved most appropriately at the local level. Additionally, we undertake to create economic opportunities and develop good will within the societies in which we operate through locally connected enterprises.

CCI's WRP was launched by our CEO and was communicated to all employees in all operations on 25 October 2013. On the CCI Group level, at HR department is responsible for WRP across the CCI in order to monitor and develop implementation of our Human Rights Policy. CCI's HR Director Rengin Onay is responsible for administering and implementing our WRP; she reports directly to CCI CEO Burak Basarir.

The CCI WRP is available in English as well as in all main local languages in all operations. When it was launched, brochures and informative posters were distributed for awareness and informative campaigns.

CCI's WRP policy is available online at [www.cci.com.tr](http://www.cci.com.tr).

We fully integrate human and workplace rights into our practices, our corporate values, and our sustainability strategy. As one of our key 2020 Vision priorities, we convey this message continually and consistently across our supply chain.

CCI fulfills its responsibility to respect all human rights. Our facilities as well as our suppliers are routinely audited by independent auditing companies authorized by TCCC as per Supplier Guiding Principles (SGP). Employees may raise their concerns related to human rights through the CCI Ethics Line.

If any CCI operation is deemed noncompliant with WRP components, an action planning cycle is commenced. Upon completion of the action plan, an independent auditing company will audit it to evaluate the corrective actions taken.

In addition to our WRP implementation efforts, independent audits for WRP and SGP compliance audits took place in 2014 when our plants in North Iraq, Turkmenistan, Pakistan (six plants) and Turkey (four plants) were audited.

The table below compares WRP and SGP audits for 2012-2014.

WPR	Audit Scores	Turkiye		Azerbaijan		Kazakhstan		Krgyzstan		Turkmenistan		North Iraq		South Iraq		Jordan		Pakistan	
		2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014
		Passed (except Bursa plant)	Passed	Failed	Passed	Failed	Passed	Failed	Passed	Failed	To be re-audited	Failed	Passed	Failed	N/A	Failed	Passed	Failed	Passed

CCI's WRP supports our values and establishes a set of basic standards. In the event that this policy provides more extensive protection than the applicable laws, policies or common law in the countries in which we operate, this policy shall be applied. Local standards should be applied where applicable laws, policies, or common law provide more extensive protection for employees.

CCI is committed to incorporating human rights policies into contracts with major partners or suppliers, and the SGP are included in all of our contractual agreements between direct and authorized suppliers. We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the SGP which cover all core labor areas and all WRP expectations.



### Human Rights Systems at CCI

CCI routinely organizes WRP trainings for all HR associates and people managers in order to embed WRP components into day-to-day operations in all operating countries. Country HR officers routinely organize employee familiarization sessions to create awareness throughout the organization. All new hires in every country are instructed about the Company's workplace rights and ethics policies through the on-boarding and orientation periods.

Overall, during the implementation process of the WRP, employees in all plants in Turkey participated. In addition, the following number of employees participated: 384 in Kyrgyzstan, 543 in Azerbaijan, 845 in Kazakhstan, 4,981 in Pakistan, 397 in Jordan, 419 in Turkmenistan, 368 in North Iraq, 769 in South Iraq, and 166 employees in CCI Group office.

CCI has set a clear target of achieving "green code" status, or 100% compliance in all WRP and SGP audits with zero findings.

Every day in every way, we support human rights capacity-building projects in countries of concern.

CCI Ethics Line was launched as an e-mail and telephone service which all employees may use to report information related to harmful practices within CCI, including those that involve violation of CCI Code of Ethics and CCI Workplace Rights Policy. Through this service, claims of any behavior that violates our ethics code or WRP can be reported to CCI's Ethics and Compliance Committee anonymously through our independent service provider and subjected to investigation.

CCI's WRP is reviewed every two years, and all employee familiarization processes are taken accordingly.

### Management Process of Workplace Rights Policy Reports

The CCI Group Employee Relations department manages WRP reports regarding possible violations of workplace rights. The procedures below are implemented generally in order to lend additional integrity to the processes:

#### Group Employee Relations Department

- Sends a receipt message to the reporting person within 24 hours
- Forwards the report to the appropriate local HR personnel or to the appropriate investigation group for investigation and follow up
- Sends supplementary questions if required and informs the reporting person when a conclusion is reached
- Enables the performance of corrective and preventive action (if required)
- Supplementary information is presented to the reporting person(s) if identity(ies) known

When a conclusion is reached, the subject is closed in the database of Workplace Rights.

#### HR Department

- Decides who will lead the investigation; for example, HR Business Partner or Employee Relations Specialist, depending on the location.
- Maintains privacy and also enables others (managers) to do so.
- Submits a written summary/report of the problems and corrective action, if any, to the Employee Relations.

The investigation should be completed in a timely fashion (generally between 7 and 10 days). The name of the person leading the investigation should not be mentioned in the report as part of the complaint. A copy of the report should not be shared with any of the people related with the

event in the report or accused. The report should only be shared on a “should be known” basis. It makes sure that management is aware of the Company policy against retaliation.

During this process, managers should do the following:

- Take all complaints into account
- Maintain integrity of the process
- If it is agreed that corrective and preventive action is required, perform this action immediately
- Consult Human Resources Manager if there are questions

### **Corrective Action and Discipline Action**

Managers shall be held responsible for breaches of policy within their responsibility areas. If a reported breach has been proven, appropriate corrective action should be taken in order to ensure that this situation and facility complies with the CCI WRP. In some cases, disciplinary action may be appropriate for individuals who are found to be responsible for breaches. Disciplinary action is determined in compliance with the discipline procedure considering the nature and severity of the infraction. Any disciplinary action should be documented, and the notification of all disciplinary actions and implementation of any corrective measures shall be the responsibility of relevant managers with the help of HR personnel.

