



ANADOLU EFES
SUSTAINABILITY
REPORT
2014





ABOUT THE REPORT

Anadolu Efes, with an enthusiasm to create a better future, assumes its responsibility to new generations for building a resilient, sustainable and profitable business and delivering the best quality and responsibly consumed products. We have a firm belief that reaching our future goal relies on an honest, transparent and accountable communication with stakeholders in order to overcome global and local sustainability challenges together. To that end, we employ sustainability reports that we have been publishing since 2010, as a major tool for communicating our performance in light of our sustainable business goals regarding the social, environmental and economic impact of our operations. This report, therefore, discusses Anadolu Efes' corporate commitments to its sustainability priorities through performance achieved in these fields, shares future goals and also showcases best practices. Information disclosed in this report covers performance between January 1st, 2014 and December 31st 2014.

This year we have developed our reporting practice in line with Global Reporting Initiative's latest reporting framework, namely G4 Reporting Guidelines. Thus, Anadolu Efes Sustainability Report 2014 has been published in accordance with "core" option criteria of GRI G4 Reporting Guidelines. Hence, in preparing this report, GRI G4 Guidelines have been primarily employed for indicators shown and methods recommended for qualitative and quantitative sustainability performance monitoring. Sector-specific performance evaluation indicators, as well as the set of Communication on Progress (CoP) principles defined by UN Global Compact (UNGC), which we adopted in 2011, have also been taken into consideration in the preparation of the report .

Like the previous report, published in October 2014, this report encompasses all our brewery operations in Turkey, Russia, Kazakhstan, Georgia, Moldova and Ukraine. Performance regarding subsidiaries such as Coca-Cola İçecek A.Ş. and Tarbes is not included within the scope of this if not specifically indicated. However, in line with the materiality and boundary setting criteria of G4 Framework, performance data regarding operations conducted by third parties such as suppliers, dealers, distributors and sales points have also been employed

when material to better portray Anadolu Efes' sustainability impact and performance.

In order to relay Anadolu Efes' operational expansion on sustainability performance in an accurate, timely, comprehensive and clear fashion, the historical progress of our operational scope has been considered during the calculation of the data presented in this report. Therefore, data regarding production in Russia and Ukraine, where operations were taken over in 2013 from SABMiller, is included only post 2013, based on the actual operational scope during these years.

We consider our reporting practice as a continuous improvement area in our sustainability management. Therefore, we will continue our efforts to further develop our reporting practice in line with the Anadolu Efes Positive Impact Plan. To this end, we review our sustainability priorities in line with the materiality criteria of GRI G4 Guidelines, as well as changes in operational geography and market conditions and regularly revisit our goals and targets regarding the sustainable development of Anadolu Efes.

This report has been developed and designed in an optimized fashion for maximum readability and responsiveness for intended stakeholder group interests. For that reason, a complementary document, "Anadolu Efes 2014 Sustainability Reporting Index", featuring more detailed quantitative and technical data on Anadolu Efes' sustainability performance and reporting practice for readers such as sector specialists, analysts, researchers and academics, etc. is also available. This document also includes the GRI Content Index and UNGC Reporting Principle Index, prepared under the same principles. You can find all the documents indicated above on our corporate website www.anadoluefes.com or by clicking [here](#)

Sustainability practices and performance outcomes regarding Coca-Cola İçecek A.Ş., a subsidiary of Anadolu Efes, can be found in corporate responsibility reports published on the website www.cci.com.tr

CEO STATEMENT

Dear Stakeholders,

During the past forty-six years in the brewery business, Anadolu Efes has successfully built a corporate philosophy that I may outline with four words: listening, delivering, growing and sharing.

We listen to our stakeholders, not only when making the best quality beers under more than 40 different, locally-tuned brands with unique tastes, but also when designing our strategies, and defining our policies and goals. We learn from them, thereby successfully delivering what they expect from us, both locally and globally. And when it comes to delivering performance, we aim high. Although we operate in a highly competitive business environment, we challenge ourselves even more to achieve bigger goals. And we enjoy business models that mobilize all parties around common goals to generate shared values, not only in a commercial or financial sense, but also in terms of the social, environmental and economic aspects of our operations.

A BRAND NEW BUSINESS ENVIRONMENT

Beside rapid changes in the beer business that we encounter in our markets, the rapid increase in the world population presents various challenges. A new generation is born with new expectations. In the near future not only should we provide products and services that will correspond to those new expectations, but also businesses will be asked to create more jobs, greater prosperity, a higher quality of life, in order to overcome social, economic and environmental challenges such as climate change and a shortage of water and food; simply put, a better life than we provide today. In tomorrow's world, a resilient and profitable business will be defined as one that is responsible, accountable and responsive to community expectations. Hence, it should focus on creating sustainable value together with, and for all stakeholders. This is why we adopted the Anadolu Efes Positive Impact Plan; simply to sustain a better life.



ANADOLU EFES POSITIVE IMPACT PLAN

Through Anadolu Efes Positive Impact Plan, we intend to address both sector-specific and common challenges in order to generate new opportunities both for Anadolu Efes and the communities we operate in. That's why we have focused on eight priorities, namely; decreasing water use, energy consumption and emissions, reducing packaging, enhancing our value chain, improving our talents, developing our communities, supporting moderate consumption and responsible marketing practices and the maintaining of reliable, safe, and environmental-friendly operations.

Despite the current market challenges, which negatively impact the achieving of our goals due to volatile sales volumes and regulatory limitations, in 2014 we continued to take further steps to increase our performance in all of our focus areas. This year in our beer production processes we used 22% less water, 17% less energy, and generated 27% less waste water and 14% less emissions by sold product volume when compared to 2008. We reduced our injury rate to 1.33 and increased our employee trainings to 26.5 hours per employee. We increased our waste and by-product recovery rate to 95.6%, while reducing packaging use with light-weight and returnable packaging. Meanwhile, we continued our support for community development through various projects and local economies through local hiring and local procurement, which has reached 78.4% by expenditure. We maintained our efforts to enhance our value chain to generate robust business value for our stakeholders, especially through our Agriculture Support Program that we are conducting in Turkey and Moldova, and which plays a pivotal role in generating significant value both for Anadolu Efes, and local economies and communities in the future. We also continued our initiatives to support moderate consumption and responsible marketing practices in all our operational countries.

Although we still have a way to go to achieve our 2015 targets, we celebrate this performance as an outstanding success,

given that these targets were set according to 2008's market conditions, which are significantly different today.

TACKLING CLIMATE CHANGE

Addressing climate change ranks amongst our top priorities. Possible impacts on agricultural production, energy market conditions, global emission limitations, changing demographics and consumer attitudes result in social, economic, environmental, operational, market, and regulatory risk potential, which may also influence financial performance. Thus, combating climate risk is of major importance for the brewery sector, besides being a global challenge for humanity in general. For this reason we have the utmost focus on tackling this issue in a wide perspective due to its potential to open new opportunities for us. Therefore, as an operation based on agricultural products, we emphasize our efforts against climate change throughout our value chain, from agricultural process right through to distribution. While reductions in water and energy use as well as emissions are the most direct and visible achievements in climate performance, in fact, our packaging and logistics optimization and cooler purchasing practices, and most definitely our Agricultural Support Program including barley and hops R&D studies carry vital importance in our efforts. Moreover, we monitor the climate change agenda both locally and globally, especially in terms of the COP21 framework, observing and supporting governmental studies and global initiatives such as the UN Global Compact and CEO Water Mandate.

2015 AND BEYOND

Development is an evergreen process amid constantly changing social, environmental and economic conditions. We should fine tune our way of doing business according to the new stakeholder expectations and business environment. Therefore, continuing our efforts to improve our performance

in terms of our eight commitments, for 2015, we aim to develop our corporate policies in priority areas such as water, energy and climate change, OHS, ethics and business conduct, responsible marketing and procurement in accordance with new requirements.

2015 will also see the conclusion of the primary period of Anadolu Efes Positive Impact Plan. Thus, we will work on analysing the outcomes of the 2008-2015 period and set new targets in order to overcome future challenges such as climate change, as well as supporting new Sustainable Development Goals. Meanwhile we will enhance our capacity and organization in terms of sustainability management. While, continuing our support for international initiatives such as the UN Global Compact, CEO Water Mandate and Women Empowerment Principles, we will also monitor the local and international sustainability agenda more closely.

Anadolu Efes operates with the mission of bringing people together to share moments of life by responsibly enjoying its brands. In this regard, sustainability is the most rational, responsible, and indeed the only possible way of realizing our vision of becoming the most admired beverage company in the markets in which we operate. Hence, while emphasizing our commitment to support the sustaining of a better life for future generations, I would like to thank all our stakeholders, notably, our employees, suppliers, dealers and distributors, as well as the investors and shareholders who invest in our shared future.



Robin Goetzsche

Beer Group President and Anadolu Efes CEO



Sustainability Progress Chart*



Water Management

Priorities & Commitments

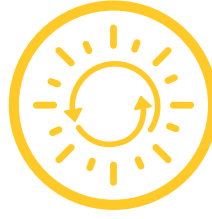
We are producing more beer using less water.

Goals

- In 2015, we will reduce specific water consumption per unit product in breweries by 35 percent compared to 2008.
- We will reduce wastewater discharges in line with water consumption reduction targets.
- We will continue developing water saving and recovery projects.
- We will cooperate with regional and international initiatives related to the protection of water resources.
- We will publish Anadolu Efes Water Policy in 2015.

Achievements

- Compared to 2008; per unit produced, we consumed 22% less water in beer production and 21% less water in malt production.
- Per unit produced, we generated 27% less wastewater in beer production and 26% less wastewater in malt production.



Energy & Emissions Management

Priorities & Commitments

We are reducing our carbon footprint by using energy resources more efficiently.

Goals

- In 2015, we will reduce specific energy consumption and specific emissions per unit product in our breweries by 25 percent compared to 2008.
- We will continue with practices that increase efficiency in our distribution operations.
- We will continue with the procurement of coolers with reduced environmental impacts and extend this practice in all country operations.
- We will cooperate with regional and international initiatives for combating climate change.
- We will search out opportunities to employ renewable resources in our energy portfolio.
- We will publish Anadolu Efes Energy and Climate Change Policy in 2015.

Achievements

- Compared to 2008; we consumed 17% less energy and generated 14% less CO₂ emissions per unit product in beer production.
- We kept our energy consumption and emissions per unit produced in malt production under 2008 values. In 2014, we maintained our emissions level despite a slight increase in energy consumption in malt production.
- We achieved 97% procurement rate in environmental friendly coolers across all Anadolu Efes operations.
- We conducted distribution optimization projects in various operations.



Enhancing the Value Chain

Priorities & Commitments

In order to generate more added value, we are enhancing our value chain.

Goals

- We will develop business value throughout our value chain.
- We will start developing practices to evaluate our suppliers' sustainability performance.
- We will support development of agricultural production.
- We will publish Anadolu Efes Code of Conduct for Suppliers in 2015.

Achievements

- We continued our business development programs and projects together with suppliers, dealers, and distributors.
- We developed our supply chain risk evaluation and management system.
- We continued our R&D and agricultural support programs in Turkey and Moldova.



Product Responsibility

Priorities & Commitments

We are working to create a consumer base that enjoys beer responsibly and is familiar with beer culture.

Goals

- We will carry out studies to increase quality systems certification rates across all operations. Hence we will cover 100% of our facilities with food safety standard certification by 2015.
- We will continue to improve our practices in regard to promoting a culture of responsible consumption of beer.
- We will publish Anadolu Efes Marketing Communication Policy in 2015.

Achievements

- In 2014, percentage of production realized in facilities certified with food safety standards such as HACCP and/ or ISO 22000 was 81%. On the other hand, ISO 9001 certification coverage by facility increased to 89%.
- We continued our responsible consumption campaigns in country operations.

* All commitments, achievements, and targets indicated on this chart have been calculated and disclosed within the limits of country operations in the reporting scope. In upcoming periods, these indications may vary according to possible changes in the reporting scope.



Operational Reliability

Priorities & Commitments

In order to be a reliable neighbor, we conduct safe and environmentally friendly operations.

Goals

- We will continue our operations with a target of zero accident.
- We will increase our performance in recycling and reuse of solid waste and by-products.
- We will cover 100% of our facilities with ISO 14001 Environmental Management System Standard Certification by 2016.
- We will publish Anadolu Efes Environmental Policy in 2015.
- We will publish Anadolu Efes Occupational Health & Safety Policy in 2015.

Achievements

- We decreased our injury rate by 18% to 1.33 compared to 2013.
- We recovered 95.6% of solid wastes and by-products.
- By 2014, 50% of our facilities were covered by ISO 14001 Environmental Management Standard Certification while OHSAS 18001 Health and Safety Standard Certification coverage increased to 78%.



Community Development

Priorities & Commitments

We care about the expectations of the communities in which we operate and support their development.

Goals

- We will continue to develop our local procurement practices.
- We will continue to conduct projects to increase the quality of life for the communities in which we operate.

Achievements

- In 2014, local procurements accounted for 93.2% by operation, and 78.4% by expenditure.
- We continued our community development projects and sponsorship in various fields such as environment, education, health, arts and culture.



