

CDP Water Program 2015 Turkey Results

Sponsor Foreword

“We are honored to have 15 companies responding to CDP Water Program in its first year of implementation in Turkey. We genuinely wish this number to increase each year so that we can prevent the destructive consequences of water scarcity for society and the environment by working all together side-by-side.”

As Garanti Bank, we are proud to be a part of CDP Water Program, launched by Sabanci University Corporate Governance Forum, that marks a new era for water issues in Turkey. The results of 2015 CDP Global Water Report and results of Turkey hold significant data regarding not only environmental impacts, but also economic and social impacts. CDP Global Report reveals the water status in our country with striking results that if today's consumption habits continue and necessary actions are not taken, water will become a global crisis in the near future, and have detrimental effects on economies and societies. It goes without saying that this upcoming water crisis can only be tackled with the participation of all stakeholder groups in multi-national platforms.

We believe that the fundamental principle of responsible and sustainable banking is to think of the consequences of our actions beforehand. The entire business world should go above and beyond and take necessary actions in their entire value chain on top of efficient use of water in their operations. Effective water management should be a part of their business processes, and companies should take the water cycle into consideration when developing business strategies and setting targets. Accordingly, by supporting CDP Water Program, we aim to convey the integrated water management

concept over a broader audience in Turkey and encourage our corporate customers to acknowledge the risks regarding water resources.

This year, we expanded the scope of our ISO14001 Environmental Management System, in which protecting water resources is one of the main topics, covering our entire operations in Turkey. Besides our own water management, we also manage our indirect water footprint by assuring that all necessary actions are taken to reduce the consumption of water and other natural resources, to apply waste management & recycling, and to eliminate all activities resulting in negative impacts on water quality.

We are honored to have 15 companies responding to CDP Water Program in its first year of implementation in Turkey. We genuinely wish this number to increase each year so that we can prevent the destructive consequences of water scarcity for society and the environment by working all together side-by-side.

Ebru Dildar Edin
Executive Vice President
Garanti Bank

Introduction

“I believe that one of that factors that led to this more than satisfactory beginning for the CDP Water Program in Turkey is the awareness of water related risks amongst the participants of the CDP Climate Change Program. Since 2010, water security has been highlighted as one of the most serious and immediate risks associated with climate change in Turkey by the reporting companies.”

I am pleased to report that the positive trend of non-financial disclosure by Turkey's largest companies observed during the past few years is accelerating as evidenced by the number of companies that responded to the invitation to participate in CDP's Turkish Water Program.

In 2015, 15 Turkish companies, reported their water-related risks through CDP's Water Program. The participants included some companies that were identified as high water impact using CDP's screening methodology and hence invited to disclose their water risk management and stewardship policies, as well as companies that participated voluntarily. We are delighted to see that the finance sector has already included water security issues in their risk management processes in Turkey as evidenced by the voluntary disclosure by two banks. I believe that one of that factors that led to this more than satisfactory beginning for the CDP Water Program in Turkey is the awareness of water related risks amongst the participants of the CDP Climate Change Program. Since 2010, water security has been highlighted as one of the most serious and immediate risks associated with climate change in Turkey by the reporting companies.

The World Economic Forum has ranked global water crises – including drought, increased risk of flooding and deteriorating water quality – as

the greatest threat facing the planet; CDP's new global water report, 'Accelerating action', shows that some companies are beginning to move ahead of the pack in addressing water concerns.

Scientists and experts agree that Turkey is among the most vulnerable countries that will face severe water shortages by 2025. The CDP Water Program will help bring the foresight shown by pioneering companies in high impact sectors such as food, cement, textile and automotive, to the attention of the lagging companies, their stakeholders, the regulators and concerned citizens. We hope that CDP Water Program will provide a credible platform for a dialog between companies and their stakeholders about the means and ways of instituting effective water stewardship in business conduct in going forward.

We are indebted to Garanti Bank, the sponsor of CDP Water Program in Turkey, and Deloitte Turkey, our reporting partner for their support.

Melsa Ararat, PhD
Director
CDP-Turkey

Executive Summary

In a year when the World Economic Forum has ranked global water crises – including drought, increased risk of flooding and deteriorating water quality – as the greatest threat facing the planet over the next decade in terms of impact, CDP's new global water report, 'Accelerating action', shows that some companies are beginning to move ahead of the pack in addressing water concerns.

Through its water questionnaire, which outlines a framework for corporate stewardship and its global disclosure system, CDP has built the world's largest database of primary corporate responses to water risk and opportunity. Analysis of this database provides a clear business case for water stewardship. It also highlights how the corporate response to water risk has, thus far, been inadequate and suggests that opportunities for business growth may be overlooked.

There is growing interest among institutional investors in water-related risk, opportunity and disclosure. This year 617 institutional investors asked 1,073 of the world's largest publicly listed companies across industry sectors with high water vulnerability or impacts to disclose how they are adapting and responding to worsening water security. CDP's new global water report analyzes the 405 (including companies from Turkey) company responses to this request – over twice the number of companies analyzed in 2014.

In 2015, Sabancı University Corporate Governance Forum launched CDP Water Program Program in Turkey with the support of Garanti Bank. CDP Turkey invited the 51 largest companies listed to disclose information regarding water resources. In total 15 companies responded to CDP Water program from Turkey. This report includes the analyses of CDP Turkey responses.

The report is intended to help companies in Turkey that are sensitive to, or have major impacts on, water availability or quality, to show how are they managing risks, and positioning themselves to participate in the water value revolution.

