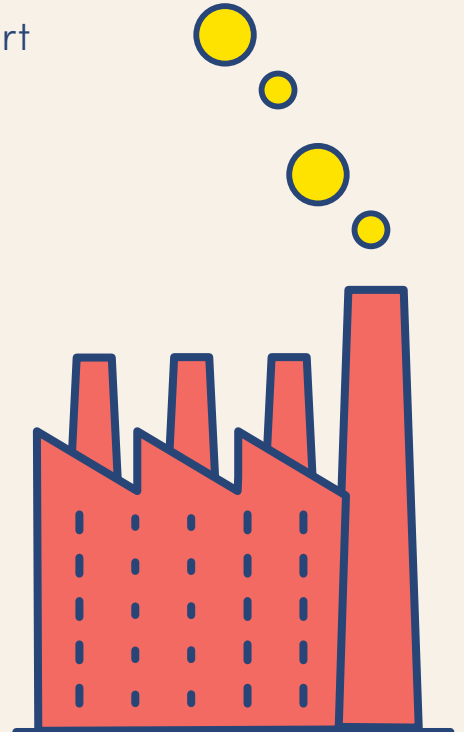




# ANADOLU EFES

Sustainability Report  
2018



**ANADOLU  
EFES**

## CONTENTS

<b>ABOUT THE REPORT</b>	<b>3</b>
<b>MESSAGE FROM THE CEO</b>	<b>4</b>
<b>ABOUT ANADOLU EFES</b>	<b>6</b>
<b>SUSTAINABILITY MILESTONES</b>	<b>10</b>
<b>2018 HIGHLIGHTS</b>	<b>12</b>
<b>ANADOLU EFES POSITIVE IMPACT PLAN</b>	<b>14</b>
<b>MATERIALITY ANALYSIS</b>	<b>17</b>
<b>STAKEHOLDER ENGAGEMENT</b>	<b>18</b>
<b>SUSTAINABILITY MANAGEMENT</b>	<b>22</b>
<b>ETHICAL AND TRANSPARENT GOVERNANCE</b>	<b>23</b>
<b>OUR VALUE CHAIN</b>	<b>26</b>
<b>SUPPORT FOR SUSTAINABLE AGRICULTURE AND FARMERS</b>	<b>26</b>
<b>RESPONSIBLE AND SUSTAINABLE SOURCING</b>	<b>30</b>
<b>PRODUCT QUALITY AND SAFETY</b>	<b>32</b>
<b>OUR PEOPLE</b>	<b>36</b>
<b>TALENT MANAGEMENT</b>	<b>38</b>
<b>EMPLOYEE ENGAGEMENT</b>	<b>39</b>
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	<b>40</b>
<b>COMMUNITY</b>	<b>44</b>
<b>CONTRIBUTING TO THE LOCAL ECONOMY</b>	<b>44</b>
<b>SOCIAL INVESTMENTS</b>	<b>56</b>
<b>ENVIRONMENT</b>	<b>60</b>
<b>CLIMATE CHANGE AND ENERGY MANAGEMENT</b>	<b>61</b>
<b>WATER RISKS AND MANAGEMENT</b>	<b>63</b>
<b>WASTE AND PACKAGING MANAGEMENT</b>	<b>64</b>
<b>PERFORMANCE TABLES</b>	<b>66</b>
<b>GRI CONTENT INDEX</b>	<b>72</b>

## ABOUT THE REPORT

Since 2010, Anadolu Efes Biracılık ve Malt Sanayii A.Ş. has been providing corporate governance and environment and social performance information through its sustainability reports. We continue to transparently present our stakeholders with our strategies, objectives, performance and developments in this year's sustainability report.

This report has been prepared in accordance with the GRI Standards: Core option. The information provided in the report pertains to the beer operations performed among Turkey, Russia, Kazakhstan, Georgia and Moldova in the January 1-December 31, 2018 period. The merger of the Anadolu Efes and AB InBev Russia and Ukraine operations led to the growth of the operations from 3 malt facilities and 6 breweries to three malt facilities and 11 breweries. The 2018 data stated in the report showed this increase accordingly.

The report also encompasses the developments as part of the United Nations Global Compact (UNGC) and the UNGC CEO Water Mandate, both of which we are a signatory.

## DEAR STAKEHOLDERS,

In 2018, Turkey and the rest of the world observed a number of economic challenges. Despite this, Anadolu Efes continued to create value and sustain its performance effectively. Following strong results in Turkey, we expanded our operations by growing abroad. With our investments as of today, we are the sixth-largest brewer in Europe and the 16<sup>th</sup> largest brewer in the world in terms of sales volume. We have achieved this by exporting our products to over 70 countries.

As we continue to grow, we are moving ahead with an awareness of the trends and challenges faced by our industry and the world. Environmental pressure caused by climate change and diminishing resources, urbanization, demographic changes and digital transformation have necessitated that production and consumption models must be revised.

We manage global risks with a holistic approach, a view towards sustainability and by adopting a value-adding business model. We determined that our main impact areas are the environment, people, community and value chain under our strategy of the Positive Impact Plan. With an innovative approach, we announce our plans to create a better impact via establishing collaborations and partnerships and emphasizing our contribution to the Sustainable Development Goals. We take part in global initiatives as a signatory of the United Nations Global Compact (UNGC), the UNGC CEO Water Mandate and the Women's Empowerment Principles (WEPs) to take our efforts to the leadership level.

### As we continue to grow, we are moving ahead with an awareness of the trends and challenges faced by our industry and the world.

We work together with more than 8,600 suppliers and 365 dealers and distributors taking part in the value chain. We contribute to all our stakeholders to ensure we work together to develop and comply with the standards of Anadolu Efes.

We always prioritize environmental sustainability. We strive to minimize our impact; improve our carbon, energy disposal and water performance; and monitor our impacts with respect to these goals. We will update our goals regarding our Russia breweries, which were expanded through our partnership with AB InBev.

We create an annual business volume of \$30 million in the industry by supporting the malting barley and hops farmers in Turkey, as we have done for 36 years. We directly and indirectly contribute to the source of income for more than 8,000 farmers and



**Can Çaka**

Anadolu Efes CEO & Beer Group President

their families. We ensure the supply of agricultural raw materials sourced from local growers and, by focusing on R&D, develop drought-resistant products requiring less water and energy consumption. In the context of the registered malting barley and hops seeds, we have developed drought-resistant varieties that require less water and energy with minimum environmental impact throughout the production processes. As such, we ensure that less water and energy is used and contribute to tackling climate change.

With our The Future is in Agriculture - Smart Agriculture project initiated in cooperation with the WWF Turkey, we have introduced smart and eco-friendly practices to barley and hops farmers. In this way, we aim to encourage responsible agriculture practices and increase agricultural productivity. While contributing to tackling climate change, we also support sustainable development in agriculture and the betterment of farmers' welfare.

We consider social investments an indispensable part of our sustainable business model. Moreover, we believe in sustainable tourism and are excited to continue our "The Future is in Tourism" project that was launched in 2007. We supported 16 projects in the last 11 years through the Future is in Tourism project, which was initiated to contribute to the local development via sustainable tourism projects. We reached out to nearly 150,000 people through the projects we supported and created direct or indirect employment for 300 women. Additionally, we supported 500 NGOs and collaborated with 20 universities.

I would like to thank our valuable colleagues, business partners, distributors and dealers, as well as our customers and all our stakeholders who contributed to the sustainable efforts in all our operations and to our Report, where the Anadolu Efes Positive Impact Plan and our sustainability performance is shared.

## ABOUT ANADOLU EFES

**Anadolu Efes exports its products to over 70 countries and is the 16<sup>th</sup> largest brewery in the world.**

Operating as part of the Anadolu Group, we carry out a broad range of activities in the brewing, beverage, retail, agriculture, automotive, stationery, fast food restaurant, real estate and energy industry operations. Along this journey, we have also contributed to the industry by developing the Turkish beer culture, which we started in 1969. As Turkey's largest brewer, we took an important step by expanding abroad in the 1990s. In 2012, we entered into a strategic partnership with SABMiller Plc ("SABMiller") with an eye to expand our area of influence in the region in accordance with the commercial sustainability goal in the global market. In 2016, Anheuser-Busch InBev ("AB InBev"), the world's largest brewer, acquired SABMiller, distributing 24% of its Anadolu Efes shares to AB InBev.

We are managing international brewery operations via Efes Breweries International N.V. ("EBI") being 100% subsidiary established in Netherlands. Furthermore, we are the main shareholder of the Coca-Cola İçecek A.Ş. ("CCI"), which manages the Coca-Cola operations in Turkey and abroad.

We are the 6<sup>th</sup> largest brewer in Europe and the 16<sup>th</sup> largest brewer in the world in terms of sales volume and acquiring approximately two-thirds of the sales revenues abroad. We serve almost 700 million people across the world via beer and beverage brands. We operate as one of the major players in the region with its total 21 breweries, five malt production facilities, one hops processing facility and one preform production facility in 6 countries, including Turkey, and 26 bottling facilities in 10 countries where Coca-Cola operations are carried out. We export our products to more than 70 countries.

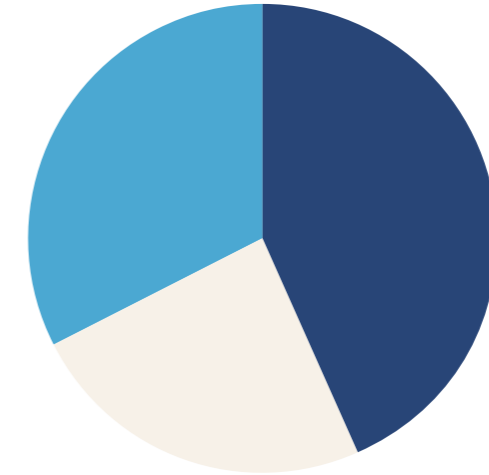
## Shareholding Structure

Publicly held and other

**32.95%**

AB InBev Harmony Ltd

**24.00%**



AG Anadolu Grubu  
Holding A.Ş.

**43.05%**

## Economic Indicators (USD)

Income	3,401,906	3,493,619	3,869,396
Operating expenses	720,217	727,546	865,894
Employee compensation and fringe benefits	398,994	371,529	386,012
Payments to shareholders	48,065	68,626	62,126
Payments to government	28,139	43,238	54,092

**6 Countries**  
**21 Breweries**  
**10 Countries**  
**26 Soft Drink Facilities**  
**690 Million Population**



**80,7** Million Population<sup>1</sup>  
**3** Breweries  
**8,0** mhl Brewing Capacity  
**2** Malteries  
**125** Thousand Ton Malt Production Capacity  
**1** Hops Processing Facility  
**11** Liters: Per Capita Beer Consumption<sup>2</sup>  
**60%** Market Share<sup>3</sup>  
 Market Leader<sup>3</sup>



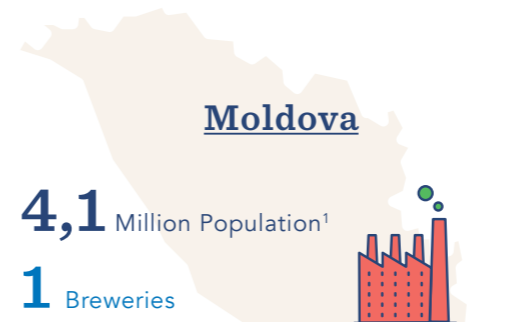
**18,2** Million Population<sup>1</sup>  
**2** Breweries  
**2,4** mhl Brewing Capacity  
**30** Liters: Per Capita Beer Consumption<sup>4</sup>  
**51%** Market Share<sup>3</sup>  
 Market Leader<sup>3</sup>



**3,9** Million Population<sup>1</sup>  
**1** Breweries  
**1,4** mhl Brewing Capacity  
**30** Liters: Per Capita Beer Consumption<sup>4</sup>  
**46%** Market Share<sup>9</sup>  
 Market Leader<sup>9</sup>



**144,0** Million Population<sup>1</sup>  
**11** Breweries  
**29,8** mhl Brewing Capacity  
**3** Malteries  
**229** Thousand Ton Malt Production Capacity  
**1** Preform Production Facility  
**57** Liters: Per Capita Beer Consumption<sup>4</sup>  
**28%** Market Share<sup>3</sup>  
 Market Position: Second<sup>3</sup>



**4,1** Million Population<sup>1</sup>  
**1** Breweries  
**1,4** mhl Brewing Capacity  
**29** Liters: Per Capita Beer Consumption<sup>3</sup>  
**63%** Market Share<sup>2</sup>  
 Market Leader<sup>2</sup>



**44,2** Million Population<sup>1</sup>  
**3** Breweries  
**6,4** mhl Brewing Capacity  
**42** Liters: Per Capita Beer Consumption<sup>4</sup>



**9,8** Million Population<sup>1</sup>



**82,1** Million Population<sup>1</sup>



**9,5** Million Population<sup>1</sup>  
**45** Liters: Per Capita Beer Consumption<sup>4</sup>

<sup>1</sup>United Nations <sup>2</sup>AEFES estimate <sup>3</sup>Nielsen, January-December 2018 <sup>4</sup>Global Data <sup>5</sup>Other than the exports by Efes Beer Group to the whole world, Anadolu Efes has organizations (either directly owned or through the controlling companies) in Belarus and Azerbaijan that carry out and/or coordinate the marketing, sales and distribution of group products. <sup>6</sup>"Efes Pilsener" brand is being produced on a contract bases by Gilde Brauerei GmbH to be sold by Efes Deutschland GmbH, a 100% subsidiary of Anadolu Efes established in Germany. <sup>7</sup>Ipsos Retail Audit (November-December, 2018) <sup>8</sup>Canadean (January-November, 2018) <sup>9</sup>Gamma Retail

# SUSTAINABILITY MILESTONES



We were listed in the FTSE4Good Emerging Markets Index for the first time.



FTSE4Good

2018

We were listed in the CDP Climate Program with a B- score.



