

# CDP Climate Change and Water Report 2022

Written on behalf of over 680 institutional investors with US\$130 trillion in assets

Türkiye Edition



# CDP FOREWORD



▼▼

The stark fact remains that we don't have long left to enact the transition to 1.5 by 2030 – just seven years left to halve emissions and secure a liveable future.

▼▼

Before I begin this foreword, it would be remiss not to first acknowledge the devastating earthquakes and aftershocks that hit Turkey and Syria in February this year. CDP continues to extend our deepest solidarity and support to all of those affected, including those from our CDP community - colleagues, suppliers, partners and businesses who report through our disclosure platform.

We are so thankful to CDP's country partner Sabanci University Corporate Governance Forum for continuing to work during this incredibly difficult period. If any Turkish company has ongoing issues that will affect reporting to CDP in the next disclosure cycle, which opened on 19 April 2023, please do not hesitate to contact us.

This report highlights the progress we have seen in Turkey, exploring the action taken by corporates, investors, subnational governments and financial institutions to accelerate environmental action over the course of 2022, and what still needs to be done.

In 2022, we saw a 21% year-on-year growth in the number of companies disclosing through CDP in Turkey and 20 companies reporting emissions data to CDP for the first time. We've also seen 100% growth in corporate water disclosure through CDP in Turkey in the last five years, with a 18% increase in 2022 alone.

Nine Turkish companies showed leadership in environmental transparency and performance in 2022, with four making it onto the CDP A List for climate change and six for water security. A further 21 companies made the CDP Turkey leaders list for having an A- score from CDP's climate change and water security programmes.

It is clear that Turkish companies reporting to CDP see the risks of climate change, with 95% of respondents identifying inherent climate-related risks that could have a financial or strategic impact on the business.

Indeed, for the companies reporting to CDP in Turkey, the effects of climate change cost up to US\$24 billion, while the money needed to mitigate these risks was only US\$2.6 billion. For water security, Turkish respondents said that the potential

financial impact of the identified risks on direct operations is US\$1.27 billion and the total potential financial impact of opportunities was up to US\$5.21 billion.

Therefore, in Turkey, companies have estimated it is almost ten times cheaper to act on climate change and four times cheaper to act on water, rather than paying the price for inaction.

The stark fact remains that we don't have long left to enact the transition to 1.5 by 2030 – just seven years left to halve emissions and secure a liveable future.

As we progress through 2023, we can hope that introductions such as the International Sustainability Standards Board (ISSB) – global baseline for climate-related disclosure for financial markets and mandatory reporting in many countries – will result in increased vigour across stakeholders in addressing the twin crises of climate change and biodiversity loss.

With urgent change required at scale, all actors need to demonstrate ambitious action. All companies, financial institutions, governments, cities, states and regions should begin by disclosing their climate and nature impacts as a vital first step on this journey, swiftly followed by setting bold environmental targets and putting in place transition plans that drive decisive action towards achieving those targets.

We look forward to working with our Turkish partners over the next year and once again please contact CDP if you have any issues about this year's disclosure cycle.

**Paul Dickinson**  
Founding Chair, CDP

# SPONSOR FOREWORD



▼▼

We are now in a period, where we take action instead of “talking and discussing for sustainability” and have to be in the field. To help tackle the climate crisis and to stay within the 1.5°C limit, we must identify the needs correctly and achieve concrete results.

▼▼

Depleting natural resources, increasing numbers of natural disasters and loss of biodiversity make it clear that economic activities are no longer environmentally sustainable in their present form. The climate crisis is evolving to a level that we cannot overcome. The point we have reached today shows that we couldn't achieve the balance between economic growth, quality of life, and climate protection goals.

The scientists that worked on the IPCC 6th Assessment report state that there are a variety of currently available, practical and efficient ways to cut greenhouse gas emissions and adapt to human-caused climate change. IPCC Chair Hoesung Lee also mentioned, “Mainstreaming effective and equitable climate action will not only reduce losses and damages for nature and people, but it will also provide wider benefits.” So we need urgent climate action to secure a livable future for all.