Key Findings

- ▶ **Disclosure levels are quite low in CDP Turkey's official sample.** 84% of 51 Turkish companies failed to disclose in 2015. On the other hand, seven companies disclosed to CDP voluntarily (Self selected companies – SSCs) although they are not invited by CDP. There may be a lot of reasons behind the low disclosure levels such as being invited by CDP Water Program for the first time, the absence of robust water policies in place, the absence of water related data and the absence of national water strategy to follow, etc.
- ▶ 36% of respondents have already seen water risk manifest itself as a **detrimental impact to their business** in the last reporting year.
- ▶ **Water security remains a fundamental business imperative for many companies in Turkey.** 64% of responding companies report that water poses a substantive risk to their business.
- ▶ **There is no company in Turkey with a robust and comprehensive water policy in place.** Such policies should be companywide, set performance standards for direct operations and supply chains, set out clear goals and guidelines for action, recognize the human right to water, sanitation and hygiene.
- ▶ Physical risk drivers – increased water scarcity or stress, declining water quality, drought etc.- are the most commonly cited. **Two thirds (75%) of 35 different type of water related risks are physical.**
- ▶ 86% of responding companies report that water offers operational, strategic or market opportunities. **The most significant opportunities are related to 'cost saving' and 'improved water efficiency'.** Many respondents stated that the costs savings would be achieved through the reduction of the water consumption.
- ▶ **There is a room for improvement in water risk assessment.** Only 14% of respondents undertake a comprehensive company wide risk assessment that covers both direct operations and their supply chain. Especially comprehensive supplier engagement policies regarding water in the entire value chain is missing for most of the Turkish companies.
- ▶ **Corporate water stewardship is becoming a major issue at the board level.** 79% of respondents report that oversight of water policy, strategy and planning rests at the board level.
- ▶ **Half of the respondents put targets and goals in place.** 79% of responding companies reporting qualitative goals leading towards improved water stewardship; and 50% of respondents reporting targets with quantitative actions to manage water resources.
- ▶ Top quantitative targets reported by responding companies are:
 - ▶ Absolute reduction of water withdrawals
 - ▶ Improvement of monitoring water use
 - ▶ Reduction of water intensity
- ▶ Top company wide qualitative goals are:
 - ▶ Sustainable agriculture
 - ▶ Educate customers to help them minimize product impacts
 - ▶ Strengthen links with local community.

Number of respondents

15

Respondents reporting detrimental impacts related to water

36%

Number of risks reported

35

Respondents reporting opportunities

86%

Total amount of water withdrawn by responding companies (megalitres)

12.662m

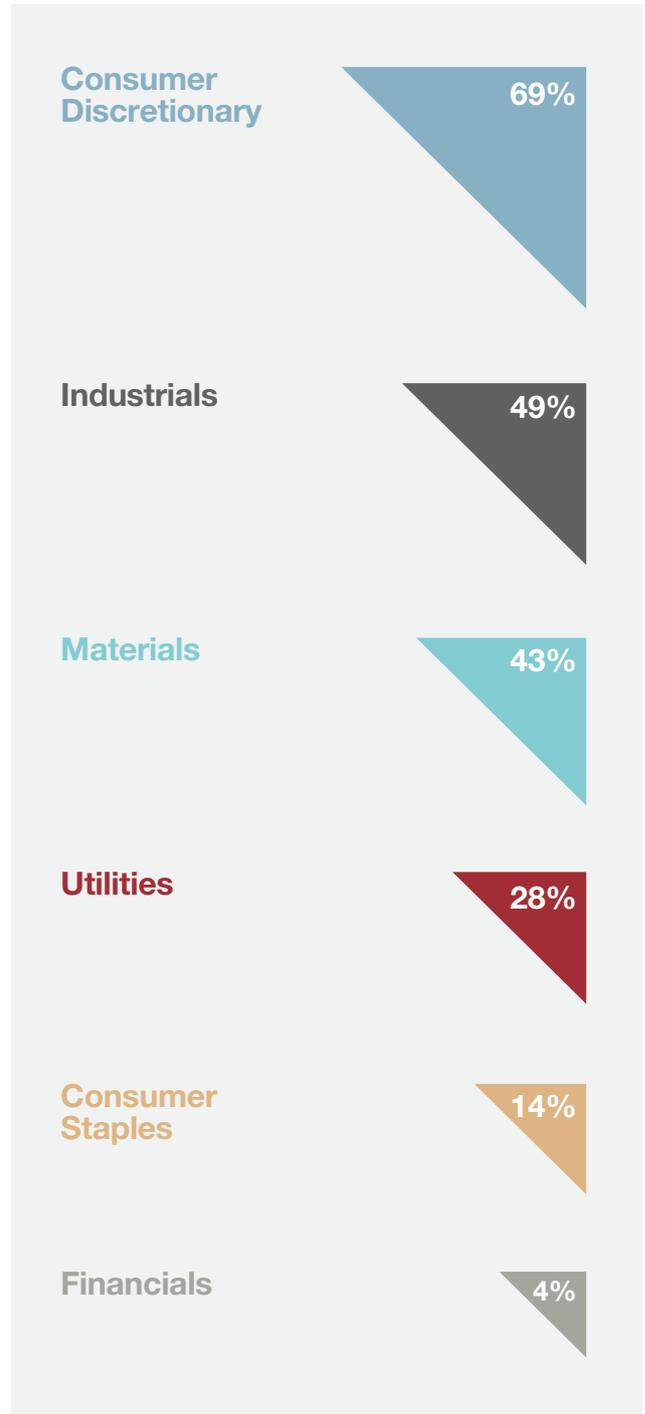
Total amount of water consumed by responding companies (megalitres)

8.194m

Respondents reporting that water poses a substantive risk to direct operations

64%

Figure 1: Respondents by sector



İdari Özet

Dünya Ekonomi Forumu'nun dünyayı önümüzdeki yıllarda kötü etkileyebilecek kuraklık, artan sel tehlikesi ve bozulan su kalitesi gibi küresel su krizlerine dikkat çektiği bir yılda, CDP'nin 'Accelerating Action-Aksiyonu Hızlandırma' başlıklı yeni küresel su raporuna göre bazı şirketler öncü bir rol oynayarak su ile ilgili sorunları dile getirmeye başladı.