Talent Management

Priorities & Commitments

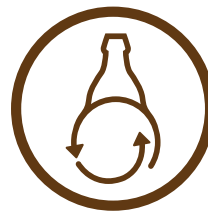
In order to become an employer of choice, we provide a fair work environment where our employees' talents are valued.

Goals

- We will continue to provide our employees with broader development opportunities.
- We will revise Anadolu Efes Code of Business Conduct and Ethics in 2015.

Achievements

- Compared to 2013, we increased our training hours per employee by 8%, to 26.5 hours.
- We signed Women Empowerment Principles, a joint initiative of UNGC and UN Women.
- We enhanced our talent development practices with Anadolu Efes Leadership Pathway 2020 and Anadolu Efes Capability programs.



Packaging Management

Priorities & Commitments

We reduce material consumption through greener packaging practices.

Goals

- We will continue with our practices aiming to reduce packaging weight per product sold.
- We will give preference to greener packaging applications.
- We will work to further develop our reclamation performance.

Achievements

- We increased sales volume percentage of returnable bottles by 0.6% compared to 2013.
- We reduced the glass use in one-way glass bottles by 1.3% compared to 2013.
- In 2014, we reduced plastic use as secondary packaging by 7% compared to 2013.
- We conducted lightweight and greener packaging projects.

ANADOLU EFES BREWERY OPERATIONS



Anadolu Efes seeks to continuously expand its operational geography and become the most admired beer company in the markets in which it operates, while pursuing its activities in the light of its sustainable growth oriented management strategy.

As of end 2014, Anadolu Efes has 15 breweries, 6 malteries in 6 countries and an annual production capacity of 38.8 mhl of beer and 245 thousand tons of malt. We deliver our products in over 70 countries and under more than 40 beer brands. Measured by sales volume, Anadolu Efes ranks as Europe's 6th(1) and the world's 11th largest brewer(2).

MARKET OUTLOOK

During 2014, socio-economic volatilities and economic constraints have continued to influence our extensive operational geography. In order to manage volatile market conditions in 2014, we took a proactive approach and made courageous decisions that would empower our future position. We estimate that current challenges will continue in the upcoming periods. To this end, Anadolu Efes ensures its ability to promptly adapt to new market conditions and optimize its operations accordingly.

ANADOLU EFES TURKEY

In 2014, Anadolu Efes maintained its leading position with a market share of 71%(3) in Turkey, which presents great potential for brewery operations with its population of 76.7 million(4) and annual beer consumption per capita around 12 litres(1). Anadolu Efes Turkey operates four breweries, two malteries and one hops processing facility.





ANADOLU EFES RUSSIA

Russia is a huge market for brewery operations with its population of 143.5 million⁽⁴⁾ and annual beer consumption per capita of 55 litres⁽¹⁾. Anadolu Efes' Russian operations account for the largest beer market in terms of sales volumes among all its beer operations and carries out its production activities with six breweries, four malteries and one preform production facility. Anadolu Efes Russia has achieved second place in the market with a 14% share⁽³⁾.

ANADOLU EFES KAZAKHSTAN

With a population of 17.4 million⁽⁴⁾ and 24 litres of annual beer consumption per capita⁽⁵⁾, Kazakhstan is one of the most important markets in its region. Anadolu Efes Kazakhstan carries out its production activities in two breweries, leading the market with a 58% share⁽³⁾.



ANADOLU EFES MOLDOVA

Moldova has a population of 3.6 million⁽⁴⁾ and annual beer consumption per capita of 31 litres⁽⁵⁾. With production activities carried out in one brewery, Anadolu Efes Moldova is the largest brewer in Moldova and the market leader.



ANADOLU EFES GEORGIA

Georgia is a strategic market for Anadolu Efes as its beer market has great potential with a population of 4.5 million⁽⁴⁾ and annual beer consumption per capita of 21 litres⁽⁵⁾. Anadolu Efes Georgia carries out its production activities in one brewery and is the market leader. The Georgian beer market has great potential with its strategic location and low per capita beer consumption.



ANADOLU EFES UKRAINE

Ukraine is the most recent country to be included in the operational geography of Anadolu Efes. According to 2014 results, Ukraine beer market is the world's 13th largest beer market with its population of 45.3 million⁽⁴⁾ and annual beer consumption per capita of 54 litres⁽⁵⁾. Anadolu Efes Ukraine carries out its production at one brewery and ranks in fourth in the market.



(1) Company estimate, by the end of 2014.
(2) Canadean Global Beer Trends 2014 and Nielsen by the end of 2014.

(3) Nielsen, by the end of 2014.
(4) Turkish Statistical Institute, IMF.
(5) Canadean, by the end of 2014.



ANADOLU EFES

SUSTAINABILITY MANAGEMENT

We believe that our strategies on maintaining a resilient business ensure our goal of sustaining a better life. We, therefore, continue to develop our management practices and cooperate with stakeholders to increase our positive impact.

Today's world is experiencing rapid change. As a result of an increasing population, a new generation with a new life-style expectation has been born. In relation to this demographic change social, economic and environmental challenges also arise; new ideas, practices, growth and development potential, and hopeful expectations also arise. Within this evolving environment, we believe that the key responsibility of today's businesses is to be more attentive to stakeholders, and add value to life by generating fresh ideas, products and solutions that meet their expectations, while maintaining profitable growth. In tomorrow's world, a smart and profitable business will be defined as one that is responsible, accountable and responsive to community expectations.

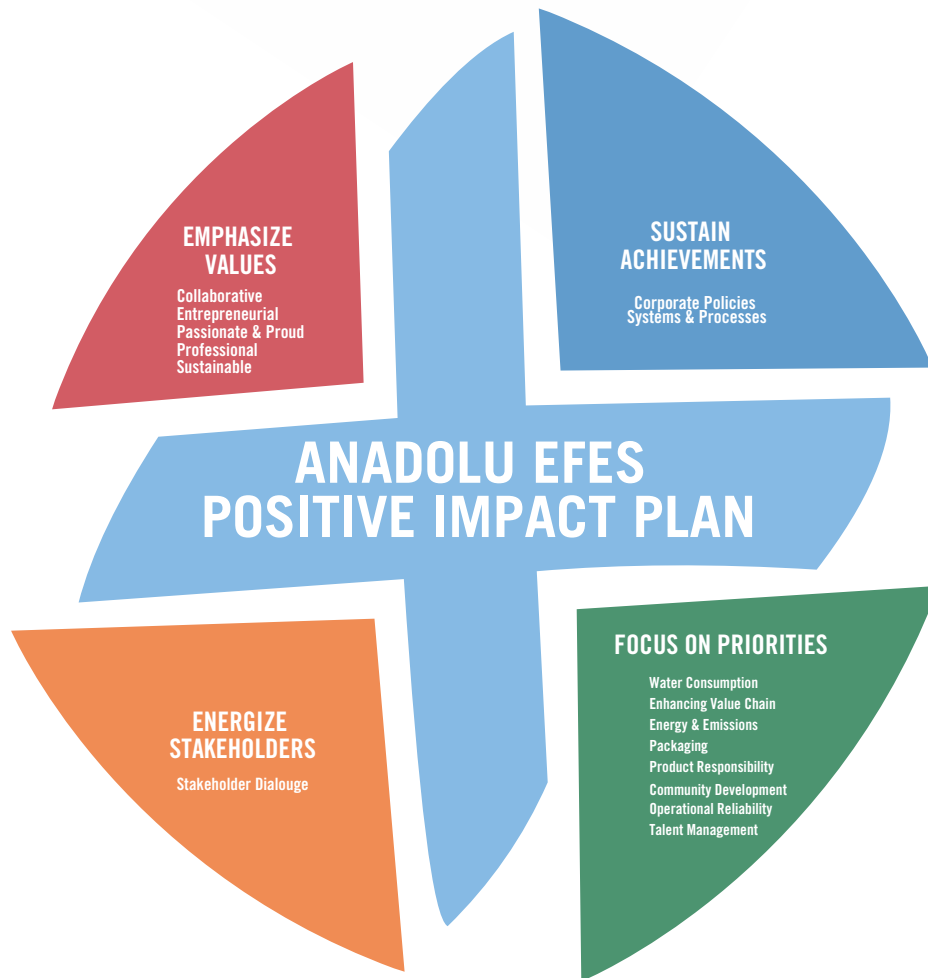
Operating in a geographical sphere with a population of over 300 million and huge socio-economic potential, Anadolu Efes has adopted the mission of bringing people together to share moments of life by enjoying its brands responsibly. Our vision, meanwhile, is to become the most admired beverage company in the markets in which we operate. Sustainability, therefore, is the smartest and most

responsible way of realizing our vision. For us, it is the only possible way.

Therefore, we continue our efforts to manage our sustainability priorities efficiently through "Anadolu Efes Positive Impact Plan", constituted in light of the motto of "Sustaining a Better Life", which forms the strategic infrastructure of the sustainability management plan of Anadolu Efes. In the reporting period, we maintained our comprehensive, holistic, powerful and strategic stance thanks to our mature managerial profile.

ANADOLU EFES POSITIVE IMPACT PLAN

Anadolu Efes Positive Impact Plan, contributing to the establishment of a better life for future generations, is guided by four essential behavioural patterns: emphasizing values, focusing on priorities, energizing stakeholders, and sustaining achievements.



PERFORMANCE EVALUATION

Within the framework of the Anadolu Efes Positive Impact Plan, we monitor our performance results obtained in priority areas through objective indicators in accordance with GRI Guidelines and we share the outcomes through our annually-published sustainability reports. Most of these priority areas constitute the main components of our corporate performance evaluation process. Sustainability targets are accordingly part of individual and corporate performance evaluations. Through our performance based remuneration system, sustainability performance has a significant influence on the remuneration of employees at every level.

Priorities we adopt within the plan are defined as a result of a materiality process conducted in line with the principles of GRI G4 Guidelines. We not only adopt what matters for our business and stakeholders, but also identify where it matters. For this reason, we evaluate potential sustainability issues throughout our value chain and prioritize them where their impacts are significant.

We manage stakeholder engagement with our collective business approach. Thus, we meet stakeholder expectations and cooperate with them towards common goals. You may find detailed information about Anadolu Efes Positive Impact Plan and sustainability management on our corporate website www.anadoluefes.com.



WATER **01**
MANAGEMENT

We are aware that more sources of clean water will be required to sustain a better life in the future. Every year, we consume less water in our breweries and malteries, thus protecting the most valuable raw material for society.

Water management is one of the areas in which we strive toward continuous improvement. Thanks to efficiency projects implemented in the reporting period, Anadolu Efes maintained its declining trend in water consumption. Although we have been working with full commitment to our 2015 water consumption targets, a low sales volumes due to volatile market conditions negatively impacts the realization of specific water consumption targets, despite a significant reduction in total water consumption values. Thus we started to work on new targets for the post-2015 period of the Anadolu Efes Positive Impact Plan, which will be better aligned to new market conditions, as well as global and local expectations.

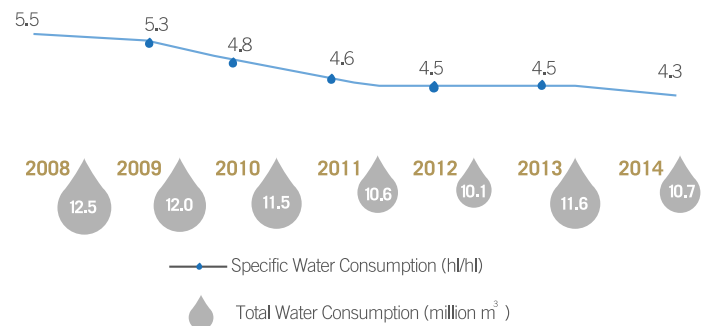
WATER CONSUMPTION

In 2014, the total amount of water consumption at Anadolu Efes breweries decreased by 7.6% compared to 2013. This reduction has resulted in a continued downtrend in specific water consumption to 4.3 hl/hl. Within the reporting period, Anadolu Efes Ukraine achieved the lowest specific water consumption value with a rate of 4.0 hl/hl, while Anadolu Efes Kazakhstan recorded the highest improvement performance by reducing its specific water consumption by 13%.

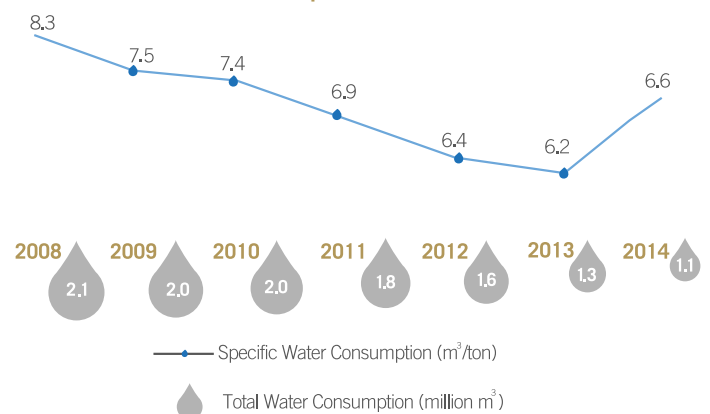
At Anadolu Efes malteries, the downtrend in total water consumption continued, whereas specific water consumption increased to the 6.6 m³/ton level. This increase emerged not because of water consumption levels, but as a result of measurement improvements made at the Konya Maltery in Turkey. Thanks to projects targeting process improvement, behavioural change, increase in recovery and preference for more efficient equipment, Anadolu Efes saved more than 300 thousand m³ of water in 2014.