2017

We identified material issues with a comprehensive stakeholder analysis and updates the Positive Impact Plan strategy accordingly.



We became the first-ever Turkish company to be listed in the Vigeo Eiris Emerging Market 70 Ranking.



2016

We were included in the BIST (Borsa Istanbul) Sustainability Index.



We signed the United Nations Women's Empowerment Principles (WEPs).

2015



We signed the CEO Water Mandate, an initiative of the United Nations Global Compact Principles.



2014

We were included in the Dow Jones Sustainability Index.



2013

Anadolu Efes earns the privilege to represent Turkey in sustainable agricultural practices at the United Nations Conference on Sustainable Development (Rio+20) in Rio de Janeiro, Brazil.



2012

Anadolu Efes obtains the ISO 50001 Energy Management Systems certificate, a first in the industry.



Anadolu Efes signs the United Nations Global Compact, taking its commitments to a global level.



2011

The ISO 14001 Environmental Management System established at all plants is still in place and sees continuous improvement.



## 2018 HIGHLIGHTS

- ✓ We initiated the Future is in Agriculture - Smart Agriculture project in collaboration with the WWF Turkey.



- ✓ We were awarded the Sustainable Development Goals Academy Awards organized by the Corporate Social Responsibility Association of Turkey for our “The Future is in Agriculture” project.



- ✓ We source nearly 70% of our barley from domestic growers.



- ✓ We registered two more new malting barley types.



- ✓ We provided one hour of training on average to 180 barley farmers and one hour of technical training on average to approximately 100 hops farmers.



- ✓ During the Turkish leg of the “Good Life” initiative introduced by the Global Sustainable Brands network, we took the ownership of the “Good Agriculture” area and conducted the “Good Agriculture Workshop.”



- ✓ We continued to support new projects in 2018 with the “Future is in Tourism” initiative.



- ✓ We provided mentorship and financing support to three entrepreneur projects by collaborating with İTÜ Çekirdek in the context of the “Future is in Entrepreneurship” project.



- ✓ We achieved a saving of 26,000 MWh through the environmental efficiency projects.



- ✓ With the Can and Can Pop Tab Reduction Project we conducted at Anadolu Efes Turkey, we achieved a reduction of 214,223 kg of cans and 181,224 kg of can pop tabs over the course of the past three years.

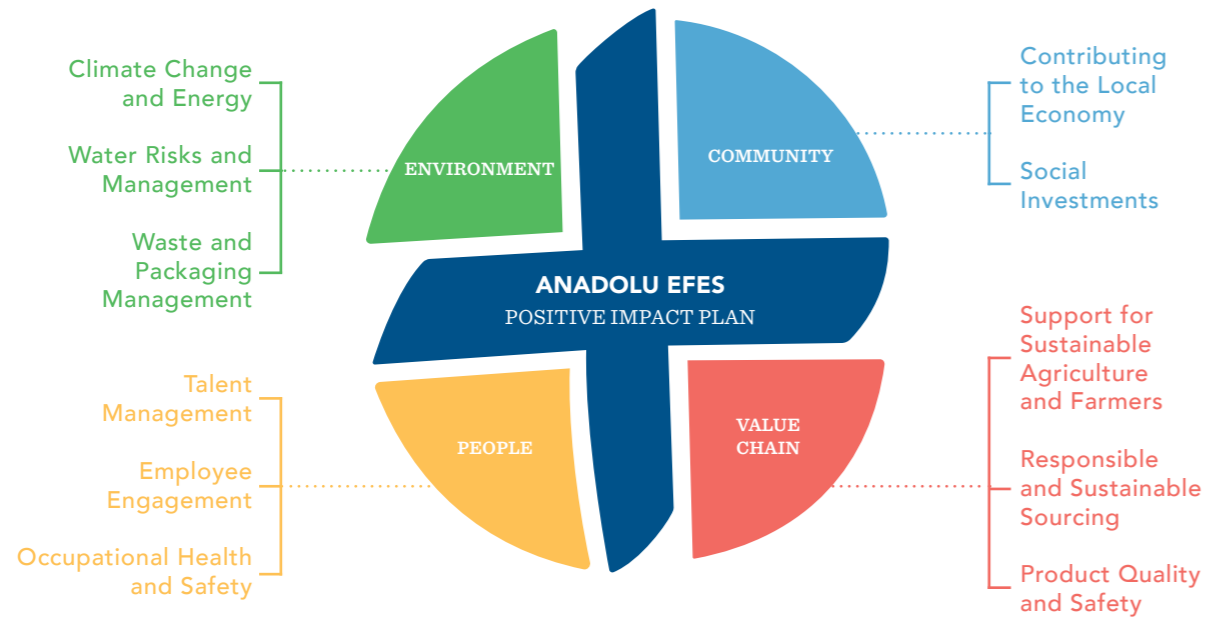


- ✓ We provided training to 132 dealers and distributors in total in the context of the Dealer Development Program in collaboration with BÜYEM (Boğaziçi University Lifelong Learning Center).





## ANADOLU EFES POSITIVE IMPACT PLAN



Digitalization and rapid technological developments, urbanization and fast changing demographics are transforming life. As an example, consumer behaviors changed and the expectations of the corporate consumers changed accordingly. On the other hand, climate change and diminishing resources revealed it was necessary for us to change our production and consumption methods, as they were creating pressure on the environment. The growing population needs to reach food through the sustainable agriculture methods protecting the ecosystems. We believe the business world should be a transformative power that leads to a better future. In line with this view, we have adopted the positive impact creation approach through our value-added business model. We focus on increasing our positive impact on the major impact areas of the environment, people, community and value chain.

With our innovative "Positive Impact Plan," we announced our plans to create a better impact by establishing collaborations and partnerships and emphasizing our contribution to the Sustainable Development Goals (SDGs).



### APPROACH

As a producer obtaining its raw materials from nature, environmental sustainability plays a key role in our continued operations. Climate change and diminishing resources impact the agriculture and food industries significantly. Therefore, tackling climate change is one of our material areas. We also aim to implement the waste and packaging practices supporting the circular economy and managing the water risks.

### FOCUS

Water Risks and Management, Climate Change and Energy, Waste and Packaging Management

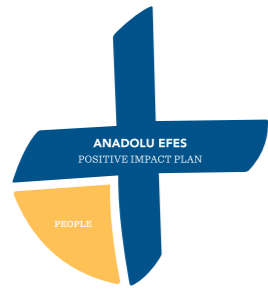


### APPROACH

We view growth with the community as the key to long-term success. We perform our biggest contribution to the community by providing employment and economic growth through our business. We prioritize local employment and development while contributing to economic growth. We provide social benefits and expand our impact area by investing in different social projects creating common value associated with our activity areas.

### FOCUS

Contribution to the Local Economy, Social Investments



**APPROACH**

People are the focus of our business. Talent is the most important factor in taking our business forward. We invest in the talents of our employees, and we care about providing a fair work environment that values diversity and increasing employee satisfaction. We manage our operations with a zero-accident approach and firmly believe "safety comes first."

**FOCUS**

Talent Management, Employee Engagement, Occupational Health and Safety



**APPROACH**

Through our value chain, we touch different stakeholders, including farmers, suppliers, dealers and distributors. Without limiting to our production activities, we extend our positive impact creation approach to our value chain. We protect our most important raw materials, the barley and hops, and our land and water through the sustainable agricultural practices while also implementing joint projects with our suppliers and dealers. We always prioritize product quality and safety to ensure we offer our customers the best products.

**FOCUS**

Value Chain Management, Support for Sustainable Agriculture and Farmers, Product Quality and Safety

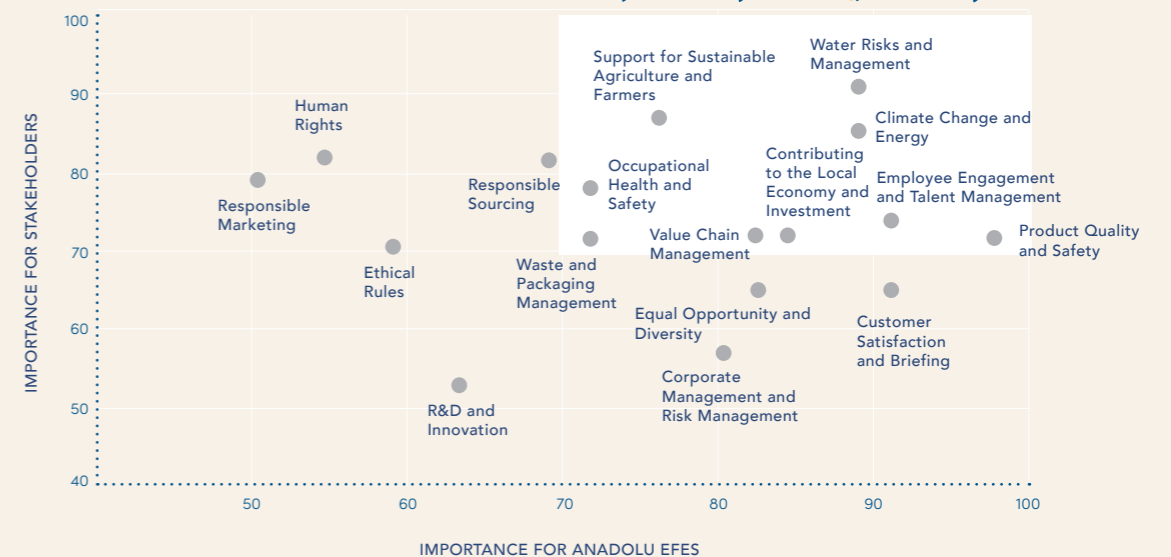
**MATERIALITY ANALYSIS**

The materiality analysis lies in the basis of the Positive Impact Plan defining our sustainability strategy. Last year, we updated our priorities and strategy through a comprehensive stakeholder analysis. We shaped the four areas of the Plan according to our priority areas. While determining these areas, we identified the stakeholders' priorities and company priorities and mapped the common areas on the matrix as our priorities.

**Stakeholder Priorities:** We grouped our stakeholders as employees, customers, dealers, suppliers, government agencies, NGOs and associations. We then selected the highest priority stakeholders out of these groups and reached out to them via online questionnaires. We learned their expectations in the context of the sustainability, excepting the priority areas. We also learned their opinions on the activities of Anadolu Efes. We included the global and sectoral trends in the analysis.

**Company Priorities:** The strategy of Anadolu Efes and its financial, social, environmental risks and legislative arrangements formed the basis for the company priorities. We finalized the company priorities also by taking the opinions of the senior executives.

**Materiality Matrix**



## STAKEHOLDER ENGAGEMENT

We believe that sustainable progress is only possible through collaboration with all stakeholders. The effective communication with our stakeholders is one of the most important points in developing our business. We structure our works with the contributions of our stakeholders by contacting them regularly on different platforms. That's why we participate in various associations and initiatives and assume an active leadership in working groups. We take part in global initiatives in priority areas as a signatory of the UN Global Compact, the UNGC CEO Water Mandate, and the Women's Empowerment Principles.

Stakeholder Group	Method of Communication
Employees	Satisfaction surveys, internal communication magazine, quarterly bulletins, intranet portal, Anadolu Efes Quality Circles, events and voluntary activities, OHS Board meetings, annual and sustainability reports, websites, stakeholder analysis
Public Institutions	Meetings and conferences, annual and sustainability reports, websites, stakeholder analysis, one-on-one meetings, effective relationship management, lobbying activities
Distributors and Dealers	One-on-one meetings, annual and sustainability reports, websites, stakeholder analysis, dealer portal, joint projects and communication line
Suppliers	One-on-one meetings, audits and training, annual and sustainability reports, websites, stakeholder analysis
Associations and NGOs	Sponsorships, collaborations, meeting and workshop group participation, seminars and conferences, annual and sustainability reports, websites, stakeholder analysis
Shareholders, Investors and Analysts	General assembly meetings, material event disclosures, press releases, one-on-one meetings, correspondences, conferences, intermediary institution/ bank reports, periodic briefings, annual and sustainability reports, websites, stakeholder analysis
Universities	Internship programs, career days, conferences, websites, annual and sustainability reports, stakeholder analysis

## Association and Initiative Memberships and Participations

- The Beer and Malt Producer' Association (BMUD)
- The Brewers of Europe (BoE)
- The Environmental Protection Foundation of Turkey (CEVKO)
- The Foreign Economic Relations Board of Turkey (DEIK)
- The Ethics and Reputation Society (TEID)
- The United Nations Global Compact (UNGC)
- The Public Communications and Corporate Relations Management Association (KİYED)
- The Corporate Communicators Association (KID)
- The Private Sector Volunteers Association (OSGD)
- The Business Council for Sustainable Development (BCSD)
- The Sustainability Academy
- The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- The Federation of Food and Drink Industry Associations of Turkey Federation (TGDF)
- The Quality Association of Turkey (KalDer)
- The Corporate Governance Association of Turkey (TKYD)
- The Turkish Seed Industry Association (TURKTED)
- The Turkish Industry and Business Association (TUSIAD)
- The International Investors Association (YASED)

### STAKEHOLDER OPINION

*"I believe the holistic approach of Anadolu Efes toward the sustainability strategy and the activities carried out in the end-to-end value chain with the goal of sustainable brand are exemplary for other corporations in those countries where Anadolu Efes has operations. Anadolu Efes incorporates global needs and realities into its business models, therefore becoming an effective example for determining the corporate goals in parallel with the SDGs. I believe that Anadolu Efes will continue its sustainable brand activities in the future periods."*

**Semra Sevinç**  
Board Member, The Sustainability Academy

## Working Group Memberships

### TUSIAD

The Tourism Working Group

---

The Retail Working Group

---

The Industry 4.0 Working Group

---

The Employment and Social Security Working Group

---

The Gender Equality Working Group

---

The Energy Working Group

---

The Food, Beverages and Agriculture Working Group

---

The Legal Reform Working Group

---

The Competition Law Working Group

---

### YASED

The Food, Agriculture, and Healthy Living Sub-Working Group

---

The Retail Working Group

---

The R&D and Innovation Working Group

---

The Fast Moving Consumer Goods Working Group

---

The Law and Industrial and Intellectual Property Rights Working Group

---

## The American Business Forum in Turkey

The Public Relations

---

The Investment Environment

---

**TOBB:** The Alcoholic Beverages Sub-Committee

**BCSD:** The Sustainable Agriculture and Food Access Working Group

**CEVKO:** The Container-Deposit Working Group

**DEIK:** The China and Iran Business Councils

## The Good Agriculture Workshop Held With Anadolu Efes' Support



In the Sustainability Academy, of which we are a member, the "Good Life" initiative was introduced by the Global Sustainable Brands network in the Turkish leg. Here we took ownership of the "Good Agriculture" area and conducted the "Good Agriculture Workshop." In the workshop arranged with the participation of the academics, private sector representatives and NGOs, we have discussed the status of the agriculture, the industry's response to changing consumer trends, the view of the new generation towards agriculture and what should be done to lift agriculture to a better position.