I would like to refer to the two goals set by the Paris Agreement. The Agreement aimed to continue efforts to keep the temperature rise “well below 2°C” at the pre-industrial level and “pursuing efforts” to limit the increase to 1,5°C. I am content that Glasgow Climate Pact highlighted the importance of limiting temperature rise to 1.5 °C and continues on this commitment at COP27. The target will minimize climate change risks. Yet, there still needs to be a significant amount of change.

On the other hand, Türkiye's transition to a more eco-friendly country gained momentum with the release of a landmark Green Deal Action Plan in July 2021 and ratifying the Paris Agreement as the rest of G20 in 2021. Together with the ratification of the agreement, Türkiye has also set a goal to reach net zero emissions by 2053. The “Climate Law” of Türkiye is being prepared by many representatives of public institutions and universities, business people, scientists, farmers, and activists who have gathered. Türkiye's first Climate Council was held in 2021, aimed to form a roadmap in line with the Paris Agreement to reach the 2053 net zero emissions target. The Ministry of Environment, Urbanization and Climate Change has announced 217 decisions made in the Climate Council. All of the decisions are critical to fight climate crisis but I would like to underline some of them: which creates

concrete deadlines for finance sector. Preparation of the National Green Finance Strategy by the end of 2023 including the local taxonomy preparation, establishing the Emissions Trading System, and starting the pilot application in 2024. Türkiye has also addressed the challenge and updated emission reduction plans at COP27. Within the scope of Türkiye's new plan to help fight the climate crisis, it has practically doubled the key metric of its nationally determined contribution-NDC target to 41% for the year 2030.

We are now in a period, where we take action instead of “talking and discussing for sustainability” and have to be in the field. To help tackle the climate crisis and to stay within the 1.5°C limit, we must identify the needs correctly and achieve concrete results. I consider the responsibilities taken by the business world to reverse this process very valuable.

I am glad to see that CDP, the world's largest environmental reporting platform, is growing with a strong reputation every year in Türkiye. I attach great importance to the fact that 20 new companies from our country report to CDP for the first time in 2022 so that economic activities take environmental concerns into account. In 2022, CDP in Türkiye has seen a 21% increase in environmental disclosures across CDP's three themes – climate change, water security, and forests by companies in response to the request from investors. I believe that the adaptation of the Turkish business world will accelerate climate-related issues in the upcoming years.

Once more, I would like to thank CDP Türkiye for enabling the establishment of a transparent reporting environment and an impartial and reliable sustainability assessment of environmental issues in our country. As Garanti BBVA, we will continue to be a proud partner of CDP Türkiye to sustain contributing to the Turkish business world reaching and exceeding the global sustainability targets.

**Recep Baştuğ**  
CEO, Garanti BBVA

# PARTNER FOREWORD



CDP Türkiye will continue to act as a conduit for CDP's global thought leadership with an insight into the country's institutional realities.



Since the launch of CDP Climate Change operation in Türkiye in 2010, the number of companies responding to investors' request to disclose Climate Change information has steadily increased from 11 to 81 by 2022. The number of companies disclosing their Water Security-related information has also increased from 15 in 2015, when the Water program was launched, to 52 by 2022. The latest numbers represent a good responsiveness by invited companies, joined by as many companies disclosing voluntarily. This can partly be attributed to the thought leadership of CDP Türkiye team alongside pressure from investors and lenders.

The diligence of some of the reporting companies in Türkiye has been rewarded by their increasing presence in CDP's Global A lists, which consists of global leaders in Climate Change and Water Security. In 2022, four Turkish companies with an 'A' score, have been declared to be among the 297 Global Leaders in Climate Change, and 6 have been among the 106 Global Leaders in Water Security. 2022 was the 'year of drought' with far-reaching consequences for society and the economy. The UN Water Conference, which took place in March for the first time since 1977, warned that by 2050, an estimated 6 billion people will face water scarcity - due to climate change, pollution and increasingly unsustainable consumption and production. The Turkish members of the Global A List will play a crucial role as a source of best practice in our high-risk land. I strongly believe that Türkiye's private sector's leadership and readiness for low-carbon transition, demonstrated by increasing CDP scores, have played an important role in the ratification of the Paris Agreement. Ratified by parliament in 2021, Türkiye is committed to reducing GHG emissions by 21% from business-as-usual levels by 2030 and aiming at net zero by 2053. However, even with the recently renewed target of 41%, Türkiye still remains in the 'low performers' category in the Climate Change Performance Index (CCPI) and labelled as 'critically insufficient' by Climate Action Tracker. Türkiye's emissions will continue to increase and peak only in 2038.