WE AIM TO REDUCE WATER CONSUMPTION PER UNIT PRODUCED BY 35% BY 2015 AS COMPARED TO 2008. AS OF 2014, WE ARE 63% OF THE WAY TOWARD ACHIEVING THIS GOAL.

Water Consumption Trend in Breweries



Water Consumption Trend in Malteries



ANADOLU EFES RUSSIA KAZAN BREWERY: COMPRESSORS COOLING SYSTEM MODIFICATION

In the reporting period, Anadolu Efes Russia Kazan Brewery has conducted a project for improving water efficiency in the cooling of high pressure compressors. Within the scope of the project, the cooling system of high pressure compressors was optimized to avoid water waste. Implementation of this project enabled a 73,000 m³ saving in water and 21,000 kWh in electricity. As a next step, the Kazan Brewery is working on the opportunity to use heat energy released from compressors for heating the buildings during winter.

ANADOLU EFES MOLDOVA VITANTA BREWERY: REDUCTION OF WATER CONSUMPTION

A water tank was installed at Moldova Vitanta Brewery for collecting water from the final rinse in the bottle washer and its supply to the crate washer. The project enabled an annual reduction of 3,000 m³ of water.

ANADOLU EFES UKRAINE DONETSK BREWERY: WATER SAVING IN FILTRATION

At Donetsk Brewery, an additional vessel was installed in order to collect water remaining in the filtration line. As a result, more than 10 thousand m³ of water was saved in 2014.

ANADOLU EFES TURKEY ADANA BREWERY: CONTROL OF WATER USED IN CO₂ SCRUBBER

With this project, CO₂ recovery unit water consumption at Adana Brewery was considerably decreased in 2014. Within the scope of the project, a solenoid valve has been used to control the flow of incoming water based on the operation of a compressor. Additionally, the system was also modified to use recovered water whenever available. The project helped to save 13,410 m³ of water.

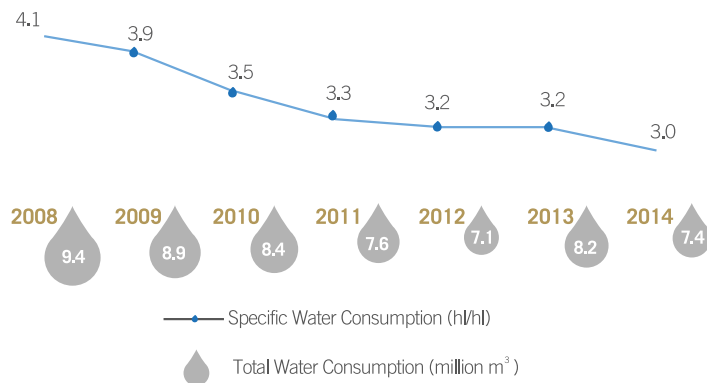
WASTEWATER MANAGEMENT

Anadolu Efes' wastewater management is guided by the principles of reducing wastewater volume and pollution load at the source through improved efficiency and recovery practices, and ensuring their discharge in line with limit values set by legal regulations. These principles allow Anadolu Efes to minimize environmental impacts, while ensuring water consumption efficiency.

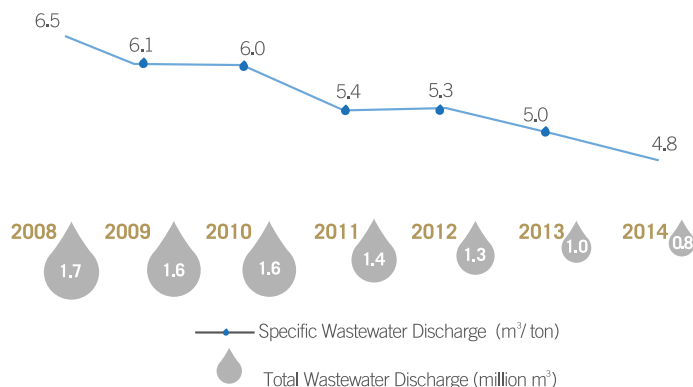
At Anadolu Efes breweries, the downtrend of specific wastewater discharge continued with a value of 3.0 hl/hl in 2014. During the reporting period, Anadolu Efes Kazakhstan operation recorded the highest improvement performance of 17%, while Anadolu Efes Ukraine operation achieved the lowest specific wastewater discharge value of 2.6 hl/hl.

The downtrend also occurred at Anadolu Efes malteries, and the specific wastewater discharge of malt production facilities declined by 4% compared to 2013 to 4.8 m³/ton.

Wastewater Trend in Breweries



Wastewater Trend in Malteries



WASTEWATER TREATMENT FACILITIES

Anadolu Efes discharges wastewater only after minimizing the negative impact on the environment by improving the quality of wastewater generated in production processes through state of the art wastewater treatment facilities. When deciding on wastewater treatment facility investments we focus on remaining financially sound, while ensuring minimal environmental impact. Therefore, we carry out modernization studies at existing units in accordance with new technologies, even though the units are fully in compliance with environmental regulations. Likewise, while planning new investments we prefer technologies that result in less environmental impact even if this means additional costs.

In the reporting period, the wastewater treatment facility constructed in 2013 at the Anadolu Efes Moldova Vitanta Brewery was commissioned and put into use. Within the scope of the project conducted at the facility, all rainwater from the drainage system was collected in a reservoir. Then, the water was pumped to a filter system and after treatment was discharged to the municipal sewage system. This project increased our compliance with wastewater treatment regulations regarding rainwater.

WASTEWATER TREATMENT AT ANADOLU EFES KAZAKHSTAN ALMATY BREWERY

During the reporting period, wastewater released from an aerosol cleaner was reused for evaporative condensers and vacuum pumps at the Almaty Brewery. Water consumption decreased and 28,000 m³ of water was saved annually as a result of this study, which also provided savings on wastewater discharge costs.

ANADOLU EFES RUSSIA: SPRING RENOVATION PROJECT

During the reporting period, Anadolu Efes Russia continued its Spring Renovation Project aimed at providing local citizens access to clean water, fostering a culture of responsibility toward natural water sources and creating social partnerships. The number of springs renovated since 2011 reached 56, with six springs renovated in 2014. It is estimated that each year over 70,000 people have access to clean water from these water sources. The project, which is conducted in collaboration with the Russian Youth Union, Green Cross and regional environmental authorities, also encourages voluntary employee participation. The Spring Renovation Project ranked among the winners of the “Leaders in Corporate Philanthropy 2014 Awards” in the “Best Project Responding to CSR Policy and Principles” category.



02

ENERGY AND
EMISSIONS MANAGEMENT

In all our operations, we are reducing our carbon footprint through the efficient use of energy resources. Our increased energy efficiency will positively contribute to the sustaining of a better life.

During the reporting period, we have continued our ISO 50001 Energy Management System Standard certification efforts and completed certification processes for the Natakhtari Brewery in Georgia and Karaganda and Almaty breweries in Kazakhstan. Thus Anadolu Efes operations in Turkey, Georgia and Kazakhstan are 100% covered by ISO 50001, which accounts for 50% of total operations. We also maintained our energy efficiency efforts through the Global Water and Energy Consumption Reduction Project, which was first initiated in 2012. In 2014, a work group comprising employees from various Anadolu Efes breweries specialized in different fields, conducted detailed site analysis of the Natakhtari and Almaty breweries in order to define a road map that aims to save approximately 300,000 m³ of water and 100 TJ of energy annually. Identified opportunities are converted into action plans by the working group and implemented throughout the year. Our aim is to extend the project to achieve greater efficiency. However facing the same challenges as in water consumption, lower sales volumes due to new market conditions have a negative impact on realization of our specific energy consumption targets. Together with water related targets, we are revisiting our energy and emission targets for better alignment with new conditions for the post-2015 period of Anadolu Efes Positive Impact Plan.

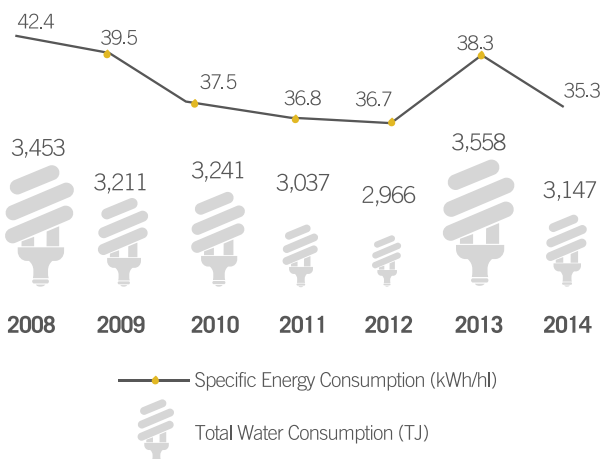
WE AIM TO REDUCE OUR ENERGY CONSUMPTION PER UNIT PRODUCED BY 25% BY 2015 AS COMPARED TO 2008. AS OF 2014, WE WERE 66% ON THE WAY TO ACHIEVING THIS GOAL.

ENERGY EFFICIENCY

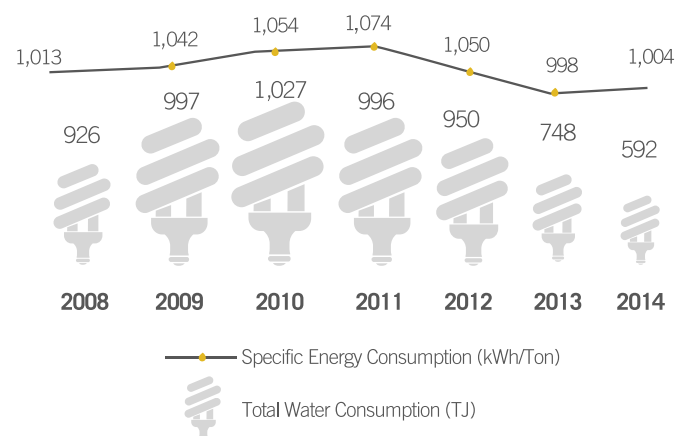
While energy consumption is reduced by 12% when compared to 2013, reaching the level of 3,147 TJ; specific energy consumption fell by 8% to 35.3 kWh/hl. Anadolu Efes Ukraine operation recorded the lowest specific energy consumption level across all operations at 25.8 kWh/hl.

Within the reporting period, total energy consumption in malteries maintained the ongoing downtrend, declining by 21% when compared to 2013, to the level of 592 TJ, whereas specific energy consumption printed in parallel with that of 2013 at 1,004 kWh/ton.

Energy Consumption Trend in Breweries*



Energy Consumption Trend in Malteries



* Data related to the years 2012 and 2013 may vary when compared to previous reports due to the correction made by Almaty Brewery.

** Related data includes stationary combustion and purchased energy. Mobile Combustion such as forklifts and company owned vehicles are excluded.

In 2014, Anadolu Efes continued efficiency projects aimed at reducing energy consumption and greenhouse gas emissions. Through process efficient equipment preferences, change in behaviour and process improvement projects more than 90 TJ of energy was saved and about 5.9 thousand tons of CO₂e emissions was prevented.

ANADOLU EFES TURKEY ANKARA BREWERY: OPTIMIZATION OF ICE WATER TEMPERATURE IN BREWHOUSE

Electricity consumption at Ankara Brewery was considerably reduced in 2014 through optimization of ice water temperature for the wort cooling system. In this project, the temperature of ice water has been increased according to beer type and the brewery's cooling load has been decreased. Implementation of this project helped to save nearly 1 TJ of electricity and to prevent 127 tons CO₂e of GHG emissions.

ANADOLU EFES MOLDOVA: AIR RECOVERY KIT AT BLOWER PROJECT

Through the project conducted in Anadolu Efes Moldova, the consumption of compressed air declined by the installation of an air recovery kit in the blow moulder, which resulted in 1.4 TJ of electricity and 187 ton CO₂e emission savings.

ANADOLU EFES KAZAKHSTAN ALMATY BREWERY: INSTALLATION OF LED LIGHTING FIXTURES IN FILLING HALL

In the reporting period, 31 regular lighting fixtures (80W) were replaced by energy-saving 47W LED devices, and 36 450W fixtures used in the filling hall at the Almaty Brewery were replaced by 210W fixtures. As a result of this change, we saved approximately 0.2 TJ of electricity.

ANADOLU EFES TURKEY ADANA BREWERY: HOT WATER RECOVERY FROM BREWHOUSE

Through improvements made in the Adana Brewery in 2014, excessive hot water from the brewhouse was reused in CIP units. 2.4 TJ of heat energy was saved as a result of the project, which also provided a considerable cost advantage.

ANADOLU EFES RUSSIA UFA BREWERY: USE OF FREQUENCY CONVERTOR

Energy consumption at Ufa Brewery was substantially decreased in 2014 by using the frequency convertor on the glycol pumps. With this project, the flow rate was adjusted and stable pressure in the line was maintained. The study resulted in electricity saving of close to 0.1 TJ.