## "The Future is in Agriculture" Smart Agriculture Project

As a company that has supported the agriculture industry for 36 years, we started our journey and implemented the Smart Agriculture project in collaboration with the WWF Turkey, one of the world's largest and most experienced independent nature protection foundations. We aim to contribute towards a radical transformation in the production of barley and hops in Turkey. Our project will introduce smart and eco-friendly agriculture practices to the barley and hops farmers. It will also fund a program to help young farmers develop knowledge and experience through a knowledge sharing platform.



*You can access further information in the Community section.*



## The Future is in Tourism

We continue to support the development of tourism in Turkey through our project "The Future is in Tourism," which was jointly initiated in 2007 with the Ministry of Culture and Tourism and the United Nations Development Program. As part of the project, we also provide funding to three new projects every year and offer consultancy, mentoring and communications support. This helps ensure the applicability and sustainability of projects.



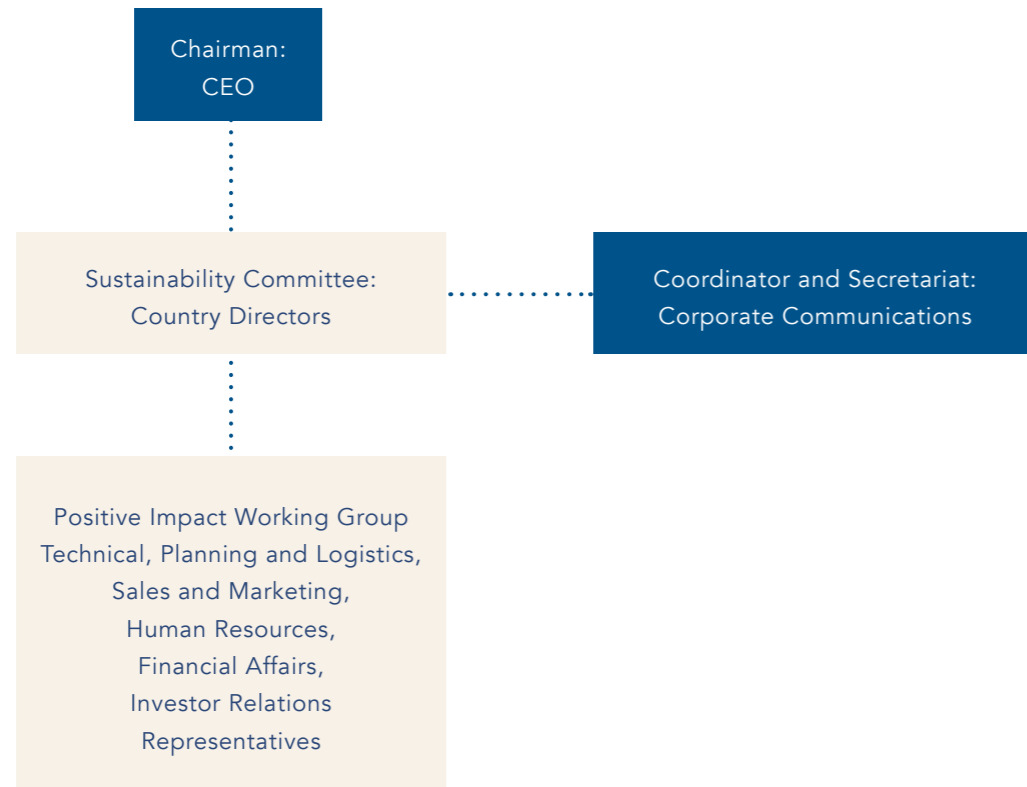
*You can access further information in the Community section.*

## SUSTAINABILITY MANAGEMENT

We have a large operation consisting of 18 breweries and 3 malt production facilities in Russia, Kazakhstan, Moldova, Georgia and Ukraine. We manage the sustainability by extending to all our operations to create value via a Committee comprising representatives from these countries.

The Sustainability Committee and the Working Group sets the sustainability goals and performance indicators with the participation of all country directors under the management of the CEO. We therefore carry out activities in the areas that we commit, improve our sustainability performance and will have the opportunity to extend the different country practices.

### SUSTAINABILITY COMMITTEE AND WORKING GROUP



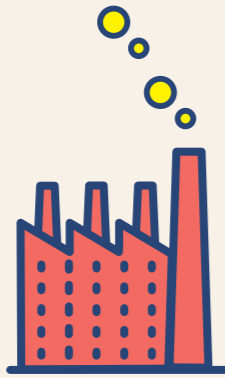
## ETHICAL AND TRANSPARENT GOVERNANCE

Ethics and transparency underlies our business and relations with all stakeholders. The Anadolu Efes Code of Business defines the rules and attitude at Anadolu Efes in a variety of aspects. These include: human rights, anti-corruption and bribery, occupational health and safety, and responsible marketing. We expect all stakeholders, including employees, distributors, suppliers and other business partners, to comply with the Anadolu Efes Code of Business Conduct and Ethics.



For cases where the principles are violated, the stakeholders can notify such violations anonymously via the phone line assigned for each country, filling in the notification form at [www.efesethicsline.com](http://www.efesethicsline.com) or by sending an email to [efes@efesethicsline.com](mailto:efes@efesethicsline.com). An independent company reviews these tip-offs anonymously and confidentially and resolves them by taking the necessary measures. Group Ethics Committee reviews the breaches and decides on appropriate disciplinary actions.

.....> *You can access the Anadolu Efes Code of Business Conduct and Ethics on our website.*



### Industry, Innovation and Infrastructure

As part of the Agricultural R&D Program, we have developed and registered 17 barley and 7 drought-resistant hops seeds. These require less water and energy and cause minimal environmental impact.



### Life on Land

With the Smart Agriculture project, we extend smart and eco-friendly agricultural practices in the production of barley and hops, which are the main raw materials of beer.



### Decent Work and Economic Growth

We provide a product purchase guarantee to farmers with the Contract Farming Model. We also improve their productivity through our certified seeds and contribute to the betterment of their welfare.



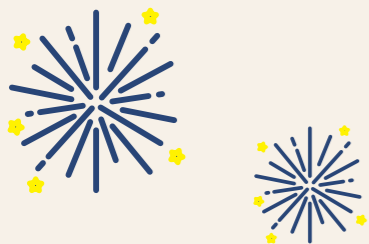
### Partnership for the Goals

We collaborate with growers in different parts of the world to contribute to the growth of high-quality malting barley via the SmartBarley platform.



### Responsible Consumption and Production

We contribute to the responsible consumption and production by raising the work standards of more than 8,600 suppliers and 365 dealers and distributors in our value chain.



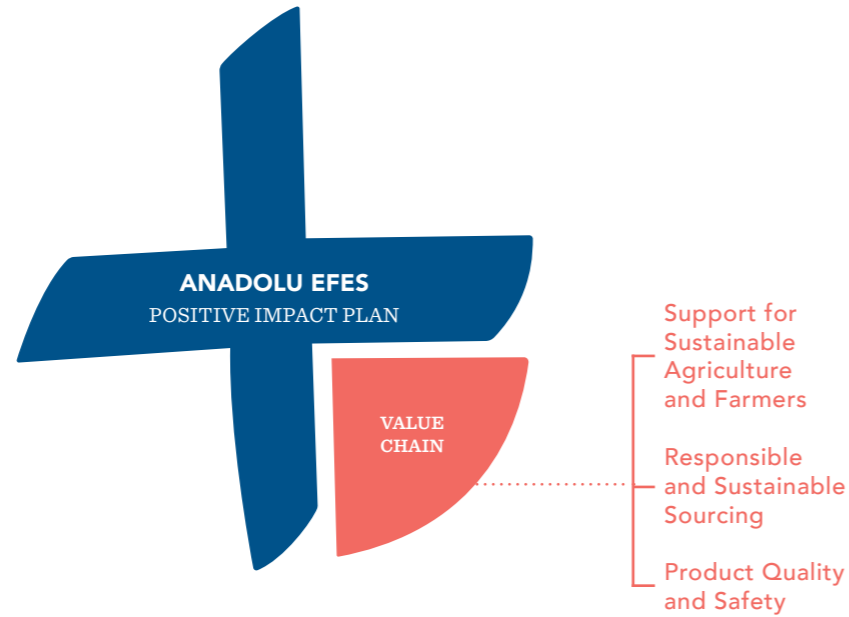
### Quality Education

We provided an average of one hour of training to 180 barley farmers and one hour of technical training on average to approximately 100 hops farmers.



# Our Value Chain

## OUR VALUE CHAIN



As a company producing in 6 countries and exporting its products to more than 70 countries, we aim to have a positive impact on the large value chain that we manage. We implement joint projects to contribute to the development of the farmers, suppliers, dealers and distributors. We protect the land and water via sustainable agriculture practices. This is essential for growing barley and hops, which are the most important raw materials in our production. We focus on product quality and safety to fulfill our responsibility and ensure our customers receive the best products.

### SUPPORT FOR SUSTAINABLE AGRICULTURE AND FARMERS

As one of the most important global challenges, climate change impacts the ecosystems and the agricultural activities accordingly. The food demand of our increasing population must be met under changing climate conditions. Fortunately, we have seen a proliferation of agricultural production methods that consider nature and biodiversity and are capable of adapting to the conditions brought by climate change.

Anadolu Efes ensures the long-term raw material supply, the business continuity and the needs of future generations by implementing sustainable agriculture practices. Furthermore, we have enabled farmers to adopt advanced agricultural practices and higher social and environmental standards. We provide training to farmers with the Contract Farming Model. We also improve their productivity through our certified seeds and contribute to the betterment of their welfare.

We have carried out R&D and innovation activities since 1982. This is to develop sustainable agricultural projects and to ensure the continuation of a raw material supply that meets the highest quality and safety standards. So far, we have developed and registered 17 barley and 7 hops seeds. Our collaborations with multiple stakeholders, including the Ministry of Food, Agriculture and Livestock, various universities, TUBITAK and the local administrations, play an important role in our success.

**So far, we have developed and registered 17 barley seeds and 7 hops seeds.**



We prioritize customer satisfaction and the minimum environmental impact while developing the raw materials in the scope of our R&D and innovation activities. Our primary goal is to meet consumer expectations by ensuring a consistent product quality and taste. Secondly, in the context of the registered malting barley and hops seeds, we have developed drought-resistant varieties that require less water and energy with minimum environmental impact throughout the production processes. As such, we ensure that less water and energy is used and contribute to tackling climate change.



#### TWO NEW MALTING BARLEY SPECIES FROM ANADOLU EFES

We have conducted R&D on malting barley and hops since 1982. In 2018, we registered two species of malting barley, including Emek for Central Anatolia and Toprakana for Southeastern Anatolia. The Emek type has an alternative character for the Central Anatolia region while the Toprakana species has a summer character for the Southeastern Anatolia region. Both species stand out thanks to their high productivity and superior malting quality.

## Contract Farming Model

We are growing the certified seeds on the lands of our contract farmers under the Contract Farming Model. We assure the productivity and the financial profitability of the farmers with this planned production. Anadolu Efes Turkey obtained nearly 70% of its barley need and nearly 60% of its hops need from domestic growers in 2018. While supporting the domestic socioeconomic development, we ensure the reduction of the environmental impact of the farmers using our registered seeds.

### **We source nearly 70% of our barley from domestic growers in 2018.**

We expect our contract farmers to comply with our specified product quality and safety standards. We provide the operational and training support required by farmers during the production process and offer financing to cover their production costs. In line with the production goals, we provide farmers with certified seeds for our registered products free of charge in return for production. We arrange training programs for farmers on irrigation techniques and fertilizer and pesticide use, and provide consultancy for the sustainable agriculture and planned production practices. In 2018, we provided training for an average of one hour to 180 barley farmers and one hour of technical training on average to approximately 100 hops farmers. Additionally, we informed our farmers on a one-on-one basis during factory visits and in village coffeehouses. We regularly inspect malting barley and hops farmers as well as all other farmers contracted to produce seeds. The Ministry of Agriculture also inspects seed producers.



Thanks to 17 species of registered malting barley;

- Species that require 20–25% less water could be grown in regions with low precipitation rate (South and Southeastern Anatolia).
- Through the production process, we achieved a water saving of 20–25%, a fuel saving of 18–22%, and an electricity saving of 12–24%.

Thanks to 7 species of registered hops:

- The domestic supply rate of this product increased from 40% to 60% in 10 years.

In the industry, we create a business volume of \$30 million every year with our domestic barley production in Turkey and contribute to the income of more than 8,000 farmer families directly or indirectly. The annual income for contract farmers has reached 60 million Turkish lira.