CDP şirketlere yönelttiği su ile ilişkili sorulara aldığı yanıtlar sayesinde su riskleri ve fırsatlarına dair dünyanın en kapsamlı kurumsal veritabanını oluşturmuştur. Bu veritabanında yer alan bilgilerin analizi sayesinde su yönetimine ilişkin çok kapsamlı çalışmalar yapılabilmektedir. Maalesef bu veritabanında yer alan verilere göre kurumların şimdiye kadar su riskini yeteri kadar ciddiye almadığı görülüyor ve işletmelerin sürdürülebilir bir büyümeye yönelik fırsatları bu nedenle kaçınılabileceği vurgulanıyor.

Kurumsal yatırımcıların şirketlerin maruz kaldığı suyla ilişkili risk ve fırsatların açıklanmasına yönelik talepleri gitgide artıyor. Bu yıl 617 kurumsal yatırımcı, üretim sektörlerinde faaliyet gösteren ve su güvenliğinden büyük oranda etkilenen, dünyanın halka açık en büyük şirketlerinin 1.073'ünden su ile ilgili sıkıntılara nasıl uyum sağladıklarını ve kötüleşen su güvenliğine karşı nasıl önlemler aldıklarını açıklamalarını istedi. CDP'nin yeni küresel su raporunda, bu talebe yanıt veren (Türkiye'den şirketler de dahil) 405 şirket analiz ediliyor – bu sayı 2014'te analiz edilen şirket sayısının iki katından bile fazla.

Sabancı Üniversitesi Kurumsal Yönetim Forumu, Garanti Bankası'nın işbirliği ile 2015 yılında Türkiye'de CDP Su Programı'nı başlattı. Program kapsamında Türkiye'den davet alan 51 şirket, BIST-100 endeksinde yer alan şirketlerin içerisinde suya bağlı risklere en çok maruz kalma olasılığı olan sektörlerde yer alan şirketlerden oluşuyor. Davet alan şirketlerin yanısıra CDP'den davet almadığı halde gönüllü yanıt verenlerle beraber bu sene toplamda 15 şirket CDP'ye yanıt verdi.

Bu raporda CDP Türkiye'ye sunulan yanıtların analizine yer veriliyor ve Türkiye'de şirketlerin suya bağlı riskleri nasıl yönettiği ve su değer devriminde kendilerini nasıl konumlandığı konusunda kamuoyunu bilgilendirmeyi amaçlıyor.

Ana Çıktılar

- ▶ **Türkiye'de CDP'nin davet yolladığı şirketlerin yanıt verme oranı çok düşük.** Davet yollanan 51 şirketin %84'ü 2015 yılında CDP Su Programı'na yanıt vermedi. Öte yandan CDP tarafından davet edilmeyen yedi şirket gönüllü olarak açıklama yaptı. Yanıt verme oranının düşüklüğü CDP Su Programı'na ilk defa davet edilmiş olma, şirketin etkin bir su politikasının olmaması, suya ilişkin verilerin eksikliği ve ulusal bir su stratejisinin olmayışı gibi birçok nedenle bağdaştırılabilir.

- ▶ CDP'ye yanıt veren şirketlerin %36'sı son raporlama yılında **sudan kaynaklı olumsuz etkilere maruz** kaldığını bildiriyor.

- ▶ **Su güvenliği, Türkiye'deki pek çok şirket için temel bir ticari problem.** Raporlama yapan şirketlerin %64'ü suyun işletmeleri için önemli bir risk haline geldiğini bildiriyor.

- ▶ **Türkiye'deki hiçbir şirket etkili ve kapsamlı bir su politikası benimsemiş değil.** Böyle bir politika için suya yönelik stratejilerin şirketin tüm stratejilerine entegre edilmesi, doğrudan operasyonlar ve tedarik zincirlerine yönelik performans standartlarının belirlenmesi, atılacak adımların net bir şekilde belirlenmesi, su, sağlık ve hijyenin insanların temel hakkı olduğunun kabul edilmesi gerekiyor.
- ▶ Artan su kıtlığı veya stresi, bozulan su kalitesi, kuraklık gibi fiziksel risk faktörleri yanıt veren şirketler tarafından en çok dile getirilen risk faktörleri. **Suya ilişkin raporlanan 35 farklı riskin dörtte üçünün (%75) fiziksel riskler olduğu görülüyor.**
- ▶ Yanıt veren şirketlerin %86'sı suyun operasyonel, stratejik veya ekonomik fırsatlar sunduğunu bildiriyor. **Bu fırsatlardan en önemlileri 'maliyet tasarrufu' ve 'artan su verimliliği' ile ilişkili.** Açıklamada bulunan şirketlerin çoğu su tüketimini azaltarak maliyet tasarrufu sağlanabileceğini düşünüyor.
- ▶ **Su riski değerlendirmesi konusunda da büyük eksikler var.** Bu şirketlerin sadece %14'ü doğrudan operasyonlarını ve tedarik zincirlerini kapsayan genel bir risk değerlendirmesi yapmış durumda. Türk şirketlerinin çoğu henüz değer zincirinde tedarikçileri su konularına dahil eden kapsamlı politikalar benimsemiş değil.
- ▶ Yanıt veren şirketlerin %79'u su politikalarının, stratejilerinin ve planlamasının, yani bütünüyle **kurumsal su yönetimi konusunun yönetim kurulu seviyesinde ele alındığını bildiriyor.**
- ▶ **Yanıt veren şirketlerin yarısı suya yönelik hedefler belirlemiş durumda.** Şirketlerin %79'u su yönetimini iyileştirmeye yönelik niteliksel hedefler koyarken, %50'si ise niceliksel hedefler bildiriyor.
- ▶ Şirketlerin bildirdiği niceliksel hedeflerin başında:
 - ▶ Çekilen suyun azaltılması
 - ▶ Su kullanımı takibinin iyileştirilmesi
 - ▶ Su yoğunluğunun azaltılması geliyor.
- ▶ Niteliksel hedeflerin başındaysa:
 - ▶ Sürdürülebilir tarım
 - ▶ Müşterilerin eğitimi
 - ▶ Bölge halkıyla ilişkileri kuvvetlendirmek geliyor.