EFFICIENCY IN DISTRIBUTION OPERATIONS

Distribution operations account for a significant share of the total energy consumption and emissions of Anadolu Efes operations. In the reporting period, we continued conducting projects on route planning and logistic optimization and improvement to increase efficiency in our distribution operations. We have made distance-based improvements in plant-to-plant, plant-to-warehouse, and plant-to-client distribution operations. Nevertheless, the distribution distance per sale was 3.4 km/hl in 2014 due to the decrease in sales volumes.

We also decreased fuel consumption generated by forklift movements in handling processes. In comparison to 2013, the amount of fuel consumed per product in handling processes declined by 12.5% to 0.07 kg/hl.

ANADOLU EFES KAZAKHSTAN: OPTIMIZATION OF DISTRIBUTION PROJECTS

Anadolu Efes Kazakhstan has launched two new projects in order to optimize distribution operations in 2014. During the high season, railway loading-unloading platforms at the Almaty and Karaganda plants are overloaded due to frequent and intensive empty bottle and other material arrivals. Thus the first project of Anadolu Efes Kazakhstan aimed at reducing this workload by collecting bottles from the largest supplier, by company trucks on an FCA basis. Through this practice not only is a significant saving in transportation achieved, but also constraints in the shipment of finished goods to customers are reduced. The second project conducted by Anadolu Efes Kazakhstan focused on the stacking system. By changing the stacking system, the use of pallets for 1L beer packs became more efficient, hence carrying more beer, which results in more storage units in warehouses, and better handling and transportation.

ENERGY EFFICIENCY IN COOLERS

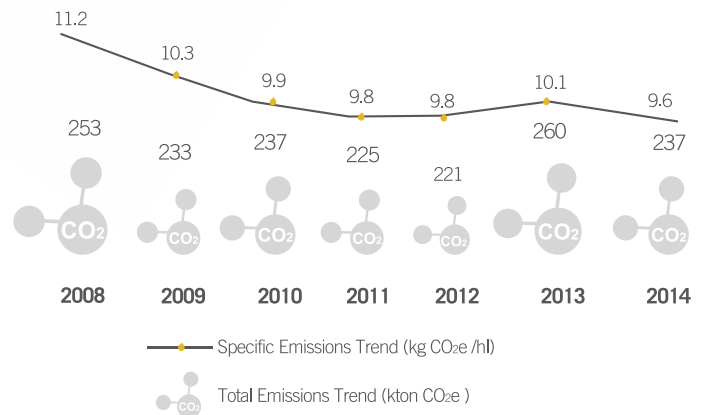
Coolers placed in sales points have great importance for the preservation of product quality, ensuring the consumption of products at ideal temperatures. However, coolers have a considerable negative impact on the environment due to high energy use and carbon emissions. For this reason, we continue maintaining our commitment to sustainability, while ensuring that consumers best experience our products with the procurement of environmentally friendly coolers. 97% of all coolers procured across all Anadolu Efes operations in 2014 were environmental friendly and conveyed this important message to our customers through specially designed stickers. Anadolu Efes is fully engaged in sustainable cooler management and aims to reach a 100% environmental friendly cooler portfolio in future procurements¹.

In 2014, Anadolu Efes Turkey launched a pilot project in partnership with a telecommunication service provider, to better track its coolers and maximise their cooling performance. Within this project coolers were connected with the service provider's GSM network. Through the online tracking system, the temperature inside the cooler, whether the cooler door was closed or open, the number of door openings per day, whether the cooler was plugged-in or not, and the location of the cooler was traced online. In addition to cooler tracking, Anadolu Efes ran a logistics project in its Kazakhstan Operation targeting the distribution of coolers to its dealers directly from suppliers. With successful execution, this improvement project resulted in savings in logistics costs, as well as 12 tons of fuel saving in transportation activities.

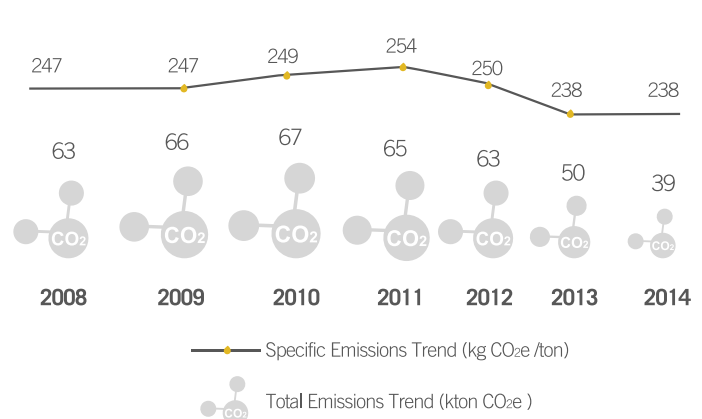
GREENHOUSE GAS EMISSIONS

The total volume of emissions at Anadolu Efes breweries was reduced by 23 ktons CO₂e to 237 ktons CO₂e in 2014. Therefore, the specific emission value was reduced by 5% compared to 2013 dropping to 9.6 kg CO₂e/hl. Within the reporting period, Anadolu Efes Georgia operation achieved the highest level of improvement in the amount of specific emissions at 17%, while also recording the lowest emissions level across all operations of 5.4 kg CO₂e/hl. In the reporting period, the total amount of emissions in malteries decreased by 22% compared to 2013 to 39 kton CO₂e while specific emissions in materies remained at 238 kg CO₂e/ton as in 2013.

Emission Trend in Breweries*



Emission Trend in Malteries*



*Related data includes emissions from stationary combustion and energy purchased. Emissions arise from mobile combustion such as forklifts and company owned corporate vehicles, as well as fugitive emissions are not included. All calculations are made with respect to GHG Protocol by employing IPCC emission factor values.

ANADOLU EFES RUSSIA KAZAN BREWERY: HOT WATER TANK TRANSFER

Within the scope of the project conducted at the Anadolu Efes Russia Kazan Brewery, the externally located hot water supply system vessel is transferred into the boiler house. The vessel was used to recover heat energy from steam boilers blow-off water and deaerator. Thanks to this project, almost 5 TJ of energy was saved, while 262 tons CO₂e of GHG emissions were prevented. The project aims at reducing the consumption of steam in the hot water supply system by 24%.

ANADOLU EFES GEORGIA RECEIVED THE GREEN TECHNOLOGY AWARD

In the reporting period, Anadolu Efes Georgia Natakhtari Brewery won the Green Technology Nomination for the Georgian Green Business Award 2014. The award is an initiative of the Ministry of Environment and Natural Resource Protection to support Georgian businesses' actions regarding environmental protection and social responsibility.

(1) Anadolu Efes categorizes "Environmental Friendly" coolers as coolers having at least one of the following features: LED lighting, Electronic Controller and Hydrocarbon Cooling Gas.



ENHANCING THE VALUE CHAIN 03

IN 2014 WE REVISITED OUR PROCUREMENT PRINCIPLES TO DEVELOP ANADOLU EFES' CODE OF CONDUCT FOR SUPPLIERS, WHICH WILL BE PUBLISHED IN 2015. WE MAINTAINED OUR SUPPORT FOR FARMERS THROUGH AGRICULTURAL SUPPORT PROGRAMS IN TURKEY AND MOLDOVA. WE AIM TO PROCURE ALL MALTING BARLEY NEEDED BY ANADOLU EFES MOLDOVA THROUGH LOCAL PRODUCERS AS OF 2017.

We are enhancing our value chain with the aim of generating more added value. Thanks to our business development projects and agricultural support programs, we create a positive impact on the business values of our stakeholders, while reinforcing our corporate sustainability.

Anadolu Efes value chain system, which is among the main components of our long-term success, provides a profitable and sustainable business model for all business partners, from suppliers to dealers and distributors. With more than 5,000 product and service suppliers, more than 150 barley and approximately 500 hop suppliers, thousands of farmers, nearly 500 dealers and distributors, and tens of thousands of on-trade and off-trade sales points, this large scale value chain enables Anadolu Efes products to reach consumers across our operational geography.

Together with thousands of business partners that form the basis of our value chain, we present one of the most successful growth examples. In addition to our business success, we realize programs in order to enhance the technical and managerial competences and business performances of our business partners. Thanks to our agricultural

support and R&D programs, we create positive value for farmers, while ensuring the sustainability of our raw material supply with regard to quality and quantity. Through these value chain enhancement projects, we contribute to the productivity, business volume and working standards of our business partners, thus creating mutual benefits.

VALUE CHAIN DEVELOPMENT PRACTICES

Our sustainability program aims to reinforce Anadolu Efes' identity as a responsible, reliable and transparent customer. We also expect our business partners to comply with relevant regulations, adopt the identical business ethics standards as Anadolu Efes and attach particular importance to fundamental norms such as human rights, occupational health and safety and environmental protection. That expectation was reinforced with the signing of the UN Global Compact in 2011.

Anadolu Efes carries out improvement studies that ensure dealers, distributors and sales points to adopt efficient business models and increase their business values. We form business development partnerships with suppliers. These initiatives include studies developed by country operations in accordance with local expectations and needs along with practices realized across all Anadolu Efes operations.

All Anadolu Efes country operations perform practices within their value chain geared at strengthening their cooperation with business partners. In the reporting period, Anadolu Efes Russia and Ukraine continued to implement the “Supplier Partnering Program.” Within the scope of the program involving main suppliers of brewing and packaging materials, the working and production standards of suppliers are evaluated, improvements are realized and measures to increase supply chain continuity and safety are determined.

Anadolu Efes is committed to making a positive contribution to society and the environment by developing and implementing responsible business practices within its supply chain. We expect all our suppliers to help us fulfil this commitment by supporting and respecting our values and principles in their business relations with us, as well as with their own suppliers and business partners. Anadolu Efes organizes supplier accreditation audits in order to ensure this objective is attained. In total, 38 supplier audits were completed across all operations in the reporting period. In that respect, a study defining the Anadolu Efes Code of Conduct for Suppliers has also been launched for publication in 2015.

SUPPORT FOR AGRICULTURE

Preserving the continuity of production, product quality and taste is an essential factor in ensuring the sustainability of Anadolu Efes’ operations. For that reason, as one of our major principles, we ensure that barley and hop supplies are provided in the desired quality and quantity, meeting the correct specifications, and at the required time.

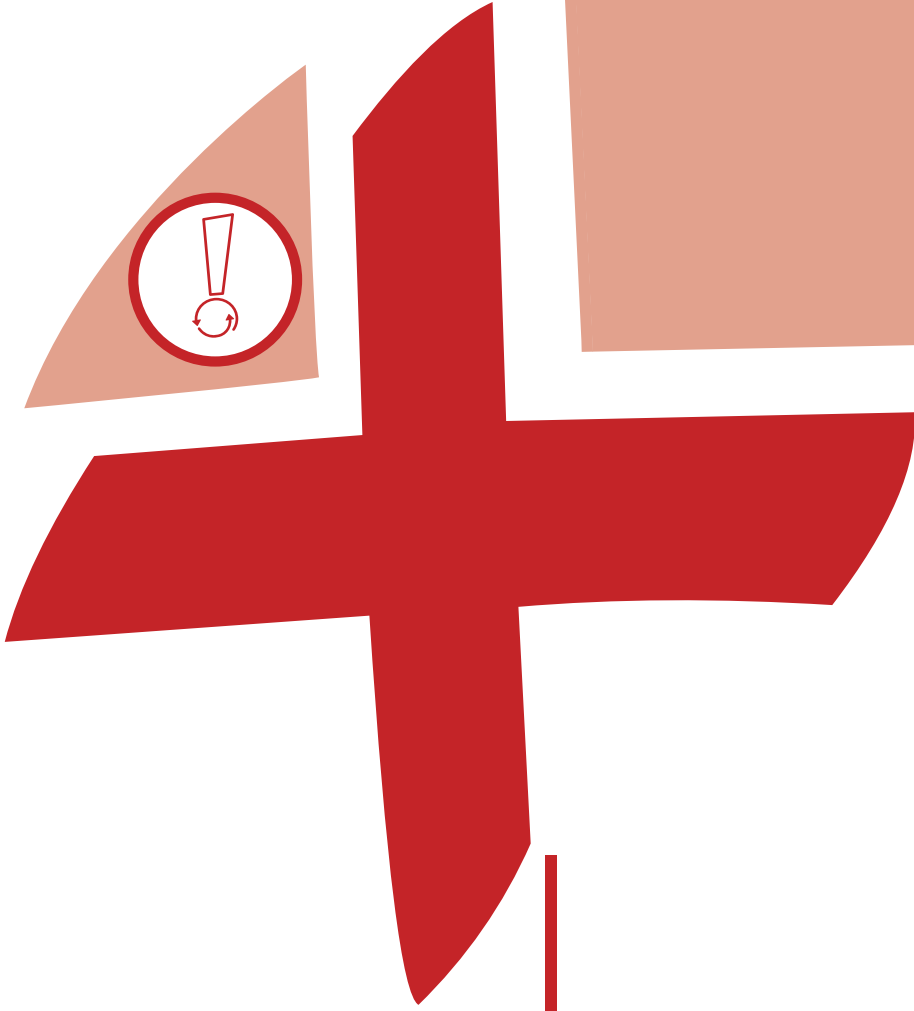
We provide farmers operational trainings and various improvement studies, as well as financial and technical support. Since 1982, we have been conducting R&D studies on barley and hop in our Turkey operations. Thanks to our studies, we have developed and registered 15 barley and 7 hop varieties. The support program based on the contractual production model developed by Anadolu Efes, which aims to supply its demand for malt barley and hops from local producers and through its own registered varieties, has registered great success. The program has reached nearly 3,000 farmers and provided a livelihood for tens of thousands of people. Through innovations realized over time, the program has created more value than originally estimated. The program increased the level of farmers’ agricultural awareness, as well as their economic income. Moreover, our specialists had an opportunity to contact farmers through trainings, field days, conducting technical surveys, seed distribution, and giving technical advice on malting barley cultivation. With operational trainings and a variety of improvement studies provided to farmers, as well as financial and technical support, more added value is created for both producers and Anadolu Efes.