## The Future is in Agriculture

Anadolu Efes believes that the agriculture is the future and the future is in agriculture. Accordingly, we launched the Smart Agriculture Project with the WWF Turkey in 2018. With this project, we have introduced smart and eco-friendly practices to farmers for the production of barley and hops, which are the main raw materials of beer, and encourage youngsters to participate in the production. The project phases consist of establishing a model related to the smart agricultural practices to be used in the barley and hops agriculture, the measurement of the model's benefits and the awareness activities for its proliferation. Within the scope of the project, which has a 36-month plan, we aim to measure the benefits of the smart agricultural practices in 1,542 decares land of the barley farmers in Konya, Kayseri, Ankara and Adiyaman; the hops farmers in Pazaryeri, Bilecik; and we aim to ensure the proliferation of those practices.

*Further information on The Future is in Agriculture and the Smart Agriculture projects can be accessed in the Community section.*

### **ANADOLU EFES RUSSIA ORGANIZES SMARTBARLEY EVENT**

We have collaborated with growers in different parts of the world concerning the growth of high-quality malting barley via the SmartBarley platform, which was established by our partner AB InBev in 2013. Thanks to the system provided in this global platform, farmers can use the practices to compare the growth and performances of barley with each other. The farmers working together with the AB InBev agricultural specialists can determine the best practices for their business and receive the necessary technology and management support to implement them.

Hosted by AB InBev and Anadolu Efes Russia, we arranged an event on July 24 Russia Cultivators Day where company executives, government officials and farmers could come together. Throughout the interviews and site visits during the event, we introduced the SmartBarley program and emphasized the benefits of this program to grow the best malting barley species required for beer production. Additionally, we explained the added value created in the value chain by SmartBarley, which goes beyond being a technology platform.



## RESPONSIBLE AND SUSTAINABLE SOURCING

Anadolu Efes works together with many suppliers and business partners through a process that begins with raw material production and ends with the delivery of the product to the customer. We enhance the positive impact we create in the value chain by contributing to the development of all suppliers, dealers and distributors and taking the working principles to higher standards. We work together with more than 8,600 suppliers and 365 dealers and distributors taking part in the value chain. There has been a 40% growth in the supplier network compared to the previous year.

**We work together with more than 8,600 suppliers and 365 dealers and distributors taking part in the value chain.**

In reaching the strategic goals of our company, the engagement of our business partners and our company's high working standards play important roles. To ensure those standards, we prepared the Suppliers Working Principles, which all suppliers must comply with. We direct the suppliers to carry out their activities while considering human rights, the environment and business ethics. We provide training to support the development of the suppliers. In 2018, approximately 10% of the suppliers participated in the training programs for 3 hours per person.

*You can access the Anadolu Efes Suppliers Working Principles document by visiting its website.*

We aspire to foster our main suppliers for raw material and packaging through the Supplier Partnership Program at Anadolu Efes Russia. This program includes approving and inspecting suppliers, service and quality management, and supplier assessment. It also requires regular meetings to be held with the strategic raw material suppliers.

In addition to our suppliers, we arrange various training programs covering topics such as finance, sales and negotiations skills, and communications to contribute to the development of the dealers and distributors in the 6 countries we operate in. In 2018, we provided a total of 205 man-hours of training to 75% of the dealers and distributors.

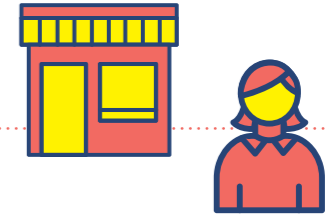
Anadolu Efes tailors its training programs to the needs of the countries it operates in. For dealers and distributors in Turkey, we arranged a two-year Dealer Development Program in the period of 2017–2018 in collaboration with the Boğaziçi University Lifelong Learning Center. Within the program, various training on the business and profitability, law and communication topics under the Leadership, Finance 102, Developing-Enabling Dealer titles were provided to 132 dealers and distributors. A total of 88 business partners were awarded certificates.

### STAKEHOLDER OPINION

*"I closely witnessed the value created for the environment, community, people and value chain in terms of sustainability during the period that we worked with Anadolu Efes. The training program is designed in accordance with the needs of the dealers and distributors. With it, we are reaching our goals by integrating the sustainability commitments considering the environmental balance and economic growth together. As a stakeholder of Anadolu Efes, we are proud to help our industry evolve by prioritizing sustainability and moving forward on this path together."*

**Fatoş Yüksel**

Dealer, Anadolu Efes Antakya-Iskenderun-Osmaniye



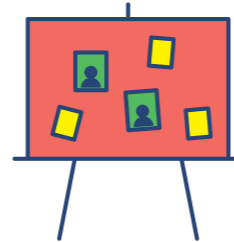
## PRODUCT QUALITY AND SAFETY

Anadolu Efes products reach consumers in a geography with over 300 million people. Our priority is ensuring the products, of which there are more than 50 brands, are safe and of the highest quality. We are committed to offering world-class quality and safe products to consumers while achieving sustainability and consistency in product flavor.

In all operations in Turkey and abroad, we are producing in accordance with the ISO 9001 Quality Management, the ISO 22000 Food Safety Management System, and the HACCP Food Safety Management System standards. We use state-of-the-art production technologies and process our malting barley and hops ourselves. With our understanding of excellence, we offer consumers superior quality and safe products by only producing at facilities with food safety certificates.

▶ *You can access the Anadolu Efes Quality Policy at its website.*

**In all our facilities, we are producing in accordance with the ISO 9001 Quality Management, the ISO 22000 Food Safety Management System, and the HACCP Food Safety Management System standards.**



We conduct brand and product market research and customer satisfaction studies to improve customer satisfaction. Research results are influential on the product development processes.

We provide information on products to enhance customer satisfaction. We provide product information through product labels, websites and consumer support hotlines in accordance with the laws and local legislation of the countries we operate in. We give consumers comprehensive information by offering more content than required by the local laws. Consumers and other stakeholders can send us feedback through the hotlines provided on products. We reply to all feedback received by the relevant Anadolu Efes departments through the hotlines.

## Responsible Marketing

Our products reach thousands of consumers across the world. We have therefore adopted a responsible marketing approach in all marketing activities and built up our marketing communications to raise consumer awareness on responsible alcohol consumption. We ensure that our products are only sold at legal sales points to persons over the legal age of consumption.

Marketing Communications Policy defines our responsible marketing principles. We expect Anadolu Efes employees, dealers and distributors, and communications agencies to comply with this policy.

▶ *You can access the Marketing Communications Policy through here.*

We aim to prevent drinking and driving with the Sober Efes Driver application, which was launched by Anadolu Efes Kazakhstan in 2013. The consumers drinking at various restaurants and bars during the summer in Almaty city of Kazakhstan are safely returned to their homes by drivers employed by Anadolu Efes without paying any charge. We have reached more than 100,000 people through this project.



### Gender Equality

Our female employee rate has risen by 2% compared to the previous year to reach 27%. Furthermore, the female employee rate in the management category has reached 34%.



### Partnership for the Goals

As a company with operations in multiple countries, we are working to create added value for Turkey and the world and revive global partnerships for Sustainable Development.



### Decent Work and Economic Growth

Thanks to our occupational health and safety (OHS) studies conducted at international standards, we have achieved an improvement of 50% in accident frequency and 66% in lost days within the past three years.

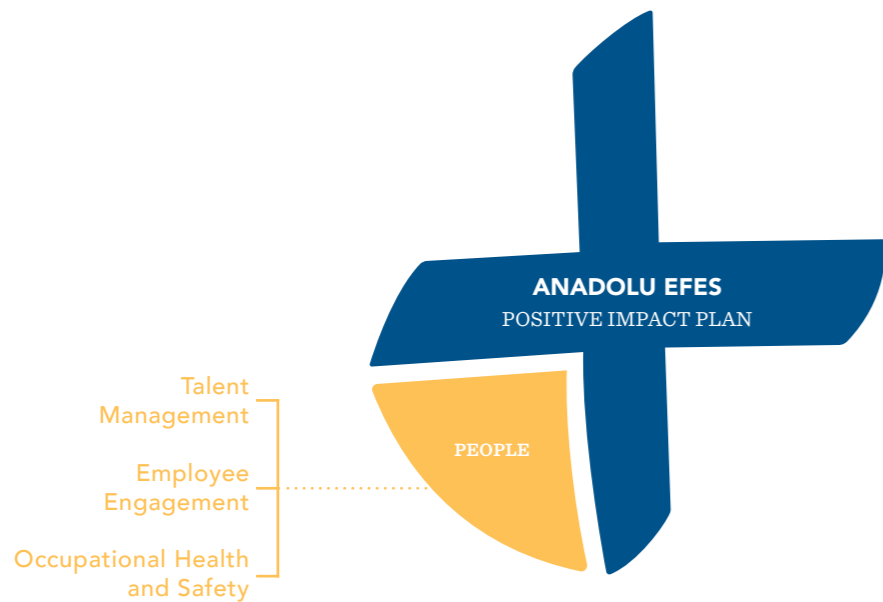


### Reduced Inequalities

We do not discriminate based on race, religion, language, age, nationality, ethnic identity or gender in our human resources processes and offer equal opportunities.

# Our People

## OUR EMPLOYEES



We see our human resources and investments in people as guarantees of our future success. In line with our human resources mission, we offer a development-oriented, inclusive business environment built on equal opportunity and respect for diversity. We base our employee relationships on our Human Resources Policy, which, in turn, is founded on justice, equality and honesty. As a company operating in different countries, the Anadolu Efes Code of Business Conduct and Ethics guides us to conduct all our operations with an ethical and transparent management approach.

*You can access the Anadolu Efes Human Resources Policy here.*  
*You can access Anadolu Efes' Code of Business Conduct and Ethics here.*

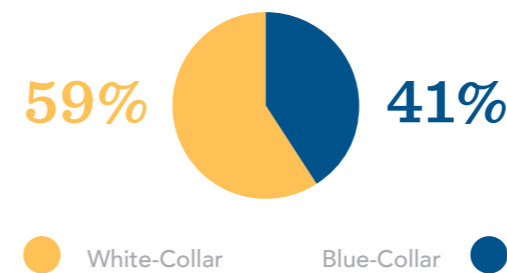
### DIVERSITY

At Anadolu Efes, our goal is to provide our employees with a work environment based on equal opportunity and respect for diversity. As a signatory to the United Nations Global Compact and Women's Empowerment Principles (WEPs), we have committed ourselves to providing a fair and equitable working environment that respects human rights. We do not discriminate based on race, religion, language, age, nationality, ethnicity or gender in our human resources processes and offer equal opportunities.

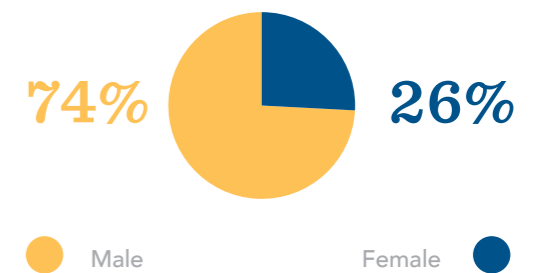
We regard the differences and cultural diversity of our employees as opportunities for development.

Of our 6,859 employees across different countries, 41% are blue-collar employees and 59% are white-collar employees. Our female employee rate has reached 26%. In addition to female employment at all levels, we encourage our female employees to have a say in management. Our female employees fill 39% of managerial roles.

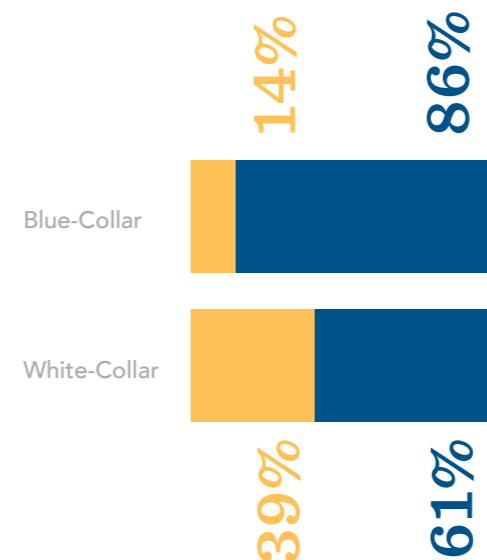
EMPLOYEES BY CATEGORY



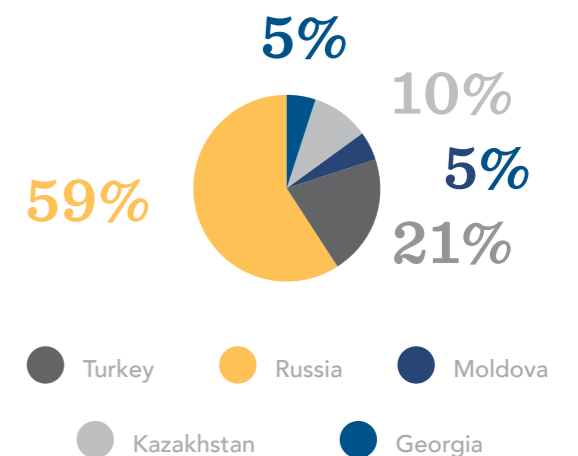
EMPLOYEES BY GENDER



EMPLOYEES BY CATEGORY AND GENDER



EMPLOYEES BY COUNTRY



We provide a free work environment where employees can organize and unionize in countries where such rights are recognized. Employees under collective agreement comprise 39% of our workforce.

## TALENT MANAGEMENT

The core of our talent management approach is to build a teamwork-oriented, motivated, highly engaged and highly trained workforce that functions as a team with a focus on the company's strategic objectives. In line with this approach, we aim to attract the right people to the right positions at our company and to unlock their potentials through effective training and development opportunities. We always strive to be the first and most preferred employer brand, focusing on the requirements of our industry and the different needs of our employees.

Providing qualified training and mentoring to employees is an important tool both to retain existing talents and increase their loyalty to the organization. We assess the potential of all employees through talent and succession programs and build and update a talent succession map.

A functioning talent management process is also effective for employee loyalty and satisfaction. This year's employee satisfaction score is 80.4, while the employee engagement score is 82.