The pioneering work of CDP paved the way for the mandatory reporting of climate change information.

We have chosen the transition from voluntary disclosure to mandatory disclosure to be this years' conference theme; I hope the discussions will be inspiring.

CDP's recent technical note 'Reporting on Climate Transition Plans' is a valuable resource. A Climate Transition Plan outlines how a company will achieve its strategy to align its business model with the latest climate science recommendations. CDP continues to provide a platform for companies to align its disclosure platform with guidance from emerging standards, frameworks, and relevant bodies.

CDP scores are widely used to drive investment and procurement decisions towards a zero-carbon, sustainable and resilient economy. We are very happy that asset management companies in Türkiye use CDP scores to develop investable indices and funds. CDP Türkiye will continue to act as a conduit for CDP's global thought leadership with an insight into the country's institutional realities. I am grateful to our past and current sponsors for making it all possible.

**Melsa Ararat, PhD**  
Director, CDP Türkiye

# CONTENTS

---

6	<b>RESPONDING COMPANY LIST</b> / CLIMATE CHANGE / TÜRKİYE 2022
8	<b>SNAPSHOTS</b> / CLIMATE CHANGE / TÜRKİYE 2022
9	<b>SNAPSHOTS</b> / WATER SECURITY / TÜRKİYE 2022
10	<b>KEY FINDINGS</b> / CLIMATE CHANGE / TÜRKİYE 2022
11	<b>KEY FINDINGS</b> / WATER SECURITY / TÜRKİYE 2022
12	<b>COMPANY RESPONSE SUMMARY</b> / CLIMATE CHANGE / TÜRKİYE 2022
14	<b>INTRODUCTION</b> / TÜRKİYE 2022
16	<b>COMPANY RESPONSES OVERVIEW</b> / CLIMATE CHANGE / TÜRKİYE 2022
32	<b>COMPANY RESPONSE SUMMARY</b> / WATER SECURITY / TÜRKİYE 2022
34	<b>COMPANY RESPONSES OVERVIEW</b> / WATER SECURITY / TÜRKİYE 2022
48	<b>CDP TÜRKİYE LEADERS 2022</b> / TÜRKİYE 2022
50	<b>VOLUNTARY REPORTING TO MANDATORY REPORTING</b>
52	<b>RESPONSE STATUS</b> / CLIMATE CHANGE / TÜRKİYE 2022
55	<b>RESPONSE STATUS</b> / WATER SECURITY / TÜRKİYE 2022
57	<b>RESPONSE STATUS</b> / FOREST / TÜRKİYE 2022