Within the various improvement studies aimed at protecting agricultural production from the impact of climate change, we have concentrated on improving varieties that are resistant to arid climates, as they require less water, energy, and pesticide consumption. The improved varieties have also enabled water and energy savings in malt production. For instance, by use of Atılır and Fırat varieties registered by Anadolu Efes, 12 to 24% on electricity consumption, 18 to 22% on fuel consumption, and 40 to 47% on water consumption (depending also on external environment and operating conditions) is saved when compared to the most common barley variety produced in Turkey. We have also significantly expanded hop cultivation areas in Turkey over the years through hop variety improvement and contractual production studies carried out by one of our subsidiaries, Tarbes. With registered varieties provided to farmers, the efficiency and quality of hops are also increased. The hops program targets meeting all demand through local production and supporting local agriculture by transforming hops into a value-added export product.

In 2014, we continued the agricultural support program that we have implemented in Moldova since 2012. Within the scope of the program, we carry out studies in order to provide the most efficient varieties for Moldova’s climatic conditions. We aim to meet all of our Moldova operation’s demand for malting barley from local producers by 2017. In addition to this, the Moldova operation will supply its raw material without dependence on imports, and encounter a new product with export potential.

BARLEY AND HOP VARIETIES DEVELOPED

BARLEYS	REGISTRATION YEAR	HOPS
Efes 3	1992	Efes Aroma
	1997	Ege Erciyes Güney
Efes 98 Anadolu 98	1998	
Angora	1999	TARBES 99 Anadolu 99
Çumra 2001 Çatalhöyük	2001	Pazaryeri 2001
Başgül	2003	
Atılır Fırat Meriç	2005	
Erciyes	2006	
Yıldız Durusu	2007	
Akdane Toprak	2011	



PRODUCT **04**
RESPONSIBILITY

We believe that our products add positive value to social life, and strive to develop consumer experience when enjoyed by responsible consumers familiar with beer culture.

Anadolu Efes' product responsibility is based on the following principles: "producing high-quality beers", "acting responsibly in terms of marketing processes", and "creating positive value for stakeholders". We provide our consumers a wide range of high-quality products that meet their demand. And by increasing consumer awareness we promote responsible consumption.

PRODUCTION QUALITY

High quality beers can be provided through top notch raw materials and processes. Therefore we process best quality barley and hop in our production facilities designed with state of the art equipment and processes. In order to ensure process quality and food safety during the production process we rely on internationally recognized system standards such as ISO 9001 Quality Management Standard, ISO 22000 and HACCP Food Safety System Standards. In that regard, 89% of our facilities are certified with ISO 9001 while ISO 22000 or HACCP Food Safety Standards covers 81% of our production volume. We aim to complete the food safety standard certification process of all our facilities by 2015.

PRODUCT PORTFOLIO MANAGEMENT

Our product portfolio management system aims to provide consumers with products that appeal to their expectation of quality and taste, and

makes the products available at suitable locations and at reasonable prices. In that vein, we provide more than 40 brands in our operational markets. Through our product development studies, we focus on enhancing product quality, while ensuring the continuity and consistency of taste, as well as developing new products and flavours. The level of customer satisfaction we reached through our product and service quality has an important role in our pioneer position in our markets of operation. In order to maintain customer satisfaction, we conduct surveys to evaluate customer expectations and to further improve customer experience.

PRODUCT LABELLING AND CONSUMER INFORMING

Anadolu Efes believes that the ability to access all necessary information on every product purchase is a fundamental consumer right. To that end, our customers can easily access all product information through product labels, websites and customer-support lines.

We label all our products with content details that go beyond the criteria determined by local regulations. The packages reaching the end consumer include the product's alcohol percentage, responsible consumption and recycling warnings, as well as standard information such as production site, product amount and expiration dates. The product labels are meticulously designed to properly inform consumers, especially on a product's alcohol content. Our country operations also implement additional information on labels in accordance with local regulations, consumption habits and industry structure. For example, for several years Anadolu Efes Russia has been using "18 Years Old" and "Selling Beer to Minors is Prohibited" markers on its product labels, as well as a "Drink Moderately" marker as part of a voluntary initiative undertaken together with the Association of

IN OUR OPINION, OUR PRODUCTS BEST ADD POSITIVE VALUE TO SOCIAL LIFE WHEN CONSUMED RESPONSIBLY. THUS, WE STRIVE TO RESPONSIBLY IMPROVE BEER CULTURE AND CONSUMER EXPERIENCE. OUR GOAL IS TO PROMOTE RESPONSIBLE CONSUMPTION THROUGH PROGRAMS CUSTOMIZED FOR MARKETS IN WHICH WE OPERATE.

Russian Beer Producers. Similar practices are also implemented by other country operations. With the exception of Anadolu Efes Turkey, where local regulations prohibit product websites, stakeholders from our operating countries can access product information through the corporate and product websites. However in all country operations stakeholders can receive detailed information on products, convey their suggestions and complaints by calling the support lines listed on labels. Every request made through our support lines is carefully evaluated and replied to accordingly.

DEVELOPING A BEER CULTURE

Anadolu Efes strives to foster a refined beer culture throughout its operational geography. For this purpose, we carry out studies that introduce customers to new tastes and beer varieties and create programs that improve consumption point and service quality.

We adopt a locally managed brand structure and build a versatile brand portfolio in accordance with local taste criteria in order to appeal different consumer preferences. For instance, we offer consumers low-calorie, flavoured and non-alcoholic beer options in addition to our traditional beer brands. By producing non-alcoholic beer we provide those of our consumers who wish to socialize and enjoy the taste of beer without consuming alcohol an alternative experience. We also introduce various innovative products catering to different consumer tastes.

Anadolu Efes Russia provides “Brewery Tours” for different stakeholder groups such as local authorities, media members, university students, and the general public. Visitors receive relevant and reliable information on the company, its brands and production process. In 2014, a total of 6,400 visitors observed beer production processes through facility visits. Moreover, Anadolu Efes Russia continues to share information on the history of beer, recipes based on beer, and recommendations on different food and beer combinations through its “Beer and Food” brochure distributed to key stakeholders. The brochure also explains which type of glass is suitable for which kind of beer.

During the reporting period, Anadolu Efes Moldova evaluated market indicators regarding negative consumer perceptions of product ingredients with timely and organized site visits in order to reverse the adverse impression. Through Anadolu Efes Moldova’s effective

communication, 3,500 visitors left the facility satisfied about nature of ingredients used in beer production. Additionally, a public degustation with 120 participants was organized to promote beer culture and increase knowledge levels on beer.

ANADOLU EFES RUSSIA RECEIVES PRODUCT QUALITY AWARD

Anadolu Efes Russia received the gold medal at the “XIX. Best Beer, Non-Alcoholic Beverage, Mineral and Drinking Water of the Year” Competition, an organization held in Moscow as part of the “XIX. International Symposium on Beer and Soft Drinks Production”. Anadolu Efes Russia won the gold medal with its new products “Redd’s Mademoiselle”, “Amsterdam Navigator” and “387. OsobayaVarka”.

ANADOLU EFES UKRAINE RECEIVES PRODUCT QUALITY AWARDS

Anadolu Efes Ukraine received the grand award and gold medals in the “Best Quality of Light Beer” category at “SvyatoPiva 2014, 16th International Beer, Non-Alcoholic Drinks, Mineral and Drinking Water Taste Competition.” Also in the same event, Anadolu Efes Ukraine received an award in the “Best External Design for Beer” category.

ANADOLU EFES TURKEY ORGANIZES DEGUSTATION PANELS

Anadolu Efes Turkey raised degustators through trainings and validation processes. Starting in 2014, each panellist is validated by Flavoractiv’s unknown flavour standards in terms of verifying the reliability of degustations once every two months. Refreshment panels will be performed in breweries regarding validation results.

ANADOLU EFES RUSSIA ORGANIZES PRODUCT QUALITY TRAINING AND AUDIT PRACTICES

In the reporting period, Anadolu Efes Russia carried out product quality trainings and audits in order to develop quality in distributor processes and enhance communication with distributors. The training program is implemented through visits to distributors’ warehouses. Within the scope of the trainings presentations, degustations and visits to production areas were held. Audits were conducted at distributors’ warehouses to check compliance with Anadolu Efes’ business standards. At the end of the audits, recommendations and corrective actions were shared.

RESPONSIBLE CONSUMPTION

As Anadolu Efes we believe that a responsible consumption culture can only be created by producers who follow responsible marketing principles. In line with this perspective, we carry out our marketing communication studies within the framework of rules defined by laws and industry initiatives, as well as by the principles defined at the corporate level. Anadolu Efes avoids using any marketing content that may encourage irresponsible consumption behaviour, that may seem discriminatory or politicised, or that may violate the value judgments of society or of a particular community. Anadolu Efes ensures that its products are only sold at sales points abiding by the legal requirements, and that they are not sold to people under the legal consumption age.

Anadolu Efes carries out field projects in order to inform consumers about the risks of irresponsible alcohol consumption and raise awareness of responsible consumption behaviour. Our country operations taking cultural differences into consideration, engage in various projects encouraging responsible consumption where types and details of practices may differ by country.

ANADOLU EFES KAZAKHSTAN

Anadolu Efes Kazakhstan organized several remarkable campaigns to promote responsible consumption. In the reporting period, “A Sober Driver” campaign, which sought to prevent driving under the influence, was covered extensively by the local media.

During these awareness-raising events, Anadolu Efes Kazakhstan distributed mini-alcotesters to consumers and explained how they are used to prevent excessive alcohol consumption. As part of the outdoor advertising campaign, consumers were encouraged to avoid excessive consumption with messages communicated through ten originally-designed billboards on the main streets of Almaty and Karagandy.

Additionally, volunteers visited 10,000 sales points in Almaty, Karagandy and Astana and carried out various communication activities to prevent sales of alcoholic beverages to people under the legal age.

ANADOLU EFES MOLDOVA

Anadolu Efes Moldova initiated communication programs within its “Do not Drink and Drive” campaign. For those outdoor activities, locations of the highest visibility were used to raise awareness of this important issue. In the reporting period, Anadolu Efes Moldova became a partner of CIPIDA

(Centre for the Prevention of Addictive Behaviour). Together with CIPIDA and other partners, the first anti-addiction book based on storytelling therapy was published. The book, entitled “Story of the Loss of Happiness,” is focused on preventing underage consumption. In addition to the publication of the book, a large educational program was developed together with CIPIDA volunteers. Communication events were organized at 29 primary schools in order to raise awareness among pupils about avoiding addictive behaviour.

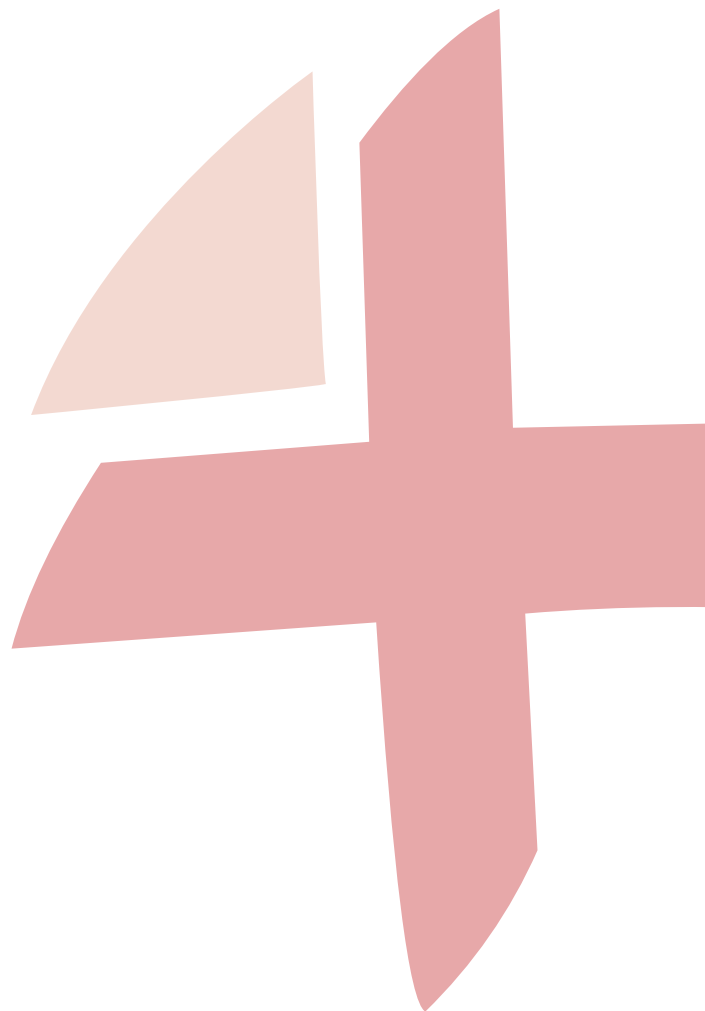
ANADOLU EFES GEORGIA

During the reporting period, Anadolu Efes Georgia has also disseminated the message of responsible consumption through the “Do not Drink and Drive” campaign. The message, advising consumers not to drive when even small amounts of alcohol are consumed, was communicated in selective magazines targeting drivers. In addition, articles on the campaign were also printed in daily newspapers.