**The average training hours per employee has increased by 5% compared to the previous year with approximately 12 hours.**

### The Anadolu Efes Academy



We offer professional and personal development training through our electronic training platform the Anadolu Efes Academy to increase the competencies of our employees. Our employees can access the Academy 24 hours a day from anywhere using their mobile devices.

With the Anadolu Efes Academy, which is open to all white-collar employees, we focus on providing training to employees to improve their leadership capabilities. In addition, we develop mentoring programs to enable our employees to benefit from each other's personal experiences.

In order to accelerate access to information and to provide equal opportunities to our employees, we aim to transfer the appropriate content to the digital platform and increase the platform utilization rate to above 50% by 2020.

### "If I Were You" Program

Millennials account for 32% of the world's population. Research shows that the millennials, which consists of approximately two billion people, will account for almost 75% of the workforce by 2025. To understand and respond to the expectations of next-generation employees and strengthen the relationship between our millennial employees and the management, we created a reverse mentoring program called "If I Were You." The program aims to keep up with evolving trends, understand the technology, social media, and the youth's expectations as well as their perspective on leadership and on the industry. These insights are directly shared with our executives.

### PERFORMANCE MANAGEMENT

Measuring the success of employees with fair and standard methods and providing feedback to people by establishing an effective communication process are among the most important tools that enable their development. At Anadolu Efes, we set the business and development targets for our employees once at the beginning of every year with the Performance Management System, which covers all of our white-collar employees and follow these targets systematically. In 2018, 43% of our employees underwent regular performance appraisals and 25% were subjected to 360-degree performance appraisals.

## EMPLOYEE ENGAGEMENT

We have sped up our employee engagement efforts with our vision: "Our employees are key to creating sustainable success." Representing each region and consisting of volunteers, 15 Loyalty Ambassadors identified the areas of improvement by taking the opinions and suggestions of 272 employees with 23 focus groups. They then prepared their action plan. Engagement ambassadors carry out the sharing of actions related to function and region-specific demands.

We attach great importance to internal communication and adopt bidirectional communication methods to improve interdepartmental collaboration and flow of information within the company. An internal communication magazine, quarterly newsletters and an intranet portal allow our employees to keep up with all operational developments, while the events and volunteering activities we hold help enhance communication between employees.

### Anadolu Efes Quality Circles

Anadolu Efes Quality Circles is a platform for employees to present their creative ideas and engage in an open discussion about any problems related to business and business processes. Its benefits to employees include responsibility, self-proving and innovative and creative thinking.

### Anadolu Efes Moldova Dialog Meetings

We have initiated dialog meetings to carry out communication between the factory managers and employees and facilitate the sharing of experiences. This way, employees who have the opportunity to share their experiences with executives and teammates can also take the problems and suggestions regarding the practices throughout the company to the senior management.

### Anadolu Efes Kazakhstan Communication Sessions

Communication sessions enable employees to come together to evaluate different human resources practices and projects. Business visits and communication events continue in four regions, responding to issues that are particularly relevant to blue-collar employees.



## OCCUPATIONAL HEALTH AND SAFETY

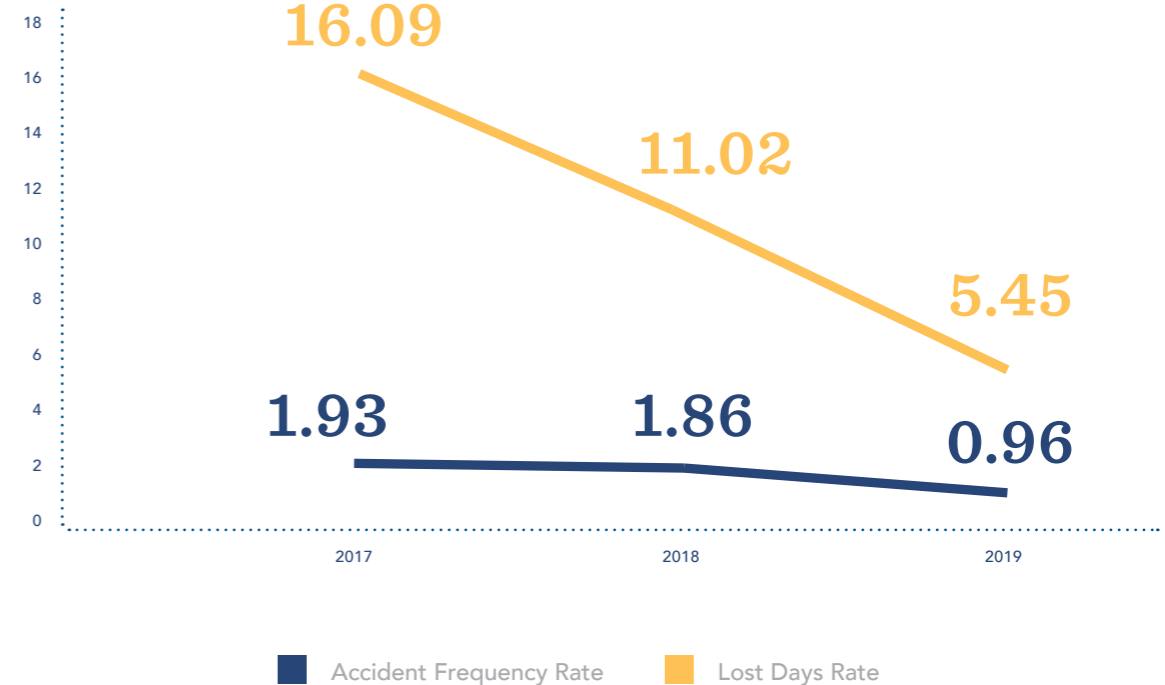
Protecting the health and safety of the employees and creating an ideal working environment are among our fundamental responsibilities. The basis of our OHS policy is to create and develop a behavior-oriented occupational safety culture, integrate OHS management into our business plans, and provide appropriate resources for training, protection, supervision and development. We work to manage our operations with zero occupational accidents and diseases. With the support of senior management, we aim to create a strong occupational health and safety culture with principles adopted and applied by all employees. In this context, we manage our OHS processes at 16 facilities in under the OHSAS 18001 Occupational Health and Safety Management Standard.

**We are working to manage our operations with zero occupational accidents and diseases.**

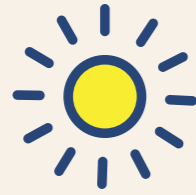
Occupational Health and Safety Committees meet each month with workplace doctors and occupational safety experts to discuss all OHS-related matters and required measures. Union representatives, foremen and employee representatives also support the Committee's work. Senior management is regularly informed about the Committee's assessments and analyses.

We regularly train our employees and contractors (subcontractors) on OHS. In 2018, 42% of the training we provided for our employees consisted of OHS trainings. Thanks to our OHS studies conducted at international standards, we have achieved a 50% reduction in accident frequency and 66% in lost days within the past three years.

With the motto "My Friend is Under My Protection", we are implementing reward mechanisms to increase awareness of OHS among our employees. In 2018, we recorded 225 near-miss cases and made improvements.



.....▶ You can find the details of the Anadolu Efes Occupational Health and Safety Policy here.



### No Poverty

We contribute to the source of income for more than 8,000 farmers and their families directly or indirectly. We contribute to the employment of 300 women with our "Future is in Tourism" project.



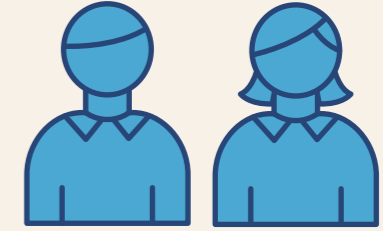
### Quality Education

We conduct awareness activities by arranging one-on-one meetings with farmers to spread sustainable agriculture practices.



### Gender Equality

We contribute to the empowerment of women by supporting women entrepreneurs under the "Future is in Tourism" project.



### Zero Hunger

We have supported the sustainable Agriculture for 36 years with our "The Future is in Agriculture" project.



### Reduced Inequalities

We make product purchases in return for the certified seeds we give the farmers. We also support the farmers and contribute to the rural development with the training we provide.



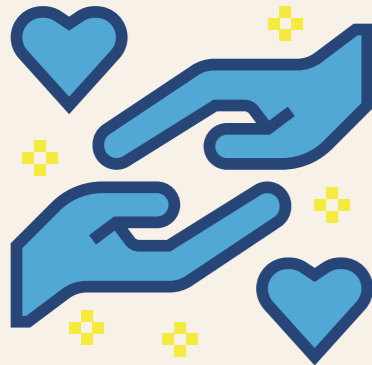
### Decent Work and Economic Growth

We create an additional annual business volume of \$30 million by supporting the malting barley and hops growers in Turkey, as we have done for 36 years.



### Industry, Innovation and Infrastructure

We provide mentorship and financing support to the entrepreneurs applying to İTÜ Çekirdek under the "Future is in Entrepreneurship" project.



### Partnership for the Goals

To contribute to social development, we have collaborated with the World Wide Fund for Nature (WWF), the Ministry of Culture and Tourism, and the United Nations Development Program (UNDP) through the projects we support.

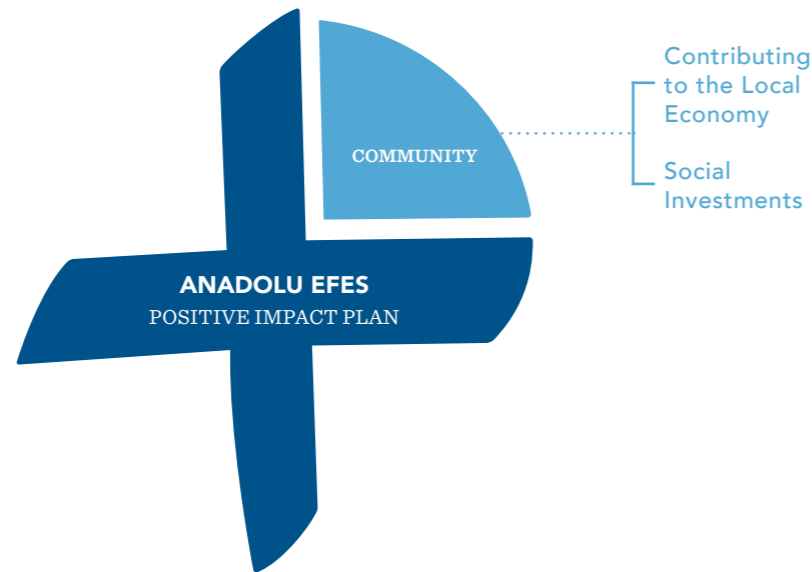


### Sustainable Cities and Communities

We support sustainable tourism with the "Future is in Tourism" project. We believe in the importance of filmmaking and performing arts for socio-economic development. With this in mind, we have supported filmmakers since 1988 and performing arts since 1992.

# Community

## COMMUNITY



The business community plays an important role in ensuring social and economic development. Companies have a wide influence on the society ranging from the creation of employment opportunities to the contributions made to the local economy. Anadolu Efes believes that long-term success lies in making contributions to the development of the community while growing. We create value through the social investments we make in the fields related to our activity areas, thereby expanding our area of influence.

We develop projects focusing on people and the environment in all our areas of operation. Our goal is to play a role in ensuring the social welfare and securing the sustainability of our business. We use the global agenda as a basis in the projects we develop for social development. We also contribute to the SDGs.

## CONTRIBUTING TO THE LOCAL ECONOMY

We prioritize investing in and contributing to the local economy. The jobs we create and local sourcing of raw materials make up the most of our contribution to the local economy. With our sustainable agriculture practices, we are aiming to contribute to R&D studies, provide training and funding support to our farmers, and expand the production and quality of our own barley and hop seeds. With our sustainable tourism project, we are aiming to unlock Turkey's tourism potential, create new jobs and support local development. We care deeply about the youth and the future. This is why we are support the entrepreneurship ecosystem.

### The Future is in Tourism



**The Future is in Tourism has been awarded 16 prizes so far.**

Sustainable tourism is defined as a tourism approach in which cultural integrity, ecological processes, biological diversity are protected and the economic and social needs of tourists and people living in the visited area are met simultaneously.

We believe Turkey is not only resource-rich from a sea-sand-sun perspective but also owns substantially rich resources from a sustainable tourism aspect. This is why we initiated the "Future is in Tourism" project in 2007 with the Ministry of Culture and Tourism and the United Nations Development Program (UNDP). Our aim was to utilize sustainable tourism as an alternative sustainable development tool, promote entrepreneurship in the development of local role models, and support tourism by bringing the public and private sectors, universities and nongovernment organizations together.

In the first five years of the project, we focused on a tourism-based activity centered in the Çoruh Valley in Eastern Anatolia. Since 2013, we have provided funding for three projects every year as well as consultancy, mentorship and communications support and ensure the applicability and sustainability of the projects. With the projects we support, we assure that the local community earns income through sustainable tourism activities, increases local employment opportunities and protects the cultural, natural and historical treasures.



## STAKEHOLDER OPINION

“Being part of the United Nations Development Program, we have strived to create sustainable community-based tourism models in association with the Ministry of Culture and Tourism and Anadolu Efes for more than 12 years. We support three grant projects every year and our motto is “The Future is in Tourism.” To localize the Sustainable Development Goals in all activities carried out under the “Future is in Tourism” project, we assure that the development initiatives are feasible, locally unique and applicable to be implemented successfully by combining the international know-how and experience of the UNDP and the private sector experience of Anadolu Efes. The Future is in Tourism project played a significant role in creating and extending the awareness of sustainable tourism and becoming more accessible and embraceable. As such, the project became a brand unto itself with the creation of a grant program that receives more applications every year. Additionally, it became a model for the creation of similar programs in other countries and for the private sector to take the lead in this area. In that respect, we believe the partnership between the UNDP and Anadolu Efes is very valuable and creates a major contribution to the creation of social benefits as well as the local economic development of our country.”