If any employee wishes to ask a question, they may contact their manager, HR, or CCI Legal Department.

## **HEALTH & SAFETY**

### **Occupational Health and Safety (OHS) Policy**

Our Operational Health & Safety Policy specifically seeks to:

- Protect the most valuable and important resource of our company – our human capital—from any occupational health and safety risks or hazards.
- Ensure that OHS is an integral part of our business and is actively supported through management leadership and commitment.
- Protect the Company from any legal challenges by complying with (at a minimum) local legal requirements and applying industry best practices to set higher standards than such legal requirements.
- Protect all other resources and assets from any losses that may be caused by work-related risks and hazards.

### **Health & Safety (H&S) Organization**

The Company maintains a H&S committee in all operations and a Group H&S Manager who is responsible for all H&S matters in all CCI countries. H&S managers and/or specialists are assigned to every CCI plants in every country where we operate.

### **OHS Management**

The Coca-Cola Operating Requirements (KORE) define the policies, standards and requirements for managing safety throughout our operations. All our plants (except South Iraq and Turkmenistan) have obtained the OHSAS 18001 Management System certification (it is expected that our South Iraq and Turkmenistan operations will obtain certification in 2016). OHS issues are also handled within the context of collective bargaining agreements signed with labor unions.

**CCI Plants Which Have Achieved TSE OHSAS 18001**

COUNTRIES	OHSAS 18001	Planned Date
<b>TURKEY</b>		
Bursa	YES	N/A
İzmir	YES	N/A
Köyceğiz	YES	N/A
Elazığ	YES	N/A
Mersin	YES	N/A
Ankara	YES	N/A
Çorlu	YES	N/A
Sapanca	YES	N/A
<b>KAZAKHSTAN</b>	YES	N/A
<b>KYRGZSTAN</b>	YES	N/A
<b>TURKMENISTAN</b>	NO	Q4 2016
<b>PAKISTAN</b>		
RYK	YES	N/A
Multan	YES	N/A
Faisalabad	YES	N/A
Gujranwala	YES	N/A
Lahore	YES	N/A
Karachi	YES	N/A
<b>North IRAQ</b>	YES	N/A
<b>South IRAQ</b>	NO	Q1 2016
<b>JORDAN</b>	YES	N/A
<b>AZERBAIJAN</b>	YES	N/A

**OHS Practices**

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

**Lost time Incident( LTIR) & Lost Time Incident Severity Rates (LTISR)**

OHS Performance Indicators	2006	2012*
<b>Turkey</b>		
2012	0.90	7.84
2013	0.55	4.75
2014	0.67	8.83
<b>Jordan</b>		
2012	2.62	52.78
2013	1.56	27.62
2014	1.54	24.91
<b>Kazakhstan</b>		
2012	0.00	0.00
2013	0.00	0.00
2014	0.00	0.00
<b>Azerbaijan</b>		
2012	0.39	8.34
2014	0.17	3.58
2015	0.00	0.00

- OHS managers at CCI plants began using the KPI reporting and recording system. KPI's are now tracked, measured and reported by all CCI countries on a monthly basis. Based on the KPI's, the OHS performance of our plants and of CCI as a whole is analyzed periodically.
- In order to increase the Leadership Engagement for OHS program, we conducted Leadership Safety Workshops at all CCI Countries with the participation of all Leadership Team members with the goal of increasing the involvement level of managers in the OHS program.
- Additional OHS topics were included within the scope of Workplace Health Audits which are carried out in Turkey by CCI's Internal Audit Department. In 2014, the Internal Audit team visited eight locations, and a CCI Turkey safety audit was also conducted with the participation of Turkey's OHS Manager as a joint auditor visiting seven CCI locations. Similarly, OHS issues were included in the scope of international audits in cooperation with the Group OHS Manager. By the end of 2015, the Internal Audit Team will have visited all CCI operations.

- Legal Compliance Assessments were conducted by third-party auditing companies in all CCI Countries in order to assess the status of compliance with local H&S regulations. It was determined that, with the exception of minor issues, all CCI country operations comply with local H&S rules and regulations.
- Reporting “near miss” incidents began at all CCI locations. We believe that reporting and investigating of near misses will help reduce the number of major accidents and incidents.

### OHS Training

CCI constantly works toward building a company culture that embraces OHS, and trainings play an important role in this. Employees, regardless of position are offered targeted OHS trainings based on their functions. Periodic refresher trainings for all employees and contractors conducting work on behalf of CCI are also provided. In 2014 we continued to launch OHS Golden Rules for newcomers at every CCI location; these rules guide our efforts in putting our OHS policy into practice in our offices, in our plants, and on the road. Son sayfa OHS Training kısmında : We communicate the Golden Rules extensively across our operations. In 2014, a total of 51815 employee-hours of OHS trainings we provided to our employees, corresponding to an average of 3,1 hours per employee across all CCI operations. The main topics of the training sessions included site induction, first aid training, confined space, working at height, emergency response, CCI’s Golden Rules, and forklift safety.

Total Hours of OHS Training	2013	2014
Turkey	9,268	17,751
Jordan	1,043	1,562
Kazakhstan	4,370	2,118
Azerbaijan	916	1,218
Pakistan	N/A	14,482
Total	15,597	37,131

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