Yanıt veren şirketlerin sayısı

15

Suya bağlı risklerden olumsuz etkilendiğini bildiren şirketlerin oranı

36%

Bildirilen risk sayısı

35

Suyun fırsat yarattığını bildiren şirketlerin oranı

86%

Açıklama sunan şirketlerce çekilen suyun toplam miktarı (megalitre)

12.662m

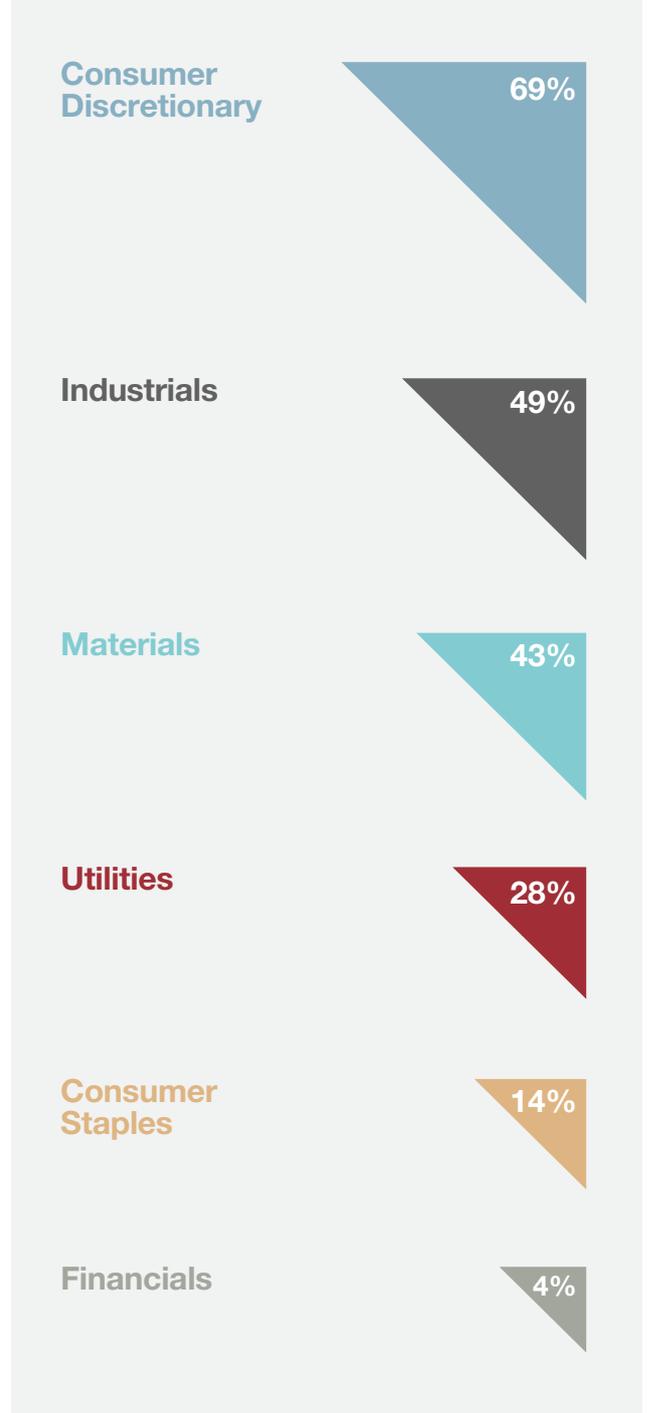
Açıklama sunan şirketlerce tüketilen suyun toplam miktarı (megalitre)

8.194m

Suyun işletmelerine karşı önemli bir risk oluşturduğunu bildiren şirketlerin oranı

64%

Figür 1: Sektörlere göre yanıt verme oranları



Company Responses Overview and Key Findings

CDP's water program aims to catalyse action, to ensure that water security – one of the most pressing challenges facing the global economy – is accorded the strategic importance it deserves.

In 2015, CDP Turkey invited 51 companies (CDP Turkey Water Program Sample¹) to disclose information regarding water resources. The high impact sub-industry list as a filter has applied to BIST-100 index companies to reduce the list down to 51 companies. Below are the primary sections of the CDP Information request²:

- Water resource management and governance at the corporate level
- Perceived risks and opportunities related with water and strategies adopted to manage them
- Water withdrawal, consumption and discharge strategies

Response rates:

The response rate to CDP's information request is influenced by a range of factors, including companies' profile, resources, degree of the familiarity with the CDP process and the general appreciation of water issues.