### Aslı Çakın

Portfolio Administrator, Local Economic Development Cluster, UNDP Turkey

**We supported 16 projects over a period of 11 years under the Future is in Tourism project. We reached out to nearly 150,000 people through the projects we supported and created direct or indirect employment for 300 women. Additionally, we supported 500 NGOs and collaborated with 20 universities.**

## WOMEN WILL TURN ON THE LIGHTS OF PERŞEMBE



We contribute to the sustainable tourism in Perşembe, a “Cittaslow” town in Ordu in collaboration with the Ministry of Culture and Tourism and the United Nations Development Program (UNDP). We provide contribution to the local development and the empowerment of the women in the project which the women entrepreneurs take the lead to promote the town and earn income by running B&Bs and selling local products.

## STAKEHOLDER OPINION

“We appreciate the sustainability approach and the sensitivity of Anadolu Efes. The Future is in Tourism projects add value to the world and humanity. We appreciate such projects to be globalized and supported. They contributed to our project reducing the migration from towns to big cities by supporting local entrepreneurs. They broadened the horizon of the women in Perşembe by making them aware of their own capabilities. We thank Anadolu Efes for supporting our project.”

### Celal Toprak

President, The New Pursuits Initiative Platform Association

## A DAY IN OVACIK VILLAGE



We contribute to the improvement in the standard of living and welfare of the local community with the responsible tourism activities implemented in Ovacık, a forest village 60 km from Istanbul. The Ovacık Village Women Seed Association conducts workshops like ecological gardens and permaculture at the old village school, which was restored under the project.

To preserve, produce and share the ancestor seeds, 13 women take turns working at the workshop and carrying out many ecological activities ranging from composting and recycling waste to harvesting with rain water.



**Anadolu Efes Volunteers Meet Up with Ayşe Arman and Refika Birgül in Şile**

Anadolu Efes Volunteers were in Ovacık, Şile to volunteer for a variety of activities and participate in the “A Day in Ovacık Village” project, which is supported by Anadolu Efes under its corporate social responsibility project: “The Future is in Tourism.” We arranged for visitors to sample a range of local tastes from the field to the table. We also showcased a project in which an old school building was restored. Anadolu Efes Volunteers created the permaculture garden and painted the walls of the building together with Ayşe Arman. With the project advisor Refika Birgül, they participated in the workshops that the women will later offer to visitors.

**STAKEHOLDER OPINION**

“These projects is a testament to the sustainability commitment of Anadolu Efes. The success of the “Future is in Tourism” project, now in its 12<sup>th</sup> year, is rarely seen in our country – particularly in the tourism industry. Our local project, which was initiated in Ovacık, is gaining strength through the added value created by Anadolu Efes. As a stakeholder, Anadolu Efes has provided all kinds of support to the “Future is in Tourism” since day one. We feel honored and confident to continue to have Anadolu Efes’s on our side. Anadolu Efes’ endorsement gives others confidence in us and in our project. Their support motivates us to take on more responsibility.”

**Fatma Denizci**

President, The Ovacık Village Women Seed Association

**TROY CULTURE ROUTE**



Through this project, we contribute to the protection of Çanakkale’s cultural identity, heritage, and cultural and natural resources. The local community participated in training programs for sustainable tourism, running B&Bs, and souvenir making under the project. Additionally, information sessions were held for the local hospitality businesses and sustainable tourism and legislation training were provided.

We contributed to the development of a 120-km walking and bicycle trail, which passes through the villages of Ezine and Ayvacık in Çanakkale. This was an effort to attract more visitors to the area. We aim to help this route designated a “Culture Route” and elevate the profile of the area as a coveted tourist destination.

**Our volunteers were on the Troy Culture Route with Mert Firat**

Anadolu Efes Volunteers travelled to Çanakkale to participate in the “Troy Culture Route” project, which was supported under the Future is In Tourism project. The route has, over the years, become one of Turkey’s the most important culture trails. We set up the start signboard of the 120-km Troy Culture Route with the UNDP Goodwill Ambassador Mert Firat and also performed signing, cleaning and marking along the route.

**STAKEHOLDER OPINION**

“The sustainability is a key concern for the project, which was implemented as part of the ‘Future is in Tourism’ project. Sustainability has been considered from different aspects and integrated within the project’s activities and events. From the perspective of sustainable tourism, the information and training activities conducted in the project villages were significant in terms of the area’s active participation in dynamic cultural tourism and in the opening of new business and service fields.

Selling of local products was another key component of the Future is in Tourism project and for ensuring the sustainability of this specific project. This commercial activity created by the development and sale of products enabled us to create an important source of income for the project to be sustained.

In addition to the financial support it has provided, Anadolu Efes promoted the project in Turkey and abroad, which has made the project location better known and more visible. Furthermore, it helped the ownership and sustainability of the project in the area since it increased the motivation and interest of the local community for the project.”

**Deniz Erbaş**

Coordinator, The Troy Culture Route Project

*You can find further information on the Future is in Tourism here.*

## The Future is in Agriculture



We are the sole purchaser of hops and one of the biggest purchasers of barley in Turkey. Therefore, we ensure the continuity of the raw material supply by supporting sustainable agriculture and contributing to the welfare of the farmers. We develop barley and hops seeds through the R&D works performed at our "Agricultural Product Development Department," which we established in 1982 under the Future is in Agriculture project. We provide training and financing support to the growers to spread the production of those seeds. We secure the farmers from both productivity and financial aspects by purchasing their products in return for the certified seeds that we provide them with. Our training also emphasize the education of farmers on topics like planting and irrigation techniques.

With the Future is in Agriculture project, we ensure the supply of agricultural raw materials sourced from local growers and develop drought-resistant products that require less water and energy consumption through R&D. As such, we aim to encourage eco-friendly agricultural practices that will enhance agricultural productivity.

### THE FUTURE IS IN AGRICULTURE PROJECT WINS CONTRIBUTION TO THE UNITED NATIONS GLOBAL GOALS AWARD

We were awarded the Sustainable Development Goals Academy Rewards, which is awarded to companies that contribute to the United Nations Sustainable Development Goals, by the Turkish Corporate Social Responsibility Association for our "The Future is in Agriculture" project.



## SMART AGRICULTURE

As a company that has always believed in the power of collaboration, we initiated the Smart Agriculture project in partnership with the WWF Turkey in 2018. Our goal is to become the first company in Turkey to produce its own raw materials through use of the smart agricultural practices. Through this project, we target young and high-potential farmers. We also aim to encourage the young farmers to implement and spread the use of smart and eco-friendly agricultural practices.



We aim to contribute to a radical transformation in the barley and hops production in Turkey within the next 5 to 10 years. We foresee an increase of nearly 10-15% in the barley and hops yields thanks to the smart agricultural practices.

The project phases consist of establishing a related model with the smart agricultural practices to be used in the barley and hops agriculture, the measurement of the model's benefits and the awareness activities for its proliferation. Within the scope of this 36-month project, we plan to measure the benefits of the smart agricultural practices on 1,542 decares of land - a land mass that is approximately the size of 150 soccer fields - of the barley farmers in Konya, Kayseri, Ankara and Adiyaman, the hops farmers in Pazaryeri town of Bilecik and ensure the proliferation of those practices.

With the technology integrated within the agriculture, we are increasing productivity and reducing the threats caused by traditional methods to ecological balance. We gather the activities we carry out as part of the project under four main titles:

### 1- SMART AGRICULTURE PRACTICES

We can collect in real time the data about soil moisture, soil temperature, relative moisture and temperature values instantaneously from our farmers' fields using smart agriculture practices such as soil and air sensors, field health monitoring via satellite and digital soil analyzer and measure and record them regularly. Thanks to technologies providing information such as plant growth models, plant disease warnings, irrigation recommendations for irrigation fields, drought monitoring for non-irrigated fields, we make the lives of the farmers easier and ensure more efficient use of the inputs.

### 2- ECO-FRIENDLY, INNOVATIVE METHODS

We conduct awareness activities by arranging one-on-one meetings with the farmers to spread the use of sustainable agriculture practices.

### 3- YOUNG FARMER SUPPORT PROGRAM

Under the project, we aim to secure the future of agriculture in Anatolia by encouraging young people into agriculture. We will provide financing and consultancy support to the young farmers in the third period of the project to support the smart and eco-friendly practices for the agricultural production in the rural areas.



By employing next-generation agricultural technologies under the Young Farmer Support Program, we encourage young farmers to see the potential in agriculture and involve themselves in this area.



### 4- FARMER EXPERIENCE AND KNOWLEDGE-SHARING PLATFORM

In the Farmer Experience and Knowledge-Sharing Platform, we introduce next-generation technologies to the barley and hops farmers by educating them about smart agriculture technologies. With experience-sharing trips both domestic and abroad, the experience-sharing events in the fields/facilities, the harvest festivals planned in the second and third years of the project, we plan to allow farmers to become aware of new and different practices in their areas.

#### STAKEHOLDER OPINION

*"Anadolu Efes, apart from many achievements made in the course of sustainability, is a corporation that has long supported its farmers, the source of its raw materials, in terms of both input and information. We are highly proud to collaborate with such a well-known and esteemed corporation. We strive for the farmers to make the right decisions via the instantaneous measurements in the agricultural production process, which is an equation with multiple variables, and to make such decisions to minimize the environmental impacts if possible. We are confident we will create a huge positive impact by applying this emerging model through all raw material supply chains of Anadolu Efes. WWF Turkey is passionate about corporations that prioritize transforming their own ways of doing business from a sustainability perspective. I believe our project is exemplary to the industry in that respect."*

**Aslı Pasinli**

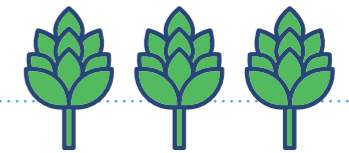
General Manager, WWF Turkey

#### STAKEHOLDER OPINION

*"Agriculture is the knowledge inherited from our ancestors in our country. As a community, we are doing nothing to develop this heritage further or adapt to the facts of the era and the changing conditions of nature. We aren't even aware that the knowledge inherited from our ancestors relies only on their experience and how they were vulnerable against the new parameters arising in the changing conditions. This is where 'SMART AGRICULTURE' steps in. The direct information flow from the field and the resources to evaluate such information constitute the foundations of smart agriculture. The smart agriculture project provided us a very clean and correct information flow. We hope that this service is extended across Turkey."*

**Şehsuvar Binerbey**

Farmer - Ankara



#### STAKEHOLDER OPINION

*"I grow hops on my 2.5 acres of land for 17 years. It's the source of income for my family and the local community. Contract agriculture provides assurance to us. Thanks to the technological capabilities of the company, my soil analysis is completed quickly and the fertilizer recommendations are provided accordingly. My crops are also monitored via sensors. My mobile phone receives all the relevant information from the satellite. With this information, I can take action to enhance productivity and quality."*

**İbrahim Demir**

Hops Farmer

## The Future is in Entrepreneurship



As a company, we care deeply about the youth and the future. This is why we are involved in the entrepreneurship ecosystem. We support young working entrepreneurs, especially in that area. We have been in collaboration with Middle East Technical University Design Factory for the last two years and have worked with university students from different branches. In 2018, we ran a one-month innovation camp with students from different universities. At this camp, students learned about innovation processes and produced a prototype for a business problem requiring creative solutions.

### SUPPORT FROM ANADOLU EFES TO ENTREPRENEURS WITH İTÜ ÇEKİRDEK!

We continue to create value for the industry with the innovative projects we conduct. Envisioning the successful transformation of business ideas into reality to further our industry, we collaborated with İTÜ ARI. With the mentors selected from among our employees, we supported young entrepreneurs who applied to İTÜ Çekirdek. Smart Magnet, Intenseye and Levitate were selected from a pool of İTÜ Çekirdek applicants to receive the financial support of Anadolu Efes.

#### SMART MAGNET

Being an Internet of Things solution, Smart Magnet allows consumers to place an order by mobile phones to the magnets of their refrigerators without the need to download a new application to their phones.

#### INTENSEYE

Intenseye provides artificial intelligence-based video analysis services for smart cities, retail customer analysis, transportation, traffic surveillance and education industries.

#### LEVITATE

By producing wearable drone cores, Levitate enables the replication of any object to fly, which helps to create an interactive media infrastructure for use in M.I.C.E (Meetings, Incentives, Congress, Events) events, organizations and advertising activities.

### STAKEHOLDER OPINION

*"İTÜ ARI Teknokent cares about the activities of leading companies in their industries. It provides contributions to the community and the world through its focus on sustainability and supports them with various collaborations accordingly. We are conducting successful activities with Anadolu Efes through our stakeholder, which we have carried out to extend the entrepreneurship culture over the last two years. Being one of the institutions and corporations providing lifeline support to the entrepreneurs in the Big Bang Startup Challenge, Anadolu Efes also provides mentorship with its employees to the entrepreneurs in İTÜ Çekirdek in their own expertise area. In today's world where transparency and open innovation gain ground, it is crucial that Anadolu Efes conducts many works ranging from sports to culture-arts, from entrepreneurship to tourism. It must internalize these as corporate culture and inform its stakeholders by publishing works. I would like to congratulate Anadolu Efes for making such practices an example for everyone and working to help such institutions and organizations grow the world over."*

#### Doç. Dr. Deniz Tunçalp

CEO, İTÜ ARI Technopark

### ANADOLU EFES VOLUNTEERS

Anadolu Efes Volunteers support corporate citizenship activities through the social responsibility projects they are participating in. As part of the Future is in Tourism project, our volunteers formed a permaculture garden with Ayşe Arman at the Ovacık village and painted the walls of the building allocated for the implementation. With the project advisor Refika Birgül, they participated in the workshops that the women entrepreneurs will later offer to visitors.

They carried out volunteering activities to contribute to the Troy Culture Route project within the Future is in Tourism project. Together with Mert Firat, a UNDP Goodwill Ambassador, our volunteers conducted cleaning and marking activities along the route and set up the signboard at the starting point of the route.