ANADOLU EFES RUSSIA

Anadolu Efes Russia continued its outdoor campaign with posters featuring the message “Do not Drink and Drive”. Posters were placed on billboards along the main streets of Moscow during 2014.

You can access the responsible consumption projects undertaken by Anadolu Efes country operations about the dangers of driving under influence, and of underage alcohol consumption on the website www.drink-moderately.com.





OPERATIONAL
RELIABILITY

05

We believe that in order to sustain a better life together with our stakeholders it is important to be a reliable partner and neighbour. We strive to create a positive impact by carrying out safe and environmentally sensitive operations.

Anadolu Efes operational reliability understanding is based on operating with best possible safety and environmental norms.

OCCUPATIONAL HEALTH AND SAFETY

Ensuring health and safety of all stakeholders, particularly our employees, is an indispensable part of our working culture as well as our business strategy. We aim to improve our business processes and working environment continuously and senior management plays a capital role to achieve that mission. Senior managers accentuate priority of occupational health and safety for our business as a strategic goal during leadership and strategic business plan meetings. Since employee awareness plays an essential role in creating a safety culture, occupational health and safety trainings play a crucial role in order to develop a behavioural change among employees towards our ultimate goal-incident free workplace. In the reporting period, Anadolu Efes employees received a total of 14,259 person hours of OHS training.

In all our facilities we design occupational health and safety management processes in accordance with OHSAS 18001 standard requirements. With ISO 18001 certification studies and independent assurance practices conducted in our facilities, our plant coverage reached to 78% in 2014. Accordingly, we conduct risk assessment studies at all our

OUR GOAL IS TO ACHIEVE 0 ACCIDENT RATE AND MAXIMIZE OUR RECOVERY RATE FOR SOLID WASTE AND BY-PRODUCTS. IN 2014, WE DECREASED OUR INJURY RATE BY 18% TO 1.33 WHICH WAS 1.63 IN 2013. WE RECOVERED 95.6% OF SOLID WASTES AND BY-PRODUCTS IN 2014, WHICH WAS 94.6% IN 2013.

operations and take preventive measures. Our golden safety rules are defined not only for our plants but cover also our offices and the road. During this study, we also developed our safety guidelines with clear visual contents in order to highlight principles, defined risks, and personal protective materials for use. Specifically for commercial teams who drive corporate vehicles, new measures are developed in order to enhance road safety. We also developed emergency plans in all country operations, carried out trainings and exercises.

We assume health and safety as a continuous improvement area and develop studies to increase our performance. For this reason, performance evaluation, incident reporting and

analysis play a major role. In order to improve efficient incident reporting and evaluation we built systems in every country operations based on common evaluation criteria in line with ILO directives and GRI indicators as well as Anadolu Efes operation norms. Furthermore, every country operation fine-tunes these systems according to local regulations and work cultures. Through these systems, incidents and near-misses are reported instantly to related management bodies which carry out root-cause analysis and take corrective actions immediately to avoid reoccurrence. In order to boost global learning across the entire Anadolu Efes operations, these reports and cases are published in four major operation country languages. Thus, operations may learn from each other's experiences and avoid the incidents.

All Anadolu Efes employees regularly receive health examinations and consultancy and take part in awareness raising activities organized by expert healthcare teams. Thanks to the efforts of these teams, no cases of occupational disease were observed at any operations during the reporting period. The company's employee healthcare practices also have a positive impact on operation continuity by helping to reduce the rate of general work absenteeism. During the reporting period, no fatal accidents occurred at any Anadolu Efes operations.

OHS DATA	2012	2013	2014
Injury Rate	1.22	1.63	1.33
Lost Day Rate	18.25	12.82	5.57
Injury Rate: Total number of injuries x 200,000 / Total work hours. Lost Day Rate: Total number of lost days x 200,000 / Total work days.			

Incident reporting improvement practices conducted during previous terms together with OHS trainings resulted in a significant performance increase in 2014. Hence, we decreased the injury rate by 18% and the lost day rate by 57%. This means, in 2014 we reduced not only the number of injuries relative to the total work hours but also the severity of injuries.

Beside regular OHS measures, we also work on improving wellbeing of employees through various practices. While these practices are decided in line with operation specific expectations, most common examples are e-books and trainings on stress management and breathing techniques, monthly healthcare and wellbeing bulletins, yoga classes, as well as health and nutrition consultation by company medical staff and regular check-ups. We also provide on premise fitness facilities in available locations and membership discounts for fitness clubs. We also conduct practices to improve ergonomics in workplaces. In that vein, we conduct practices to improve illumination, indoor air quality, noise, humidity and temperature as well as equipment use.

Joint employee-management Occupational Health and Safety Committees are established in Anadolu Efes operation sites. These committees, working as an independent body in most operations while in Russia and Ukraine operations they work as an integrated part of a larger body, consist of company managers, workplace doctors, occupational safety supervisors, union representatives, foremen and employee representatives. Studies of Occupational Health and Safety Committees contribute significantly to the improvement of Anadolu Efes's safety performance. They meet monthly in order to analyse the causes of previous incidents, discuss existing risks and to determine the future measures to be taken to enhance health and safety conditions. The OHS Committees evaluate demands and expectations of Anadolu Efes employees in decision making and implementation processes through unions and employee representatives. Outcomes of these analyses are reported to the senior management regularly.

Unions, as employee representatives, are crucial part of OHS decision making processes. Thus, collective bargaining agreements also play a role in OHS management. These agreements, although minor differences may be witnessed according to country operations, have articles on: employer and employee responsibilities, joint management, employee OHS Committees, personal protective equipment, OHS regulations, norms, standards and certifications, OHS audits and investigations, employee trainings, sanitary, health and safety support, medical examinations.

ENVIRONMENTAL SAFETY

One of the crucial elements of our sustainability values is ensuring that Anadolu Efes operations do not have a negative impact on the environmental quality and biodiversity within our operational geography. We are therefore careful not to locate our production facilities in regions that have either high biodiversity value or under protection such as RAMSAR locations. We also attach utmost importance to ensure that our operations do not cause a negative impact on water or other natural resources, air quality, land availability or species diversity. Thanks to our policies, working principles and improvement studies, no significant impact on biodiversity values or environmental quality has occurred within our operational geography during the reporting period.

For maintaining a reliable environmental management we follow ISO 14001 Environmental Management Standard as a basic guideline across all our production facilities. As a result of our certification practise by 2014, 50% of our facilities are certified with the ISO 14001 Environmental Management System Standard while certification processes for remaining locations are ongoing. Hence we aim to complete ISO 14001 certification of all our operation by the end of 2016.

In order to improve our environmental performance, our employees receive technical knowledge to perform required investments and managerial improvements. In 2014, 788 Anadolu Efes employees received 9,218 person hours of environmental training. Within the same period, around 6 million USD was spent on environmental expenditures and investments. We aim to develop the positive impact of our operations on environment through these investments and expenditures.

The main goal of Anadolu Efes waste management is to reduce waste as its source and develop disposal methods for reusing the produced waste, thus minimizing the environmental effect. All Anadolu Efes production facilities follow waste-disposal

methods designed in compliance with legal regulations. In 2014, 64 ktms of solid waste and 450 ktms by-products were produced as a result of Anadolu Efes brewing and malting processes. 95.6% of this amount was recovered, with 1% improvement compared to 2013, while the rest was disposed in line with methods determined by legal norms according to their type and class.





COMMUNITY DEVELOPMENT 06

We seek to positively impact the development of the communities in which we operate. Through our operations, we aim to enrich their socio-cultural life, while taking into consideration community expectations.

IN 2014, WE CONTINUED TO SUPPORT THE ECONOMIC AND SOCIO-CULTURAL DEVELOPMENT OF OUR OPERATIONAL GEOGRAPHY THROUGH PRACTICES THAT CONTRIBUTE TO LOCAL ECONOMIES AND INVESTMENTS IN PROGRAMS THAT SUPPORTING EDUCATION, MUSIC, SPORTS, AND CULTURAL ACTIVITIES.

Anadolu Efes is aware of the importance of increasing the socio-economic and socio-cultural welfare of the communities in which it operates in achieving its sustainability goals. During the reporting period, we continued conducting projects that support local economic and socio-cultural development.

CONTRIBUTION TO LOCAL ECONOMIES

Local employment is a significant pillar of Anadolu Efes' human resources policy. The percentage of local senior executives has reached 87.5% in 2014. We also prefer to procure local products from local supply channels. In the reporting period, local procurement accounted for 93.2% of total procurement

by operation and 78.4% by expenditure. Local procurement practices helped us positively impact local economies in addition to preventing supply dependency.

We carry out various field activities and projects that contribute directly and indirectly to the stimulation of local economies in numerous cities. Through these practices we continue to positively impact local economies, increase employment opportunities and improve the business volume, profitability and productivity of small enterprises.

ANADOLU EFES RUSSIA: CITY LANDSCAPING PROJECT

The City Landscaping Project conducted by Anadolu Efes Russia aims to encourage corporate volunteering and employee networking, landscape urban areas and maintain good relations with local communities. Within the scope of the project, 110 employees contributed to the development of more habitable areas for the citizens of Kaluga, Ulyanovsk, Novosibirsk, Kazan and Ufa. In 2014, more than five tons of garbage was collected and over 150 trees were planted. The campaign helped to gain new partners in the regions, as well as bringing new experiences and generating positive emotions.

ANADOLU EFES MOLDOVA: SUPPORT FOR TEXTILE EMPLOYEES

In 2014, Anadolu Efes Moldova became sponsor of local textile brands' fashion events in order to support women's empowerment and the local textile industry, which employs more than 20,000 women, thereby playing a considerable role in the national economy.

COMMUNITY INVESTMENTS

Anadolu Efes provides support for sustainable tourism, sustainable agriculture, sports, culture & arts, education and health programs in countries where it operates as an indication of its sensitivity towards social expectations and needs. During the reporting period, as Anadolu Efes we continued to support sports for the 38th year, cinema for the 27th year, music for the



25th year, theatre for the 22nd year, archaeological works for the 19th year and projects aimed at the development of tourism for the 7th year.

SPORTS

Anadolu Efes Sports Club, established in 1976, is our largest community investment in sports. Anadolu Efes gifted moments of excitement and pride to all Turkey thanks to its successes many in numbers and happened to be the first Turkish team winning a European Cup in professional sports. As the first Turkish team to appear in Euroleague Final Four, the trophy case of Anadolu Efes includes 1 Korac Cup, 13 Turkish League Championships, 9 Turkish Cups and 9 Presidential Cups as of December 2014. The club has raised numerous stars from its youth development program and continues to present new talents to Turkish sport each and every year as a part of its efforts to take the Turkish basketball further.

In 2014, Anadolu Efes Moldova continued to be partner of the Moldova National Football Team and also organized an open air fan-zone in the city centre where 60.000 supporters have the opportunity to watch the games of the 2014 World Cup in a welcoming and entertaining atmosphere. Moreover, Anadolu Efes Kazakhstan provided its support for the Street Football Championship in Karagandy.

HEALTH AND EDUCATION

Anadolu Efes contributes to health and education projects through Anadolu Group's social organization, the Anadolu Education and Social Assistance Foundation. The Anadolu

Foundation has established more than 50 educational, health and other social-services institutions up to the reporting period. The foundation also provides scholarships for 900 students each year. The Anadolu Health Center, established in 2005 in cooperation with John Hopkins Medicine International, provides free healthcare for more than 10% of its patients in Istanbul.

In the reporting period, Anadolu Efes Kazakhstan sponsored the Autism Children Rehabilitation Centre, while Anadolu Efes Moldova donated a car to the Municipal Hospital for Children for patient transportation.

ARTS & CULTURE

Anadolu Efes plays a pioneering role in supporting art and culture within its operational geography.

In 2014, Anadolu Efes Turkey continued its partnership with the country's biggest and most important cinema event, Istanbul Film Festival, in the centenary of Turkish Cinema. Anadolu Efes Turkey once again sponsored the National Competition and Turkish Cinema section of the festival as in the past 27 years. In addition, Anadolu Efes Turkey continued its support for theatre for the 22nd year. 10 different theatres all around Turkey, including all class-act theatres of the nation, were sponsored by Anadolu Efes Turkey, staging over 500 plays and reaching an audience of over 20,000 people.