This year is the first year of CDP Water reporting in Turkey and 15 companies responded to CDP. Out of 15 companies, 8 are self selected (SSCs)³ 7 are invited by CDP and 1 is see another (SA)⁴ company. In total 51 companies are invited therefore response rate is 16%. This response rate is likely to improve each year as companies become more aware of the issues of water resources of Turkey, and gain familiarity with the CDP process.

CDP Turkey: Water Program Respondents in 2015

Company (CDP Turkey Water Sample)

- AKENERJİ ELEKTRİK ÜRETİM A.Ş.
- AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
- BRİSA BRIDGESTONE SABANCI LASTİK SAN. VE TİC. A.Ş.
- ÇİMSA ÇİMENTO SANAYİİ VE TİCARET A.Ş.
- COCA-COLA İÇECEK A.Ş.
- TAV HAVA LİMANLARI HOLDİNG A.Ş. (Env list)
- TESCO KİPA (Tesco)
- TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

Company (Other Responding Companies)

- AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.
- İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET A.Ş.
- İHLAS HOLDİNG A.Ş.
- PINAR SÜT MAMULLERİ SANAYİİ A.Ş.
- ŞEKERBANK T.A.Ş.
- T.GARANTİ BANKASI A.Ş.
- YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.



Akenerji

Disclosing to CDP's water program has helped us to find our gaps in considering water risks. We need water to generate electricity and if there is no water, no energy will be in the future. Water scarcity is the top risk in our company. We know that power companies are struggling to meet the water demand in their operations. We don't want to shut down power plants because of water scarcity. If we don't generate energy, the life will be more difficult than now.

- 1: A specific population of companies selected by market capitalisation and/or geography.
- 2: The letter and questionnaire dispatched by CDP to all companies in CDP samples (including the Turkey Water Sample) on 1st February of every year, requesting information on environmental disclosure.
- 3: Companies responding to CDP information requests who are not in a CDP Sample.
- 4: Company is either a subsidiary or has merged during the reporting process.

Risk and Opportunities

The responses to this year’s information request underline the business case for action on water security. Companies report widespread risk and material impacts – but they also recognise that water stewardship offers the potential to reduce costs and increase revenues.

A. Risks

In common with other developing countries, water poses both risks and opportunities for Turkey. These risks may be regulatory, physical and reputational or may be either direct or indirect (e.g. impacting business partners, suppliers and/or customers).

a) Regulatory risks:

Regulatory risks may arise from an expected or unexpected change or uncertainty, in law or regulation that may have direct or indirect impacts on a company. A change in law or regulation can increase the costs of operating a business, reduce the attractiveness of an investment, or change the competitive landscape in which a company operates. Some of the respondents stated that it is highly probable that stricter regulations in water supply and point source pollution regulations may cause higher water prices in the near future. For instance Coca Cola İçecek pointed to the potential regulatory limitations for water discharge amounts supported by Ergene Basin Protection Plan.

The majority of respondents stated that they have already developed, or are in the process of developing strategies and programmes to manage risks associated with the regulation. Such strategies include Legal and Regulatory tracking, including cross-functional efforts to stay informed of new legislation and regulations related to water resources. Another strategy is taking water management incentives such as Rewarding System and Performance Management System. Employees are rewarded on their achievement in water reduction goals and saving projects.

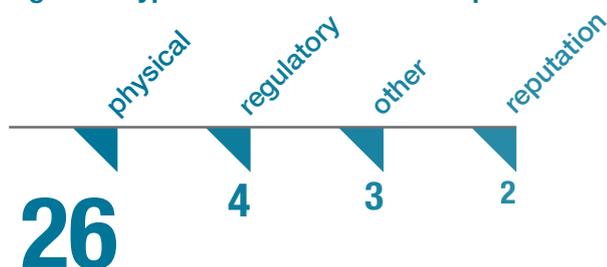
b) Physical risks

Physical risks may arise from water stress or scarcity (too little water), flooding (too much water) or pollution (lower water quality). Disruption in water supply or decline in water quality can adversely affect operations where water is used for production, irrigation, material processing, cooling, washing and cleaning, and personal consumption. Physical risks can adversely affect production or cause damage to physical assets.

Eight of the responding companies state that physical risks related to water are the most significant risks for their industries, the consequences ranging from flooding, drought to declining water quality.

In order to manage the physical risks, Garanti Bank stated that their Business Continuity Management Plan cover all

Figure 2: Type and number of risks reported



the possible natural disaster or significant hazard to ensure continuity in customer service, fulfill legal obligations, minimize financial losses, provide employee security and safeguard information assets. Akçansa Çimento stated that employees will have performance initiatives related water management and/or reduction target. Brisa had flooding problems in 1998 after which Brisa had built an 800 meter long flood barrier and also installed flood gates where the excess water is pumped back to the river.

c) Reputational risks

They may arise from impacts resulting from litigation, product risks due to changes in consumer behavior, and risks that may impact decisions made by investors, consumers and current/potential employees concerning a company. There are three companies reported reputational risks such as:

- ▼ Garanti Bank points out the Negative Media Coverage risk
- ▼ For Coca Cola İçecek, there is a reputational risk due to inadequate access to water, sanitation and hygiene

d) Other risks:

There are two companies reported earthquake under other risks category. Coca Cola İçecek stated that there is active Sivrice Fault zone very close to the resource and an earthquake may cause loss of resources due to undesired change in the crack system within rocks.