## SOCIAL INVESTMENTS

### Culture and Arts

**We believe the cultural production is essential for the development of our country. We provide continuous support to the culture, arts and artists.**



We know how important the stage and screen arts are for social development. With this approach, we have continuously supported cinema for 30 years and performing arts for 26 years. The support we provide to more than 700 has brought performing arts to large audiences. We also sponsor the Sadri Alışık Stage and Screen Actors Awards, which is the only organization in Turkey to recognize stage and screen actors. As the theme sponsor for the Turkish Cinema and the National Competition sections of the İKSV İstanbul Film Festival, one of the most prestigious film festivals in Turkey, we provided support to the development of the cinema in Turkey and the promotion of Turkish cinema abroad.

#### ANADOLU EFES MAVİ SAHNE

We established the Anadolu Efes Mavi Sahne platform in collaboration with DasDas to support theater companies with young stage actors as well as bring young theater fans together. Anadolu Efes Mavi Sahne not only provides a stage for young stage actors to perform their plays but also allows young theater fans to watch quality productions at an affordable price. In 2018, Anadolu Efes Mavi Sahne met 720 university students in 8 plays. We strive for extending Anadolu Efes Mavi Sahne to more halls and reaching even bigger audiences in the upcoming periods.

#### WE CELEBRATED WORLD THEATER DAY WITH BERLINER ENSEMBLE

With the contribution of Anadolu Efes, Berliner Ensemble, one of Europe's most important theater companies, gave theater fans two special performances on the World Theater Day. Brecht's theater the Berliner Ensemble performed the immortal piece "The Caucasian Chalk Circle" for the first time in Turkey after so many years. Anadolu Efes also hosted 20 stage theater students as guests within the scope of the support provided to the young stage actors. We look hopefully to the future of the Turkish theater and continue to play the role of both supporter and audience, ensuring the stages and halls never go without an audience.

### RICH CUISINE WITH THE CONTRIBUTIONS OF ANADOLU EFES

We believe the cultural production is essential in the development of our country. We provide continuous support to the culture, arts and artists. Following a 14-year break, esteemed actor Şener Şen has returned to the stage with the contributions of Anadolu Efes. He took to the stage in the "The Rich One's Kitchen", a classic of Turkish theater, for fans at the İstanbul City Theater, where he performed 40 years ago. Zengin Mutfağı was staged at DasDas with the contributions of Anadolu Efes and premiered on December 19, 2018. The performance was a blockbuster from day one.

### Sports



#### ANADOLU EFES SPORTS CLUB

Anadolu Efes started the 2018-2019 season with its next generation logo and had a very successful term in sports. After winning the Presidency Cup in the beginning of the season, Anadolu Efes competed in the Euroleague Final Four organization for a third time. The Anadolu Efes Sports Club finished the Euroleague in second for the first time in the history of the Club. As the basketball team that represents our country the most in European cups, Anadolu Efes became the first Turkish team to reach 400 games in the Euroleague.

**Anadolu Efes became the first Turkish team to reach 400 games in the Euroleague.**



Anadolu Efes gave emphasis to the corporate social responsibility projects through sportive achievements and continued to implement the social responsibility projects within the Euroleague One Team program. It also conducted projects like the Euroleague Academy, Pink Ball on the Pitch, and Bring a Book. Additionally, Anadolu Efes provided training programs to the children of the seasonal agricultural workers. Known as MiÇOs, these children lived in the farms of Anadolu Etap in Çanakkale and Balıkesir for four weeks. Anadolu Efes aimed to contribute to their physical and social developments via basketball.



### Quality Education

We provide environment training to our employees.



### Industry, Innovation and Infrastructure

We prefer new low-emission technologies that replace old technologies and provide energy efficiency in our investments.



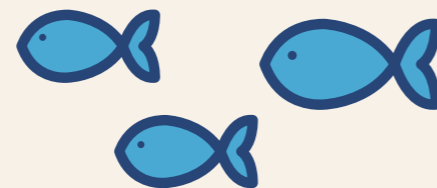
### Partnership for the Goals

We are making collaborations for environmental sustainability through our memberships at TUSIAD - Energy Working Group and Sustainable Agriculture Working Group, SKD - Sustainable Agriculture and Access to Food Working Group and CEVKO.



### Life Below Water

We are purifying waste water and returning it to nature through our wastewater treatment plants, which exist in all facilities.



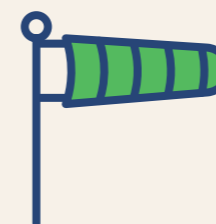
### Responsible Consumption and Production

We are designing our production processes by focusing on the efficient use of natural resources and the reduction of waste, with final waste being included in the recycling processes.



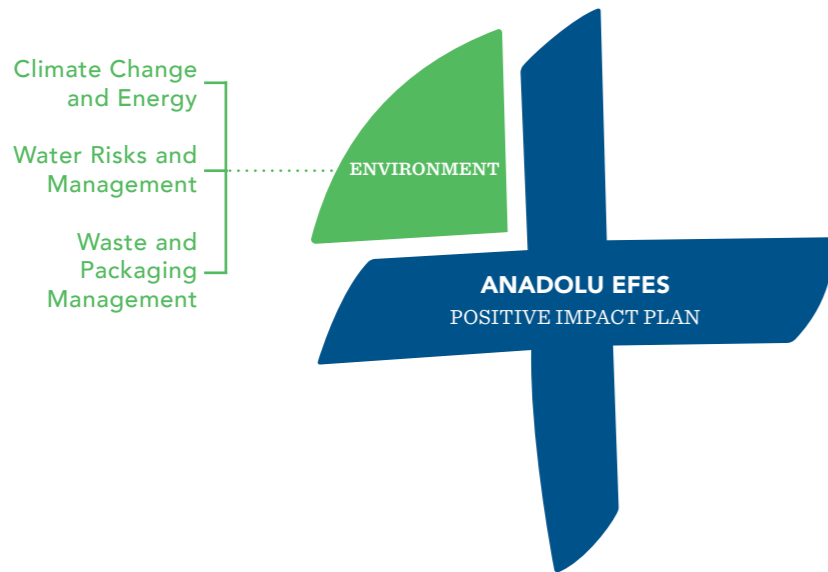
### Climate Action

Thanks to the efficiency and improvement activities performed, we prevented the emission of 101,000 tons of CO<sub>2</sub>.



# Environment

## ENVIRONMENT



We obtain the majority of our main raw materials from nature. Global climate change brings risks closely associated with the agriculture and food industries in particular.

By managing those risks, environmental sustainability plays an important role in both ensuring the continuity of our activities and protecting our heritage for future generations. With the environmental activities we conduct, we improve our performance and create a positive impact on a wide area by transforming the suppliers we work with. It is important that our stakeholders contribute to the positive impact we create in the value chain. In that respect, we share our performance regularly with all our stakeholders to create transparency.

In the Positive Impact Plan that we structured in accordance with the stakeholders' opinions and global trends, tackling climate change, management of water risks and waste and packaging practices supporting the circular economy are our prioritized focus areas. Accordingly, we have made approximately \$1.5 million worth of environmental investment and expenses in all areas that we maintained our operations in 2018.

**We believe our employees greatly contribute to improving our environmental performance and creating awareness. In 2018, we provided 780.5 personxhour training to our employees on this topic.**



Our internal corporate policies are guiding in the management of our environmental performance. We fully comply with all local legislation. Furthermore, our corporate policies are applicable in all areas that we operate in. Additionally, we are managing our environmental impact in accordance with the ISO 50001 Energy Management System and the ISO 14001 Environmental Management System certifications in all our regions to conduct effective management at international standards.

We care about creating awareness with our stakeholders by developing collaborations in the field of environment. Accordingly, as a member of the Turkish Industry and Business Association (TUSIAD) Energy Working Group, we support energy efficiency efforts in the private sector. As a member of the TUSIAD Agriculture Working Group and the Sustainable Development Association (SKD) Sustainable Agriculture and Access to Food Working Group, we help improve sustainability in agriculture. As a member of the Environmental Protection Foundation (CEVKO), we continue to support projects tackling the issue of packaging waste.

## CLIMATE CHANGE AND ENERGY MANAGEMENT

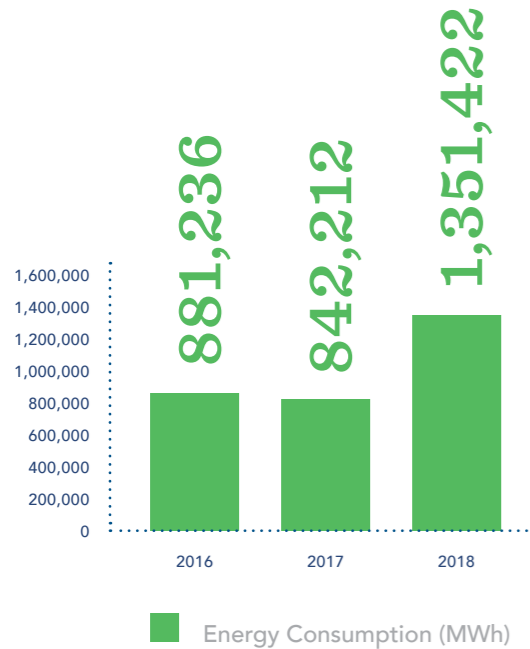
Extreme weather conditions, such as floods, droughts and regional season shifts arising from global climate change, affect natural life and bring associated social and economic risks. The climate change impacting the business models of many industries also affects our industry, which utilizes agricultural products as raw materials to a large extent. We monitor the greenhouse gas emissions and the energy consumption values resulting from all our operations to ensure the sustainability of our business. We conduct activities to reduce the environmental impact by improving our performance in the resource utilization and energy efficiency areas.

In combatting climate change, we prefer new low-emission technologies that replace old technologies and provide energy efficiency in our investments. We identify all our processes that lead to high-energy consumption and implement projects, improving their performances accordingly. By performing technical improvements in the processes, using smart systems for heating and lighting and the projects implemented

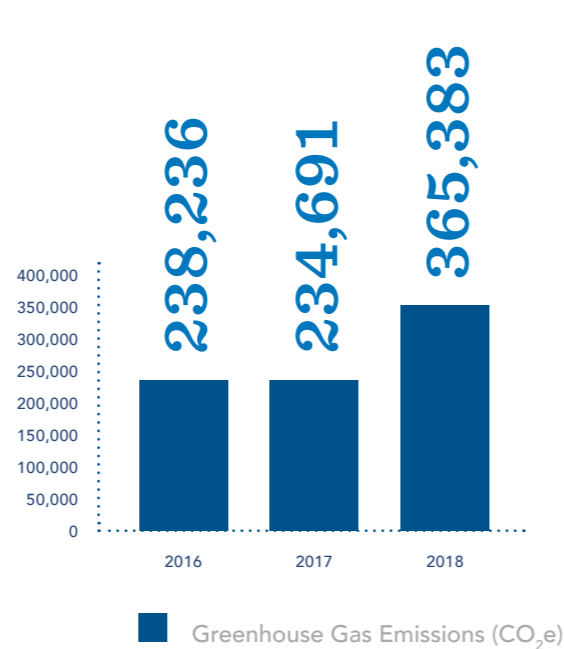


for LED lighting transformation, we have achieved energy savings of 4.1 million MWh and financial savings of \$450,000 at the same 2018 period. We therefore prevented the emission of 101,000 tons of CO<sub>2</sub>.

**ENERGY CONSUMPTION\***  
(MWh)



**GREENHOUSE GAS EMISSIONS\***  
(CO<sub>2</sub>e)



**Energy Efficiency in Coolers**

Our products are cooled at the consumption locations to serve consumers with the best-quality and ideal tasting conditions. We conduct the process of migration to next-generation coolers to reduce energy consumption and increase performance. This is how we achieve 0.5 kWh saving per cooler annually.

\* The scope of our Russian subsidiary's facility expanded this year with the partnership made with AB InBev. The increase in environmental data was due to this expansion. However, the energy quantity and emission values per production were similar as compared to the previous years. We will update the Anadolu Efes goals that will change accordingly in the upcoming period with the participation of all countries.

**WATER RISKS AND MANAGEMENT**

Water is essential in the operations across all areas in which we are active. It is critical to use water and natural resources to meet the needs of the increasing population against the limited resources. Our production processes, primarily barley and hops agriculture and packaging, are the processes that require huge amounts of water.

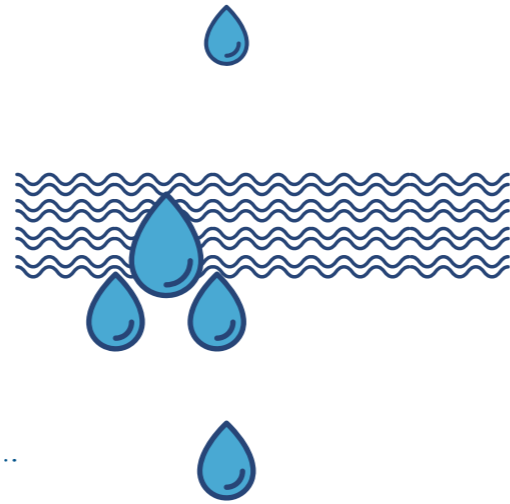
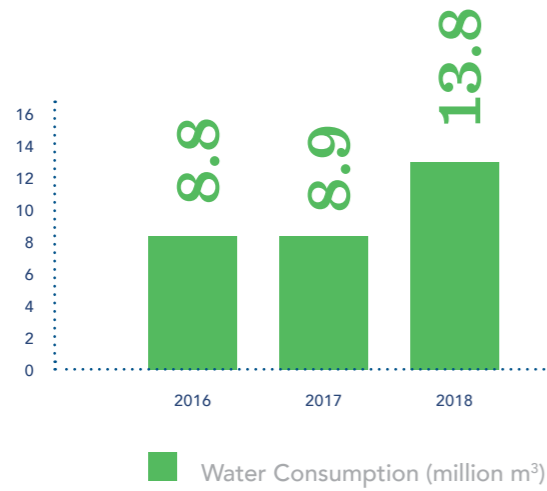
We consider the water management within the corporate risk management and set goals to take our performance to the next level. Water management is also a part of our executives' individual performance indicators. To ensure the performance improvement in that area, we monitor the processes effectively.