# RESPONDING COMPANY LIST

## TÜRKİYE 2022

- CLIMATE CHANGE
- WATER SECURITY
- FOREST

ABDİ İBRAHİM İLAÇ SANAYİ VE TİCARET A.Ş.			
ADM ELEKTRİK DAĞITIM A.Ş.			
AFYON ÇİMENTO SANAYİ T.A.Ş.			
AKBANK T.A.Ş.			
AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.			
AKENERJİ ELEKTRİK ÜRETİM A.Ş.			
AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.			
AKSA AKRİLİK KİMYA SANAYİİ A.Ş.			
ALBARAKA TÜRK KATILIM BANKASI A.Ş.			
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ			
ANADOLU EFES BİRACILIK VE MALT SAN. A.Ş.			
ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.			
ANAGOLD MADENCİLİK SAN.VE TİC. A.Ş.			
ARÇELİK A.Ş.			
ASELSAN ELEKTRONİK SANAYİ VE TİC. A.Ş.			
AYDEM YENİLENEBİLİR ENERJİ A.Ş.			
BİOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.			
BORUSAN MANNESMANN BORU SANAYİ VE TİCARET A.Ş.			
BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş.			
CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.			
COCA-COLA İÇECEK A.Ş.			
ÇELEBİ HAVA SERVİSİ A.Ş.			
ÇELİKEL ALÜMİNYUM DÖKÜM İMALAT SANAYİ VE TİCARET A.Ş.			
ÇEMTAŞ ÇELİK MAKİNA SAN. VE TİC. A.Ş.			
ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.			
DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.			
DURAN DOĞAN BASIM VE AMBALAJ A.Ş.			
EKOL LOJİSTİK A.Ş.			
EKOTEN TEKSTİL SANAYİ VE TİCARET A.Ş.			
ENERJİSA ENERJİ A.Ş.			
ENERJİSA ÜRETİM SANTRALLERİ A.Ş.			
ENKA İNŞAAT VE SANAYİ A.Ş.			
ETİ SODA A.Ş.			
FORD OTOMOTİV SANAYİ A.Ş.			
GAZDAŞ GAZİANTEP DOĞAL GAZ DAĞITIM A.Ş.			
GDZ ELEKTRİK DAĞITIM A.Ş.			
GENEL ENERGY PLC			
GENTAŞ GENEL METAL SAN. VE TİC. A.Ş.			
GOODYEAR LASTİKLERİ T.A.Ş.			
HAMİTABAT ELEKTRİK ÜRETİM VE TİC. A.Ş.			
İOS GEMİ KİRALAMA VE DİŞ TİC. LTD.			
İGA HAVALİMANI İŞLETMESİ A.Ş.			
İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.			
KARSAN OTOMOTİV SAN. VE TİC. A.Ş.			
KAYSERİ ULAŞIM A.Ş.			
KAZAN SODA ELEKTRİK ÜRETİM A.Ş.			
KOLUMAN OTOMOTİV ENDÜSTRİ A.Ş.			
KORDSA TEKNİK TEKSTİL A.Ş.			
LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.			

MAVİ GİYİM SANAYİ VE TİCARET A.Ş.	
MİGROS TİCARET A.Ş.	
NETAŞ TELEKOMÜNİKASYON A.Ş.	
OSMANGAZİ ELEKTRİK DAĞITIM A.Ş.	
PARK CAM SANAYİ VE TİCARET A.Ş.	
PEGASUS HAVA TAŞIMACILIĞI A.Ş.	
PINAR ENTEGRE ET VE UN SANAYİ A.Ş.	
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	
POLİSAN HOLDİNG A.Ş.	
QNB FİNANSBANK A.Ş.	
SABANCI HOLDİNG A.Ş.	
SASA POLYESTER SANAYİ A.Ş.	
ŞEKERBANK T.A.Ş.	
TEKFEN HOLDİNG A.Ş.	
TEKNOSA İÇ VE DIŞ TİCARET A.Ş.	
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.	
TOYOTA BOSHOKU TÜRKİYE OTOMOTİV SANAYİ VE TİCARET A.Ş.	
TURKCELL İLETİŞİM HİZMETLERİ A.Ş.	
TÜRK HAVA YOLLARI A.O.	
TÜRK HAVACILIK VE UZAY SANAYİİ A.Ş.	
TÜRK TELEKOMÜNİKASYON A.Ş.	
TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.	
TÜRKİYE GARANTİ BANKASI A.Ş.	
TÜRKİYE HALK BANKASI A.Ş.	
TÜRKİYE İŞ BANKASI A.Ş.	

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.	
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.	
TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.	
TÜRKİYE VAKIFLAR BANKASI T.A.O.	
ÜLKER BİSKÜVİ SANAYİ A.Ş.	
VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.	
VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.	
YAPI VE KREDİ BANKASI A.Ş.	
YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.	
ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.	