TAV Airports

“Disclosing to CDP’s water program has helped us to put water on our corporate agenda with a much stronger emphasis. CDP provided us with a thorough framework on water, which steered us toward assessing water-related issues in a wider context. We are committed to minimizing the impact of our operations on vulnerable freshwater resources while maintaining the highest quality of service for our passengers. We believe that a concerted action of corporations is vital to help secure the right to water for future generations and CDP’s water program will provide a key platform to achieve this goal”

Risk and Opportunities

B. Opportunities

While climate change causes several risks it also presents opportunities for businesses.

Changes in water availability and climatic conditions related to water may provide commercial opportunities to some companies. These opportunities may include; increased operational efficiency, cost-reducing process and/or supply chain re-design, the creation of new markets for water products, improved finance and/or risk management procedures, enhanced reputation and the ability to influence government policy.

As illustrated in Figure 3 below, the most significant opportunities are perceived to be ‘cost saving opportunity’ and ‘improved water efficiency’. Many respondents stated that the costs savings would be achieved through the reduction of the water consumption.



Çimsa Çimento

Disclosing to CDP’s water program has helped us to realize which level we are and obtain to see the missings in order to improve new strategies related with water consumption volume and measurements of details in our process. Improving water risk and opportunity assessments in our operation by integration to program as one of the leading company in cement industry, to encourage other companies by responding CDP-Water program and enhance reputation as well as to raise awareness.

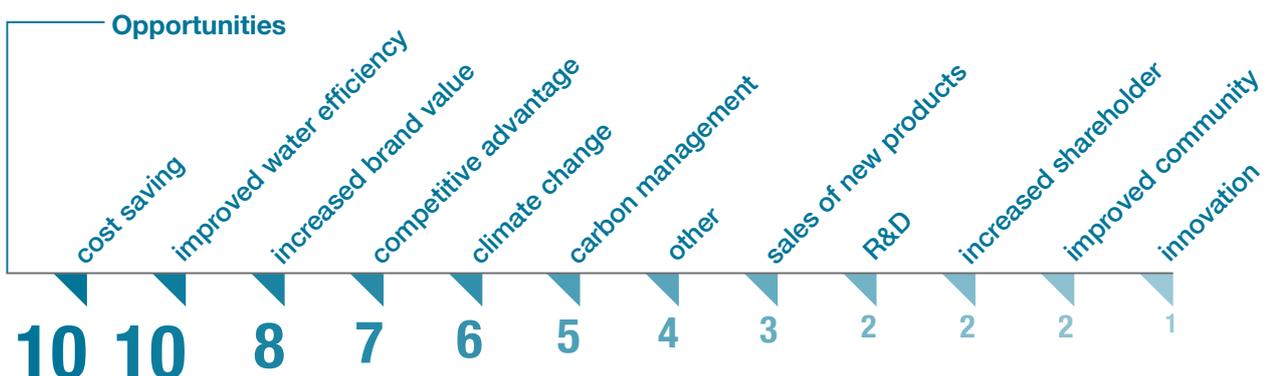
Numerous companies report reduced costs as a result of improved water efficiency.

- ▶ AkçanSA has runoff water recycling systems and is planning for rainwater collection systems.
- ▶ Aksa Akrilik Kimya believes that renovation of deionized water treatment plant will result in cost savings.
- ▶ In 2014, Coca Cola İçecek saved nearly annual 60000 m3 water as a result of water reuse/recycle projects implemented at Elazığ, Bursa , Köyceğiz and Sapanca plants.

In terms of new markets and developments

- ▶ AKSA is working on reduce the water usage in the production of acrylic fiber process.
- ▶ Brisa is investing on new technologies like reverse osmosis, treatment plants; water efficiency projects like building up a circular system for cooling water; increasing employee awareness by trainings; investments on waterless urinal systems and water efficient faucets for domestic water usage.
- ▶ “Agriculture of the Future Project” which has been conducted in partnership with the Coca-Cola Life Plus Foundation, the Ministry of Food, Agriculture and Livestock and the Nature Conservation Center, aims to promote the use of ecosystem approach and improve climate change adaptation in agriculture. In order to do this, the project has two main components, direct seeding and windbreaks.

Figure 3: Types of opportunities reported



Water Risk Management

The good news is that respondents are acknowledging the importance of water security as a corporate issue. The responses to CDP's water questionnaire shows a clear progress on some of the most important indicators of effective water risk monitoring and management. A wealth of experience is being accrued that will prove invaluable to those companies taking their first steps towards comprehensive water risk management and improved water stewardship.

Approximately one third (36%) of respondents experienced detrimental impacts related to water challenges in the reporting year. All the reported impact indicators are physical. Some of the impacts are Reduction in revenue, plant/production disruption leading to reduced output, higher operating costs and supply chain disruption. Şekerbank states that 4 of the branches located in different river basins had negatively affected from flood in 2014.



Coca Cola İçecek

“Responding to CDP's water program has helped us to reconsider water related risks and opportunities in our operations. Coca-Cola İçecek was the first company in Turkey to be invited to the Global Water Program in 2014. Water is already at the top of CCI's sustainability and business agenda, however with the CDP water program we actually gained a broader perspective on water related risks, not only considering our region, but the entire world. Besides, CDP Water reporting is a great tool to benchmark water strategies and actions with other organizations.”