**We signed the UNGC CEO Water Mandate initiative in 2014, which brings the business world leaders together to generate sustainable solutions in the area of water.**

We continue to invest in operational water efficiency projects to reduce water intensity, which is an indication of the consumed water quantity per product produced. In 2018, we achieved a total water saving of 308,000 m<sup>3</sup> through processes such as water recycling, the fixing of water leakages, recovery via reverse osmosis and the optimization of existing water lines. We also achieved a financial saving of \$220,000. In the context of our environmental awareness and waste water management activities, we discharge waste water at a minimum level and minimize our environmental impact beyond the regulatory requirements in the areas we operate.

**WATER CONSUMPTION\* (million m<sup>3</sup>)**



\* The scope of our Russian subsidiary's facility expanded this year with the partnership made with AB InBev. The increase in environmental data was due to this expansion. However, the energy quantity and emission values per production were similar as compared to the previous years. We will update the Anadolu Efes goals that will change accordingly in the upcoming period with the participation of all countries.

**WASTE AND PACKAGING MANAGEMENT**

Besides efficient use of resources, the management of the waste and packages that emerge during the production phases and at the end of the products' economic lives are also among our material areas. Accordingly, we continue to work towards minimizing the impact created by our products along the value chain. On one hand, we work to reduce the emerging waste quantity; on the other hand, we aim to reduce the quantity of waste sent to landfills and other waste management facilities. In that respect, we aim to develop circular processes designed to ensure the reuse and recycling of the wastes in all operations.

By taking into account the environmental impact of the packaging wastes emerging due to our products, we conduct activities to reduce their negative impact. We reduce the packaging amount using innovative approaches to minimize the impact after consumption. Furthermore, we prefer to use reusable or recyclable packaging materials. We both limit our environmental impact and achieve financial savings by means of practices. This includes reducing the thickness of packaging and the optimization of pallets used to carry products.

	Turkey	Anadolu Efes (All Subsidiaries)
Steel Barrel	13%	16%
One-Way (No Refund) Glass Bottle	13%	17%
Reusable Glass Bottle	41%	31%
Aluminum Can	33%	30%
Plastic PE	-	6%

**The Future is in Agriculture – Smart Agriculture Project**

Project ensures the effective management of agricultural activities like irrigation, fertilizing and spraying, as well as greater input efficiency by farmers. As such, we reduce negative environmental impacts by avoiding the excess use of resources.

Details about the Future is in Agriculture project can be found in the Value Chain and Community section.

**Can and Can Pop Tab Reduction Project**

We strive to reduce our packaging and make it more environmentally friendly. With the Can and Can Pop Tab Reduction Project we conducted at Anadolu Efes Turkey, we achieved a reduction of 214,223 kg of cans and 181,224 kg of can pop tabs over the course of the past three years.



## PERFORMANCE INDICATORS

### Environmental Performance Indicators

Energy Consumption (MWh)	2016	2017	2018
<i>Buildings fuel &amp; electricity</i>	837,087	800,348	1,308,432
Electricity purchased	218,343	221,870	355,735
Natural gas	617,995	577,759	951,815
Generator (diesel)	748	719	882
<i>Vehicle fuel</i>	44,750	41,864	42,989
Diesel	14,959	14,089	14,310
Gasoline	20,425	16,897	8,072
LNG	9,365	10,878	20,608
<b>TOTAL</b>	<b>881,836</b>	<b>842,212</b>	<b>1,351,422</b>
Beer Production - Energy Intensity (MWh/hl)	0.040	0.036	0.041
Malt Production - Energy Intensity (MWh/ton)	0.488	0.557	0.580
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Total annual energy savings (kWh)	45,727,932	60,862,256	26,376,712
Total annual greenhouse gas reduction (tons CO <sub>2</sub> )	31,519	98,831	101,265
Total annual energy savings (TRY)	9,218,680	11,301,116	3,479,153
Total environmental investments and expenses (TRY)	8,926,818	10,103,757	6,844,713*

\* In 2018, environmental penalty of approximately \$8,000 was imposed on our Russia facility.

Greenhouse Gas Emissions	2016	2017	2018
<b>(tons CO<sub>2</sub>-equivalent)</b>			
Scope 1	141,541	134,086	212,300
Scope 2	97,332	100,605	153,082
Scope 3 (Employee shuttles)	258	244	201
<b>TOTAL</b>	<b>239,131</b>	<b>234,935</b>	<b>365,583</b>
Beer Production - Emission Intensity (CO <sub>2</sub> e / hl)	0,011	0,009	0,011
Malt Production - Emission Intensity (CO <sub>2</sub> e / ton)	0,13	0,16	0,16

Water Consumption (m <sup>3</sup> )	2016	2017	2018
Mains water	5,404,280	5,665,043	6,932,048
Underground water	3,361,990	3,324,583	6,948,530
<b>Total Water Consumption (m<sup>3</sup>)</b>	<b>8,766,270</b>	<b>8,989,626</b>	<b>13,880,578</b>
Beer Production - Water Intensity (m <sup>3</sup> / hl)	0.41	0.38	0.43
Malt Production - Water Intensity (m <sup>3</sup> / ton)	3.54	6.29	5.40

Recycled and waste water quantity (m <sup>3</sup> )	2016	2017	2018
Recoverable/recycled water quantity	128,526	157,515	147,445
Waste water quantity	6,532,426	6,674,787	8,955,497

Hazardous waste amount (ton)	2016	2017	2018
Total hazardous waste	56,563,58	45,581,35	7,908,69
Landfill	5.37	20.25	125.73
Recycled	0.84	0.76	5.51
Recovered as energy	6.42	4.28	27.06
Reused	34.4	314.081	535.51
Composted	0	352,35	113,01
Other	948,55	873,86	7,203,46

Nonhazardous waste amount (ton)	2016	2017	2018
Total non-hazardous waste	99,413,68	105,082,06	470,267,29
Landfill	3,428,9	4,003,46	6,663,56
Recycled	12,865,48	17,545,39	391,561,02
Recovered as energy	685	910,2	1,414,6
Reused	5,189	19,656	7,845
Composted	0	0	0
Other	55,955,84	57,739,13	62,481,77

## Social Performance Indicators

Employees per Gender	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Number of Employees	1,357	4,114	1,307	3,998	1,777	5,082
Total	5,471		5,305		6,859	

Employees per Category	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Blue Collar	330	2,002	303	1,878	305	2,521
White Collar	1,027	2,112	1,004	2,120	1,472	2,561
Total	5,471		5,305		6,859	

New Recruits based on Gender and Age	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Age 50 and over	2	6	5	6	2	12
Age 30 to 50	48	104	57	139	85	263
Age 30 and under	103	200	77	253	95	290
Total	463		540		747	

Terminated Employees based on Gender and Age	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Age 50 and over	48	82	43	96	35	101
Age 30 to 50	120	394	91	376	328	604
Age 30 and under	74	183	72	182	141	219
Total	901		860		1,428	

Trainings	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Average Training per Employee	27.5	26.4	9.8	11.7	11.89	11.89

Collective Bargaining Agreement (CBA)	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Employees under CBA	258	1,286	127	896	517	2,177

Executives based on Gender and Age	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Age 50 and over	3	15	6	10	16	25
Age 30 to 50	40	98	51	87	237	405
Age 30 and under	3	1	3	2	27	30
Total	160		159		740	

Parental Leave	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Employees on Parental Leave	129	14	35	12	377	77
Employees Back from Parental Leave	73	13	32	12	250	69

Occupational Health and Safety	2016	2017	2018
Accident Frequency Rate*	1.93	1.86	0.96
Occupational Disease Rate**	0	0	0
Lost Day Rate***	16.09	11.02	5.45
Number of Fatal Accidents	0	0	0

\*Accident Frequency Rate: Total number of injuries x 200,000 / Total working hours

\*\*Occupational Disease Rate= Total number of occupational disease incidents x 200,000 / Total working hours

\*\*\*Lost Days Rate = Total days lost x 200,000 / Total working hours

## GRI CONTENT INDEX



GRI Standard	Disclosure	Page Number / Link	
<b>GRI 101: Foundation 2016</b>			
<b>General Disclosures</b>			
<b>GRI 102: General Disclosures 2016</b>	<b>Organizational Profile</b>		
	102-1	3	
	102-2	6	
	102-3	6	
	102-4	8-9	
	102-5	7	
	102-6	8-9	
	102-7	6-9	
	102-8	69	
	102-9	30	
	102-10	3	
	102-11	<a href="http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf">http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf</a>	
	102-12	19, 20	
	102-13	19, 20	
	<b>Strategy</b>		
	102-14	4, 5	
	102-15	14-16	
<b>Ethics and Integrity</b>			
102-16	<a href="http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf">http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf</a>		
102-17	23		

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

<b>GRI 102: General Disclosures 2016</b>	<b>Governance</b>	
	102-18	<a href="http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf">http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf</a>
	102-19	<a href="http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf">http://www.anadoluefes.com/dosya/faaliyetrporu_in/AEFR18_master_ENG_1104_dusuk.pdf</a>
	102-20	22
	<b>Stakeholder Engagement</b>	
	102-40	18
	102-41	70
	102-42	17
	102-43	17
	102-44	17
	<b>Reporting Practices</b>	
	102-45	3
	102-46	17
	102-47	17
	102-48	None
	102-49	None
	102-50	3
	102-51	3
	102-52	3
	102-53	3
	102-54	3
	102-55	72-76
	102-56	None

<b>GRI 200: Economic Standard Series</b>		
<b>Procurement Practices</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	26-33
	103-2	26-33
	103-3	26-33
<b>GRI 204: Procurement Practices 2016</b>	204-1	8-9, 26-31
<b>GRI 300: Environmental Standard Series</b>		
<b>Materials</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	64
	103-2	64
	103-3	64
<b>GRI 301: Materials 2016</b>	301-1	65
<b>Energy</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	61-62
	103-2	61-62
	103-3	61-62
<b>GRI 302: Energy 2016</b>	302-1	66
	302-3	66
	302-4	66
<b>Water</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	63-64
	103-2	63-64
	103-3	63-64
<b>GRI 303: Water 2016</b>	303-3	67

<b>Emissions</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	61-62
	103-2	61-62
	103-3	61-62
<b>GRI 305: Emissions 2016</b>	305-1	67
	305-2	67
	305-5	62
<b>Effluents and Waste</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	64-65
	103-2	64-65
	103-3	64-65
<b>GRI 306: Effluents and Waste 2016</b>	306-2	68
<b>GRI 400: Social Standard Series</b>		
<b>Employment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	36-37, 40
	103-2	36-37
	103-3	36-37
<b>GRI 401: Employment 2016</b>	401-1	69-70
	401-2	39
	401-3	71
<b>Occupational Health and Safety</b>		
<b>GRI 103: Management Approach 2016</b>	103-1	40-41
	103-2	40-41
	103-3	40-41, 71
<b>GRI 403: Occupational Health and Safety 2016</b>	403-1	40-41
	403-2	71

**Training and Education**

<b>GRI 103: Management Approach 2016</b>	103-1	38-39
	103-2	38-39
	103-3	38-39
<b>GRI 404: Training and Education 2016</b>	404-1	70
	404-2	38-39
	404-3	39

**Diversity and Equal Opportunity**

<b>GRI 103: Management Approach 2016</b>	103-1	36,37
	103-2	36,37
	103-3	36,37
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	70

**CONTACT**

Receive more information on Anadolu Efes's Sustainability Report and share your opinions or suggestions:

**SİMGE ABAY BALABAN**

Corporate Communications Manager  
simge.balaban@tr.anadoluefes.com

Anadolu Efes Biracılık ve Malt Sanayi A.Ş. Fatih Sultan Mehmet Mh. Balkan Cd. No:  
58 Buyaka E Blok  
Tepeüstü, Ümraniye 34771  
Istanbul, Turkey  
T: +90 216 586 80 00 Pbx  
T: +90 216 586 82 24  
F: +90 216 488 78 63  
www.anadoluefes.com.tr

**REPORTING CONSULTANT**

S360 Sürdürülebilirlik ve İletişim Hizmetleri  
info@s360.com.tr  
www.s360.com.tr  
T: +90 (212) 351 91 76

**REPORT DESIGN**

FM Data İletişim  
info@data-iletisim.com  
www.icerikvetasarim.com  
T: +90 (212) 662 78 00

roundabout  
info@roundabout.com.tr  
www.roundabout.com.tr  
T: +90 (212) 292 07 13



## **LEGAL NOTICE**

Anadolu Efes Sustainability Report (Report), Anadolu Efes Biracılık ve Malt Sanayi A.Ş. This report has been prepared by Anadolu Efes in accordance with the GRI Reporting Principles and the United Nations Global Compact Progress Report. All information and views provided in this report may not be complete. They have been obtained by Anadolu Efes and have not been verified independently for the purpose of this document. This report has been prepared for informative purposes only and does not purport to be a basis for investment decisions. The information in this report does not constitute a proposal to sell Anadolu Efes shares or an invitation to such a sale process. Its publication cannot be considered a legal relationship of this type. At the time of the preparation of this report, all data and related documents therein were believed to be true and information are presented in goodwill and based on reliable sources. However, Anadolu Efes neither makes any statement nor guarantees and/or undertakes any commitment in relation to these data. In this regard, Anadolu Efes or any of its subsidiaries or their board members, consultants, managers or employees are not responsible for any direct or indirect loss or damage suffered by an individual due to any information or communication relayed within the scope of the Report, or due to information present in this Report or missing from it.

This report is prepared for corporate promotion purposes in accordance with Anadolu Efes Sustainability Strategy. It does not contain any advertising or promotion of alcoholic beverages directed at consumers.

# ANADOLU EFES

This report has been published in minimum quantity by using 100% recycled paper.