# SNAPSHOT

## CLIMATE CHANGE / TÜRKİYE 2022

### Response & Scoring Summary

**81**

Total number of responding companies (including SA)

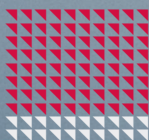
**44**

Number of responding companies within BIST-100

**60**

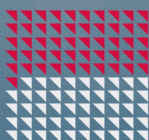
Number of A and B band respondents

### Climate Change Management



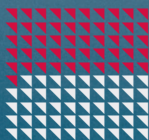
**80%**

Reporting engagement with the suppliers on climate-related issues



**51%**

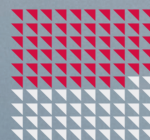
Gross global emissions increased compare to the previous reporting year



**51%**

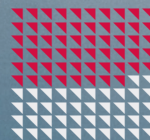
Use an internal price on carbon

### Governance & Strategy



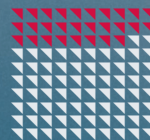
**58%**

Have a company-wide climate-related scenario analysis



**58%**

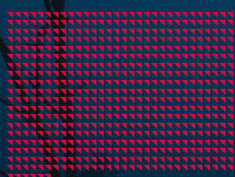
CEO oversight of climate-related issues within the organization



**28%**

Have a publicly available transition plan

### Risks



**576**

Total number of risks identified as relevant



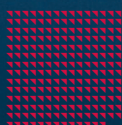
**66%**

Emerging regulations is the most reported risk type

**24 billion Dollars**

Potential financial impact of the risks identified

### Opportunities



**208**

Total number of opportunities identified as relevant



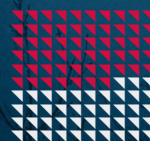
**34%**

Development and/or expansion of low emission goods and services is the most reported opportunity driver

**17 billion Dollars**

Potential financial impact of the opportunities identified

### Targets & Performance



**67%**

Have a company-wide absolute emission targets



**41%**

Have net-zero targets that were active in the reporting year



**67%**

Have a dedicated budget for energy efficiency

# SNAPSHOT

## WATER SECURITY / TÜRKİYE 2022

### Response & Scoring Summary

**52**

Total number of responding companies

**42**

Number of A and B band scores

**92%**

Respondents that have a company-wide water policy

### Water Management

**94%**

Respondents that undertake a water-related risk assessment

**53%**

Total water withdrawal by source is lower or much lower compare to the previous year

**69%**

Respondents that require suppliers to report on their water use, risks and/or management information

### Governance & Strategy

**53%**

The CEO on the Board has responsibility for water-related issues

**57%**

Have products and/or services classified as low water impact

**88%**

Water-related issues are integrated into financial planning of the organization

### Risks

**47%**

More than half of company-wide facilities are exposed to water risks

**41%**

Anticipate risks to materialize within 1 - 6 years

**39%**

Flood is the most reported primary risk driver in direct operations

### Opportunities

**65%**

Efficiency is the most reported opportunity type

**57%**

Anticipate opportunities to materialize within 1 - 6 years

**37%**

Improved water efficiency in operations is the most reported water-related opportunity currently being realized

### Targets & Performance

**90%**

Company-wide targets and goals are in place

**94%**

Provide quantitative metric for water targets

**63%**

Reduced environmental impacts reported as the most common primary motivation behind water targets

## KEY FINDINGS

### CLIMATE CHANGE / TÜRKİYE 2022

#### 1 **9X The cost of inaction is over nine times the cost of action**

Disclosures through CDP by companies in Türkiye indicate that the potential financial impacts of climate risks are far greater than the costs of addressing them. In 2022, the total potential financial impact of risks identified by the companies disclosing through the CDP platform was up to **US\$24 billion**; while only **US\$2.6 billion** was required to mitigate those risks.

#### 2 **2.8X Total number of risks is almost three times higher than the identified opportunities**

In Türkiye, 95% of responding companies have **identified inherent climate-related risks** with the potential to have a substantive financial or strategic impact on their business. Responding companies have also recognized opportunities as well as risks posed by climate change; 96% of responding companies **identified potential opportunities**. However, total number of risks (576) identified as relevant is almost three times higher than the identified opportunities (208).