Respondents that have experienced detrimental water-related business impacts in the reporting year

36%

Respondents reporting that water poses a substantive risk to their business

64%

Respondents that undertake a comprehensive company wide risk assessment that covers both direct operations and supply chain

14%

Respondents consider the impact of increasing regulation around water in their risk assessment processes

71%

Influence of Water on Business Strategy

Water management should extend beyond technical intervention that impacts water at a specific facility and instead be embedded within the organization's strategy. An organization's water management should include governance structure, accountability, water performance standards, supply chain and policy, and will also go beyond an organization's own water use and look to engage stakeholders such as the local community and policy makers.

TAV is the only respondent that aligns their public policy positions with water stewardship goals. They state that as a demonstration of their commitment to water they have been in active collaboration on relevant platforms, such as the Working Group on Water at SKD (the Turkish chapter of WBCSD), the Green Airport program of the Civil Aviation Authority in Turkey and CDP Water Program. Coca Cola İçecek and Aksa Akriik are both reporting that they have publicly demonstrated their commitment to water through sharing their water commitments and disclosing water usage at their plants.

CDP aims to understand the company-wide targets and initiatives set for the respondents for the reporting year. CDP asks to detail both the quantitative and qualitative targets and goals your organization sets and communicates on via your sustainability or other corporate reports.



Şekerbank

The disclosure of CDP's water program has helped us to better understand and classify our water risks and opportunities. Today, being the only private bank established with the aim of agro finance in Turkey, we have a special interest in water related issues. In line with our founding mission, which at that time correlated to sustainable development, we have encouraged our customers to switch to energy efficiency projects, to save more and to protect natural resources. In this manner, CDP's water program has enabled us to strengthen our policies and strategies and to further widen our spectrum spanning from extending our activities to our customers' projects.



Higher levels of board oversight for water issues

79%

Respondents with targets and goals in place

50%

Respondents reporting targets with quantitative actions to manage water resources

50%

Respondents reporting qualitative goals leading towards improved water stewardship

79%

Respondents whose water CAPEX and OPEX increased year on year in the last reporting period

57%

Respondents that have identified any linkages or trade-offs between water and other environmental impacts

50%

Some examples to qualitative goals:

- Garanti Bank provides fully functioning WASH services for all employees and a full time OHS team and Construction Department to supervise the quality of these services.
- To support Turkey's fight against climate change and to provide solutions to risks like drought, Garanti Bank offered "Agricultural Irrigation Systems Loan" in the first quarter of 2015.
- Şekerbank has an ongoing program where we are visiting villages located in rural areas. We have so far visited 10,500 villages and contacted more than 295,000 farmers since 2009. We are planning to visit 10,000 villages and 500.000 farmers in the next 5 years. We are planning to give information about climate change, water problem and mitigations/adaptation methods to farmers in these visits in order to increase awareness in these fields.
- Coca Cola İçecek is in the process of Updating Source Vulnerability Analysis (SVA) Study for our plants. 2014 plan was to conduct SVA analysis in Çorlu and İzmir plants.
- Aksa Akrilik is installing an integrated wastewater treatment plant which receives wastewaters from AKSA and other group companies.
- Brisa is enlarging and modernizing staff dressing rooms & bathrooms to provide better hygiene and wellbeing conditions.

Some examples to quantitative targets:

- By 2020, Akçansa aims 5% reduction of water use ratio. The monitoring procedure and system has been improved according to the CSI Water Reporting Guideline
- Coca Cola İçecek aims a reduction of water use ratio in all manufacturing plants by 2020. Target is to achieve 1.2 liter use per liter product. In 2014 our water usage ratio is 1,41 L/L. And in our base year 2006, our water usage ratio is 1,74 L/L.
- Coca Cola İçecek also have a target to safely return 100% of waste water to nature in 2014 (100% compliance to legal waste water discharge limits after treatment).

Key indicators: Comparison between CDP Global and Turkey results

% of responding companies meeting requirement

Indicators	Turkey	Global
Provide a complete and compressive disclosure to investors via CDP	16%	38%
Respondents that undertake a comprehensive company wide risk assessment that covers both direct operations and supply chain	14%	47%
Respondents that require key suppliers to report water use, risks and management	14%	24%
Respondents reporting detrimental impacts related to water	36%	27%
Respondents that undertake water risk assessments at the river basin scal	14%	35%
Respondents that identify opportunities	86%	73%
Respondents that undertake water risk assessments at the river basin scale	14%	26%
Respondents with a publicly available, company wide water policy that includes direct operations, supplier best practice and acknowledges WASH	0%	11%
Respondents that regularly measure and monitor more than 50% of all water aspects	79%	52%
Respondents that have identified any linkages or trade-offs between water and other environmental impacts	50%	27%