In the reporting period, Anadolu Efes Moldova organized 112 cultural events with a total audience of 222,400 people in different regions, bringing high class cultural events to Moldovan citizens and sponsoring the largest events and festivals such as Independence Day, Europe Day and Romanian Language Day.

FUTURE IS IN TOURISM

Anadolu Efes Turkey's corporate social responsibility project "Future Is In Tourism" started in 2007 as Eastern Anatolia Tourism Development Project (EATDP) in collaboration with the Turkish Ministry of Culture and Tourism and the United Nations Development Programme (UNDP) aiming to create a tourism oriented local development model at Çoruh Valley. Within the project context, more than 20 home-accommodations were founded, many tourism-based civil society organizations were started to operate, cycling and walking routes were created, local festivals as rafting or bird watching were organized and through all these investments, the interest of domestic and international tourists to the area were increased. As a result, Uzundere district has been declared as tourism center by the Council of Ministers in 2013 which also provides the persistence of this sustainable tourism model in the region. In addition, tourism trainings were initiated in 27 cities in collaboration with Boğaziçi University Lifelong Learning Center as a part of the project and more than 5.000 people received the certificate of tourism between the years 2007-2012.

After five years of regional experience, Future Is In Tourism evolved at the national level and has continued to develop and support tourism in Turkey. It was aimed to acquire tourism a place as an alternative sustainable development tool in Turkey, to prepare ground for the creation of local role models by encouraging entrepreneurship and to contribute to tourism by bringing public institutions, private corporations, universities and civil society together.

With Future Is In Tourism, three projects were funded as well as given consultancy, mentorship and communication supports to provide feasible and sustainable projects. In 2013, the "100% Misa", "Creating Women-Led Sustainable Tourism Initiatives in Mardin" and "Traditional Kitchen of Seferihisar" projects were supported. For the 2nd year, "The Stonemasonry, Göbeklitepe, the Oldest Temple of the World", "Heritage of Malatya: Arslantepe" and "Souvenirs of Safranbolu" projects were selected and supported.

THE STONEMASONRY, GOBEKLITEPE, THE OLDEST TEMPLE OF THE WORLD

The project, initiated by Şanlıurfa Chamber of Commerce and Industry in cooperation with Şanlıurfa Governorship, aims to revive the traditional stonework artisanship that is a cultural heritage dating back 12 thousand years, as a new source of income for young locals. The project also aims at strengthening SMEs in the tourism industry and increasing the number of overnight stays at Şanlıurfa. Göbeklitepe, assumed to be the oldest temple in the world, accepted on the temporary list of UNESCO World Heritage.

HERITAGE OF MALATYA: ARSLANTEPE

The project initiated by the Arslantepe Support and Development Association in cooperation with the Battalgazi Municipality, aims to create awareness and employment opportunities for the local community by demonstrating the link between local traditions, ethnography and past life. The project, which will revive the social and cultural potential of Arslantepe, will contribute to the promotion and development of the 5,000 year-old "Arslantepe Barrow" archaeological settlement situated in Battalgazi Municipality of Malatya. One of the project's goals is to raise local awareness of the history and value of Arslantepe and turn it into an attractive tourism centre.

SOUVENIRS OF SAFRANBOLU

The project initiated by Karabük University in cooperation with Safranbolu Chamber of Artists and Artisans, aims at increasing local tourism revenues by determining the purchasing behaviour of visitors, and designing new souvenirs that match with the traditional culture of Safranbolu and meet the demands of tourists. During the project, new souvenirs reflecting the history and culture of the region will be designed and variety of local souvenirs will increase notably while reviving traditional handcraft artisanship. These efforts are expected to increase local employment opportunities in the field, whereby Safranbolu will be able to offer its visitors a wide array of authentic products.

For more information on Anadolu Efes Turkey's "Future Is In Tourism" program and its projects, please visit website www.gelecekturizmde.com.



TALENT
MANAGEMENT

07

AFTER SIGNING UN GLOBAL COMPACT IN 2011, WE ENHANCED OUR COMMITMENT FOR DIVERSITY AND EQUAL OPPORTUNITIES BY SIGNING WOMEN EMPOWERMENT PRINCIPLES, A JOINT INITIATIVE OF UNGC AND UN WOMEN. WE INCREASED OUR TRAINING HOURS PER EMPLOYEE, COMPARED TO 2013, BY 8% TO 26.5 HOURS.

Productivity and creativity are the crucial factors that enable us sustain a better life. We strive to become the most preferred employer by providing a fair work environment where talent is appreciated.

Employees are among the most valuable assets of Anadolu Efes. We provide our employees work atmosphere befitting the human dignity and suitable to enhance their talents and achieving high performance. With a total of 7,352 employees as of year-end 2014, we ensure that our workforce consists of creative, hardworking, well-educated and talented individuals.

HUMAN RIGHTS

The Anadolu Efes Code of Business Conduct and Ethics is the core policy document defining the company's approach to human rights and related practices. The document, covering all countries of operations, is binding for all Anadolu Efes employees. In addition, Anadolu Efes supports and abides by internationally recognized agreements and initiatives such as the UN Universal Declaration of Human Rights. By becoming a signatory of UN Global Compact in 2011 and Women Empowerment Principles in 2014, we emphasized our commitment to supporting human rights. In 2015 we will revise Anadolu Efes Code of Business Conduct and Ethics in accordance with our current local and international engagements.

Anadolu Efes consider personal and cultural diversity as an enriching value for organizational culture. In this way, Anadolu Efes employees are never subjected to any form of discrimination based on their religion, language, race, ethnicity, gender or any other kind of personal attribute or cultural difference. As a result of this approach, as of year-end 2014, 12.5% of senior executives of across all operations are expats while 1,853 female employees are accounted for 25.2% of Anadolu Efes total workforce. Women make up 10.1% of blue-collar employees, 35.4% of white collars and 26.6% of senior executives.

Anadolu Efes provides all employees with equal opportunities without any discrimination. Hence, we attach utmost importance to merit and objective factors while managing our human resources processes, especially in remuneration, benefits and performance management. In terms of average male – female employee salaries, female employees at management level are remunerated 5% more than male employees, while at non-management level female employees remunerated 6% more during the reporting period.

Anadolu Efes supports work-life balance of employees as an essential part of its human rights approach. To this end, we strive to increase operational productivity and efficiency to prevent overtime work and we encourage employees for regular use of their annual leaves. When talented individuals prefer leaving their jobs in order to care their new-born children, this situation results both in loss of skilled workers and interruption of personal career development. In order to prevent that we provide the necessary conditions that facilitates their return

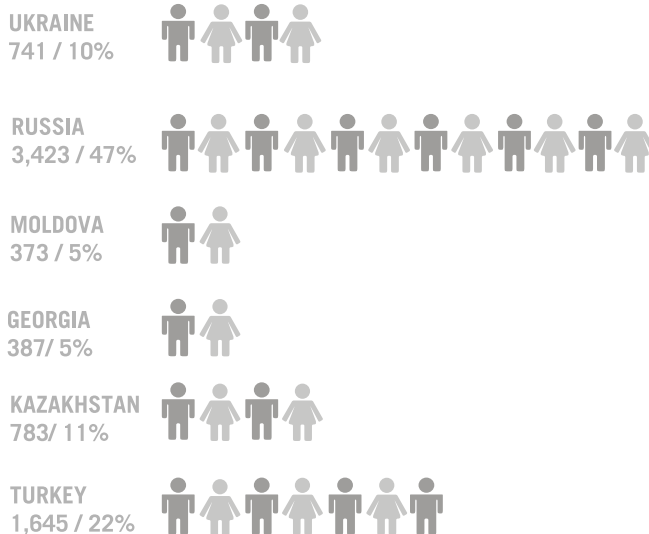
to work after parental leaves and their ability to meet their childcare needs. The duration of parental leaves is determined in compliance with regulations of operation country in which they are based and various additional opportunities are offered after they return to work. Thanks to our facilitating approach, 54% of employees across all Anadolu Efes operations returned to work following their parental leaves.

Anadolu Efes does not tolerate child labour or forced labour. We expect the same attitude from our suppliers and business partners. All employees may freely exercise their collective bargaining, organization, and unionization rights. Hence unions of which Anadolu Efes employees are members can freely organize in our operation centres. We assume the responsibility on our part to enable employees to exercise of these rights. In parallel with this purpose, we also build constructive relations with trade unions. As of year-end 2014, 2,672 Anadolu Efes employees -2,090 males, 582 females- are covered by collective bargaining agreements. In most countries of operation, the ratio of blue collar employees under collective bargaining agreements stands above 90%. However, overall unionization across all Anadolu Efes workforce stands at 36% due to the lack of union organization aimed at white-collar employees in most countries or lack of union organization in some geographical locations where we operate. As a result of the positive communication we have established with trade unions, we concluded 26 successful consultation and negotiations with unions in different countries with no problems or working time losses experienced due to industrial relations in the reporting period.

EMPLOYEES BY LOCATION

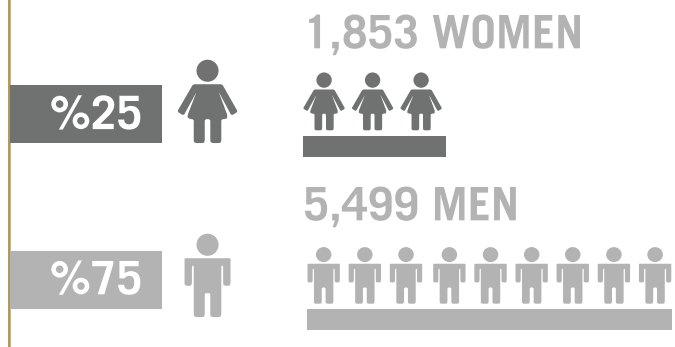


EMPLOYEES BY LOCATION



In order to raise knowledge and awareness of our employees regarding exercising their rights, we provide them with human rights trainings. In the reporting period, 42 Anadolu Efes employees received 289 person hours of training on human rights-related issues.

EMPLOYEES BY GENDER

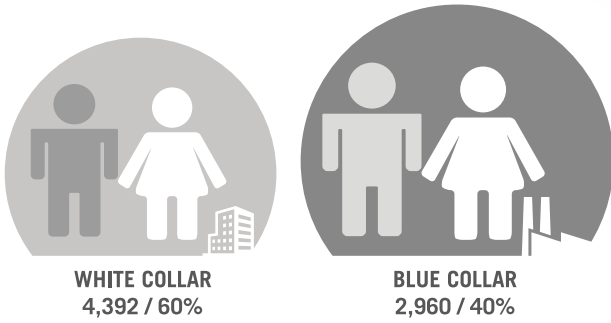


EMPLOYEES BY AGE GROUP

EMPLOYEES BY AGE GROUP



EMPLOYEES BY STATUS



EMPLOYEE DEVELOPMENT AND PERFORMANCE MANAGEMENT

We evaluate employee performance annually through a process based on objective criteria. Within the scope of the process, the degree of achievement of individual and corporate performance targets including sustainability priorities is evaluated. And the obtained results are taken into consideration in determining improvement requirements, career-planning decisions and performance-based remuneration processes. All employees with the exception of those under collective labour agreements are subject to the performance evaluation process. In accordance with our transparency principle, all employees receive feedback regarding their annual performance evaluations, development and career plans.