Response Status Table

Company (CDP Turkey Water Sample)	Sector	2015 Response Status	Permission Status	Water Withdrawal	Water Discharge	Water Consumption	Quantitative Target	Verification
AFYON ÇİMENTO SANAYİ T.A.Ş.	Materials	NR						
AKENERJİ ELEKTRİK ÜRETİM A.Ş.	Utilities	AQ	P	D	D	D		
AKSA AKRİLİK KİMYA SANAYİİ A.Ş.	Consumer Discretionary	AQ	P	D	D	D		
AKSA ENERJİ ÜRETİM A.Ş.	Utilities	NR						
ALKİM ALKALİ KİMYA A.Ş.	Materials	NR						
ANADOLU CAM SANAYİİ A.Ş.	Materials	NR						
ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş.	Consumer Staples	NR						
ARÇELİK A.Ş.	Consumer Discretionary	DP						
ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.	Industrials	DP						
AYGAZ A.Ş.	Utilities	NR						
BAGFAŞ BANDIRMA GÜBRE FABRİKALARI A.Ş.	Materials	NR						
BİM BİRLEŞİK MAĞAZALAR A.Ş.	Consumer Staples	DP						
BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.	Consumer Staples	NR						
BORUSAN MANNESMANN BORU SANAYİ VE TİCARET A.Ş.	Materials	NR						
BRİSA BRIDGESTONE SABANCI LASTİK SAN. VE TİC. A.Ş.	Consumer Discretionary	AQ	P	D	D	D	D	D
ÇİMSA ÇİMENTO SANAYİİ VE TİCARET A.Ş.	Materials	AQ	NP	D	D			
COCA-COLA İÇECEK A.Ş.	Consumer Staples	AQ	P	D	D	D	D	D
EİS ECZACIBAŞI İLAÇ, SINAI VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş.	Health Care	NR						
ENKA İNŞAAT VE SANAYİ A.Ş.	Industrials	NR						
EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.	Materials	DP						
FORD OTOMOTİV SANAYİ A.Ş.	Consumer Discretionary	NR						
GÖLTAŞ GÖLLER BÖLGESİ ÇİMENTO SAN. VE TİC.A.Ş.	Materials	NR						
GÜBRE FABRİKALARI T.A.Ş.	Materials	NR						
İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.	Energy	NR						
İZMİR DEMİR ÇELİK SANAYİ A.Ş.	Materials	NR						
KARDEMİR KARABÜK DEMİR ÇELİK SANAYİ VE TİCARET A.Ş.	Materials	DP						
KARTONSAN KARTON SANAYİ VE TİCARET A.Ş.	Materials	DP						
KOÇ HOLDİNG A.Ş.	Industrials	NR						
KONYA ÇİMENTO SANAYİİ A.Ş.	Materials	NR						
KOZA ALTIN İŞLETMELERİ A.Ş.	Materials	NR						
KOZA ANADOLU METAL MADENCİLİK İŞLETMELERİ A.Ş.	Materials	NR						
MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.	Consumer Discretionary	DP						
METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş.	Consumer Staples	NR						
MİGROS TİCARET A.Ş.	Consumer Staples	DP						
OMV PETROL OFİSİ A.Ş.	Energy	NR						
PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.	Materials	NR						
PETKİM PETROKİMYA HOLDİNG A.Ş.	Materials	DP						
SASA POLYESTER SANAYİ A.Ş.	Materials	NR						

Company (CDP Turkey Water Sample)	Sector	2015 Response Status	Permission Status	Water Withdrawal	Water Discharge	Water Consumption	Quantitative Target	Verification
SODA SANAYİ A.Ş.	Materials	NR						
T.ŞİŞE VE CAM FABRİKALARI A.Ş.	Industrials	DP						
TAT GIDA SANAYİİ A.Ş.	Consumer Staples	DP						
TAV HAVA LİMANLARI HOLDİNG A.Ş.(Env list)	Industrials	AQ	P	D	D		D	
TESCO KİPA (Tesco)	Consumer Staples	SA						
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.	Consumer Discretionary	AQ	P	D	D	D	D	
TRAKYA CAM SANAYİİ A.Ş.	Industrials	NR						
TÜPRAŞ-TÜRKİYE PETROL RAFİNERİLERİ A.Ş.	Energy	NR						
TURCAS PETROL A.Ş.	Energy	NR						
TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.	Industrials	NR						
ÜLKER BİSKÜVİ SANAYİ A.Ş.	Consumer Staples	NR						
YAZICILAR HOLDİNG A.Ş.	Industrials	NR						
ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.	Utilities	NR						

Company (Other Responding Companies)	Sector	2015 Response Status	Permission Status	Water Withdrawal	Water Discharge	Water Consumption	Quantitative Target	Verification
AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	AQ	P	D	D	D	D	
İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET A.Ş.	Consumer Discretionary	AQ	NP					
İHLAS HOLDİNG A.Ş.	Industrials	AQ	P					
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	Consumer Staples	AQ	NP	D	D	D	D	D
ŞEKERBANK T.A.Ş.	Financials	AQ	P	D	D	D	D	
T.GARANTİ BANKASI A.Ş.	Financials	AQ	P	D	D	D		
YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.	Consumer Discretionary	AQ	NP	D	D	D		

KEY TO RESPONSE STATUS TABLE

AQ: Answered Questionnaire

NR: No Response

DP: Declined to Participate

SA: Company is either subsidiary or has merged during the reporting process. See Company brackets for further information on company status.

NP: Non-Public

P: Public

D: Disclosed

Commentary

Deloitte Turkey

Deloitte Turkey is delighted to be the 2015 scoring and report writing partner of CDP Turkey.

The Deloitte is committed to driving societal change and promoting environmental sustainability. Working in innovative ways with non-profit organizations, and civil society, we are designing and delivering solutions that contribute to a sustainable and prosperous future for all.

This year is the first year of CDP Water program in Turkey and 15 companies responded. We applaud these companies in addressing one of our most important resource challenges, water scarcity. We believe that businesses that view water resources efficiency as a part of doing business have realized the value that it brings to their corporate objectives related risk management and corporate social responsibility. However, many companies still postpone to prioritize which sustainability initiatives to pursue including resource scarcity, evolving consumer and stakeholder expectations, regulatory changes, and increasing supply chain and operational risks. Addressing these trends through clearly identified risks and opportunities can add incredible value to companies.

Going forward, effectively competing in business means thinking about a new world in terms of resource constraints and stakeholder expectations and innovative ways of addressing them.

Report Writing Partner

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