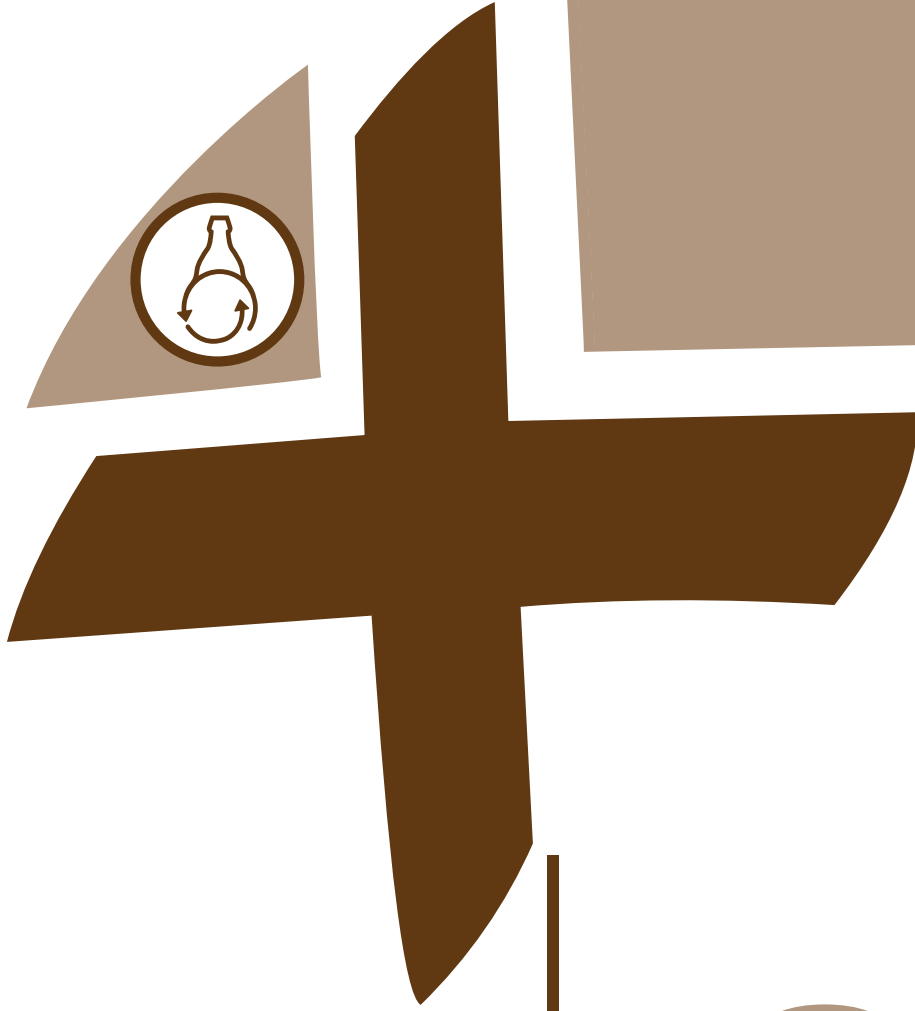
In order to meet development requirements and increase employee performance, we provide our employees with training programs in all operations. During the reporting period, training hours per employee increased by 8% compared to 2013 and reached 26.5 person hours. In 2014; 194,543 person hours of training were held for Anadolu Efes employees. We aim to create a talent and performance improvement oriented business culture in Anadolu Efes. In that vein, we provide our employees at all levels with personal and professional development opportunities all across our operations. These opportunities include leadership, competence and skill improvement programs, special education programs, and foreign language programs along with orientation and on-the-job training courses. In addition to the programmes organized locally, corporate learning and development programmes are organized by Anadolu Efes Headquarters. We seek to establish a common leadership language and a systematic way of business by these corporate learning and development programs. Renewed in 2014, Anadolu Efes Leadership Pathway 2020 (AELP2020) has been developed to support our top and midlevel managers in

changing and demanding business environment. AELP2020 Program aims to plant and foster a common corporate language to drive high impact initiatives by endorsing new leadership trends and a learning approach that focuses on creating a collaborative environment and encourages our leaders to put new ideas into action addressing today's real business challenges. AELP2020 Program provides our managers with tools, techniques and professional skills needed to manage their duties and responsibilities and to come around a common leadership understanding. Within AELP2020, Anadolu Efes Leaders work on Action Learning Projects which is a new learning approach exposing people to new ideas, skills and methods and making them reflect these learnings to real organizational issues and opportunities. Action Learning enhances business results while developing organizational and individual capabilities. In 2014 more than 50 leaders have participated in Anadolu Efes Leadership Pathway 2020 Program.

Anadolu Efes Capability Programs aim to map capabilities and identify development needs of our leaders; hence develop them in order to ensure a ready pipeline which is able to lead Anadolu Efes organization through the emerging landscape of volatility, complexity and ambiguity. More than 60 Anadolu Efes Leaders have participated in our Capability Program in 2014. Managing Director Capability Program, Next Generation Capability Program, Sales & Marketing Capability Program, Quality Capability Program, Future Talents Capability Program are amongst the programs we offer.

Anadolu Efes establishes open and direct communication channels with its employees in order to ensure a strong and continuous communication that develops the corporation culture and operational efficiency. Employees are provided with access to current information regarding corporate developments through the intranet, corporate publications and information boards.

In accordance to the results of employee satisfaction surveys we carry out biannually in country operations, the expectations and suggestions are put into practice. In addition, the Anadolu Efes Employee Engagement Survey enables us to analyse our strengths and as well as areas of improvement. This survey also provides insight into the opinions of our employees regarding key issues that impact employee engagement, such as corporate policy and processes, quality of life and work-life balance, career and training and development opportunities, co-workers, managers, rewards and recognition, and company reputation. In 2013, we have renewed our survey practice for a more robust methodology. Through 2013 survey we have reached 69% overall employee satisfaction. In 2014, we have put development studies into practice in line with survey results. The next survey which will also demonstrate results of our studies will be conducted in 2015.



08

PACKAGING
MANAGEMENT

We provide our consumers with products using less packaging material and ensure that packaging waste is reclaimed and recovered.

Packaging practices play a significant role in providing Anadolu Efes products to consumers with the promised taste and quality, ensuring that products are consumed confidently, and spreading our corporate message. Packaging materials, however, lead negative impacts on environment as they cause waste, material consumption, indirect energy consumption and emissions. Hence, we aim to minimize these negative impacts through reducing the weight of our packaging materials and increasing returnable packaging and recycling practices.

SALES VOLUME SHARE BY PACKAGING TYPE



MATERIAL USE

Anadolu Efes aims to reduce the one-way packaging material weight per distributed product in order to decrease material consumption. To that end, light-weighting and packaging optimization practices are developed in cooperation with packaging suppliers through R&D studies.

In 2014 we marked 0.6% increase in sales volume percentage of returnable bottles when compared to 2013 and that increased from 13.4% to 14.0%. Regarding one-way glass bottles, we achieved 1.3% reduction in terms of glass weight per sold product.

OUR GOAL IS TO REDUCE NEW MATERIAL USE FOR PACKAGING AND TO INCREASE THE LEVEL OF PACKAGING WASTE RECOVERED.

Returnable packaging materials can be reused several times and reduce the need for new material, thus have a more environmentally friendly nature compared to one-way products. We reinforce technical features and durability of packaging materials by re-designing packaging materials and reduce the use of new material by increasing the amount of reuse. This way, we save approximately 150 ktons of glass on average annually. We aim to increase the rate of reuse and thus reduce the consumption of new materials through enhancing the durability of returnable packaging without increasing their weight. In the reporting period, Anadolu Efes Turkey increased returnable primary packaging rate to 66% compared to 63% in 2013. During the reporting period Anadolu Efes Ukraine reached to the level of 87% with returnable bottles in total volume share of sales.

Anadolu Efes also carries out design projects in cooperation with packaging producers that focus on light weight packaging materials without compromising on durability. Through such projects, the environmental impacts of material and energy consumption, emissions and waste production are reduced while a cost advantage is also achieved. In 2014, Anadolu Efes Russia launched a project for decreasing the weight of existing one-way Efes bottles which resulted in approximately 16% material reduction, from 350 gr. to 295 gr. without compromising on quality. This project also reduced the glass waste. In another project conducted by Anadolu Efes Russia preform weight is reduced from 29.9 gr to 38.3 gr. On the other hand, Anadolu Efes Kazakhstan implemented a similar project where 7% cost saving was achieved. The usage of lighter glass bottles also made possible to pack products in trays instead of boxes.



We employ secondary packaging materials for protecting our products from external impacts as well as facilitate their handling and storage. We support reuse and recycling practices for secondary packaging depending on their types.

For instance, we aim to reuse wooden pallets, plastic boxes and crates as much as possible whereas for materials such as paper and cardboard, plastic bands and shrink wrap, we support the recycling after their use. Our initiatives to use limited amounts of shrink films and stretch films generated a significant reduction in secondary packaging weight. During the reporting period, country operations have studied possible reductions in secondary packaging materials and prepared projects to be conducted in 2015 such as shifting from cardboard boxes to trays.

In 2014, we have also conducted researches on reducing packaging colours while maintaining the appeal of the packaging. This practice helped us to achieve a significant reduction in paint use and provide a cost advantage.

RECYCLING

Anadolu Efes seeks to ensure disposal through recycling of one-way materials used in delivery processes and of materials lost or deemed unfit for use during production while returnable packaging materials are reused. We ensure the separation of

packaging wastes at the source, their storage in production plants and recycling by authorized companies. Authorized institutions are responsible for reclaiming and recycling the one-way packaging materials.

In 2014, 22,727 tons of one-way packaging material, comprising 15,954 tons of glass, 3,256 tons of aluminium, 739 tons of metals, 633 tons of plastics and 2,143 tons of paper and cardboard, were reclaimed and recycled by authorized companies.

The amount of reclaimed one-way packaging material differs depending on factors such as the availability of networks for the reclaiming and recycling of packaging waste in the country of operation in addition to the social consumption patterns. Efes Turkey for instance, accounts for 76.8% of the total recycled packaging waste volume since there is a widespread recycling network. Due to the same reason, the recovery rates of one-way primary and secondary packages vary from one country to another. Authorized institutions have easier access to one-way secondary packaging, most of which is separated at open and closed sales points whereas the collection of primary packaging depends on consumers.

With the aim of creating more opportunities for reclaiming packaging waste, we support the development of recycling network in our operational geography. We also carry out various projects in order to raise awareness among consumers regarding recycling and warn them through product labels.



ANADOLU EFES
SUSTAINABILITY
REPORT
2014



Independent Assurance Statement

To,
The Board of Directors and Management,
Anadolu Efes Biracılık ve Malt San. A.Ş.,
Istanbul, Turkey

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

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

What did we do to form our conclusion

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

The scope of our assurance

The scope of our assurance is limited to the information marked with ("****") as set out on page 13 of the Anadolu Efes Sustainability Reporting Index, 2014, which comprises the relevant on-site operations in Turkey (together "the Selected Information") that consists of:

- Energy Consumption within the Organisation from stationary combustion and purchased electricity sources (G4-EN3)
- Specific Energy Consumption (G4-EN5)
- Total Water Consumption and Withdrawal by Source (G4-EN8)
- Specific Water Consumption for Breweries and Malteries
- Direct Greenhouse Gas Emissions - Scope 1 relating to stationary consumption (G4-EN15)
- Energy Indirect Greenhouse Gas Emissions - Scope 2 (G4-EN16)
- Total Weight of Waste by Type and Disposal Method (G4-EN23)
- GRI G4 Indicators: G4-EN3, G4-EN5, G4-EN8, G4-EN15, G4-EN16, G4-EN23.

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:

1. Interviewed select key senior personnel of Anadolu Efes to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information on site covering Anadolu Efes breweries in Izmir and Istanbul and maltery in Konya in Turkey as well as off site review of Selected Information pertaining to the Company's other breweries and maltery in Turkey, against evidence, on a sample basis;

3. Used the GRI G4 Reporting Guideline Manuals and the Anadolu Efes's KPI Handbooks for Breweries and Malteries to evaluate and measure the Selected Information;
4. Evaluated the design and implementation of key processes and controls over the Selected Information;
5. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period;
6. 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. 1st January 2014 to 31st December 2014;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Review of the information on economic and financial performance included in the Report, which we understand, are derived from the Company's audited financial records.

Our conclusion

As a result of our procedures, nothing has come to our attention that indicates the Selected Information reviewed for the year ended 31 December 2014 is not prepared in all material respects in accordance with the GRI G4 Reporting Guidelines.

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 Ethics¹ for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

We permit this report to be disclosed in the Anadolu Efes Sustainability Report Index for the year ended 31 December 2014, to enable the Directors of Anadolu Efes 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 Anadolu Efes for our work or this report except where terms are expressly agreed between us in writing.

for Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A. Ş.

A member firm of Ernst & Young Global Limited

Zeynep Okuyan, SMMM
Partner

¹ 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.

Contact

The 'Anadolu Efes 2014 Sustainability Reporting Index' document, featuring GRI Content Index, EY's Assurance Statement and details on the implementation of the GRI and UNGC reporting principles as well as performance figures pertaining to the reporting period, can be found under the sustainability section of the corporate website or by clicking [here](#)

To receive more information or communicate your suggestions regarding the Anadolu Efes Sustainability Report, please contact:

Haluk ÖZDEMİR

Anadolu Efes Group Corporate Affairs Director
haluk.ozdemir@anadoluefes.com

Anadolu Efes Biracılık ve Malt Sanayi A.Ş.

Fatih Sultan Mehmet Mh. Balkan Cd.
No: 58 Buyaka E Blok
Tepeüstü - Ümraniye 34771 İstanbul / Turkey
Tel: +90 (216) 586 80 00
Fax: +90 (216) 387 91 46
Web: www.anadoluefes.com

Reporting Consultant:



www.kiymetiharbiye.com

Legal Disclaimer

The Anadolu Efes Sustainability Report (The Report) and the Anadolu Efes Sustainability Reporting Index (the Index) have been prepared by Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (ANADOLU EFES) within the reporting principles of the Global Reporting Initiative (GRI) and the U.N. Global Compact. All information and opinions contained in this Report and the Index, which does not purport to be comprehensive, have been provided by ANADOLU EFES and have not been independently verified for this purpose except the data, which has received Limited Assurance following ISAE 3000 from the independent audit firm EY as explained in their opinion statement. This Report and Index have been prepared solely for information purposes and does not aim to form the basis for any investment decision. No information in this Report and Index constitutes a proposal or part of a proposal relating to the sale of ANADOLU EFES shares, or an invitation to this kind of sales process, and the publishing of this report does not mean that a legal relationship of this kind has been established. All featured information and related documents are believed to be accurate at the time of this Report and the Index preparation, and all information has been provided in good faith and relies on trustworthy sources. However ANADOLU EFES does not make any kind of declaration, guarantee or promise in relation to this information. Accordingly, neither ANADOLU EFES nor any of its subsidiaries, or their board members, respective advisors, directors or employees shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Report and the Index or in any other information or communication in connection with the Report and the Index.