#### 3 **Carbon pricing mechanisms are by far the most commonly reported risk driver with the potential to have a substantive financial or strategic impact on businesses in Türkiye.**

Carbon pricing mechanisms are becoming increasingly prevalent globally, as governments and regulators seek to address climate change and encourage the transition to a low-carbon economy. In Türkiye, 54% of responding companies anticipate to be regulated by a **carbon pricing system** in the next three years, while 4% of companies are already subject to EU ETS regulations.

#### 4 **A growing number of companies in Türkiye are committing to long-term targets beyond 2030, which are crucial in achieving the goals of the Paris Agreement and limit global warming to 1.5°C.**

In Türkiye, targets are getting ambitious in their **time horizon**. The percentage of companies committing to absolute emissions reductions beyond 2030 has increased from 15% to 58%, and intensity targets from 4% to 32% in just two years. This shows that more companies are recognizing the urgency of the need to take action to address climate change and are setting more ambitious targets to do so.

#### 5 **More companies in Türkiye are recognizing the benefits of renewable energy. The percentage of companies that set a renewable energy target has doubled compared to two years ago.**

In 2022, 41% of companies have set **renewable energy targets**. 38% of companies have set a renewable energy consumption target, while 14% have a renewable energy production target. These numbers have doubled compared to 2020 (They were 19%, 9% respectively).

#### 6 **There has been a significant increase in the number of companies in Türkiye taking action to align their emissions reduction targets with the goals of the Paris Agreement.**

In 2022, 29 companies in Türkiye have **science-based targets**. Out of these, 8 companies have already submitted their targets to SBTi and have received approval. In contrast, in 2020, only one company had an approved target.

#### 7 **For the first time in the last 5 years, the number of companies reporting an absolute increase (51%) in their emissions over the past year is much higher than those reporting a reduction (29%).**

Of those businesses that did report emissions growth was mostly associated to an overall increase in output (47%).

#### 8 **A total number of companies that already use or plan to adopt Internal Carbon Price in the next two years is 64, a 42% increase compared to 2021.**

This growth is largely driven by the parallel development of regulations that directly or indirectly price carbon and the increasing pressure from shareholders and customers for companies to adequately manage their climate-related risks. While 34% of responding companies see the use of an internal carbon pricing system as a way to change internal behaviour, 33% use it to navigate GHG regulations.

#### 9 **In Türkiye, over half of the companies have a public commitment or position statement to conduct their engagement activities in line with the goals of the Paris Agreement.**

A significant portion of the companies (52%) report that their engagement with policy makers is aligned with the goals of the Paris Agreement. This suggests that companies in Türkiye are recognizing the importance of working with policy makers to achieve the objectives of the Paris Agreement. Emission trading schemes is the top issue that companies are engaging with policy makers on.

## KEY FINDINGS

### WATER SECURITY / TÜRKİYE 2022

#### 1 The number of disclosing companies in Türkiye has grown significantly in recent years. We've witnessed 100% growth in corporate water disclosure through CDP in Türkiye in the last five years, with an 18% increase in 2022 alone.

A total of 52 companies based in Türkiye, out of 3,909 companies globally, disclosed through the CDP Water Security Program. In addition, six companies from Türkiye made it to the prestigious A List this year, demonstrating impressive water management leadership.

#### 2 More companies in Türkiye are relying on water sources that are under stress or at risk of depletion.

In 2022, 71% of companies withdraw more than half of their total water from water-stressed areas. This represents an 87% increase from five years ago. It shows that more companies in Türkiye rely on water resources that are under stress or at risk of depletion.

#### 3 In Türkiye, some companies indirectly contribute to water pollution or water degradation.

A significant number of companies (59%) discharge their water to a third-party destination without any treatment and 12% of companies discharge water to the natural environment without treatment. It is important that companies to prioritize responsible wastewater management practices and invest in the necessary technologies and infrastructure to ensure that their operations do not harm the environment or public health.

#### 4 The percentage of companies exposed to water-related risks in Türkiye is well above the world average.

The fact that 27% of companies experienced detrimental impacts related to water, compared to the global average of 8%, shows that there are some unique challenges Turkish companies face. The total financial impact of water-related detrimental impacts on companies in Türkiye was **US\$25.3 million** in 2022.

#### 5 4X The potential financial impact of opportunities is more than four times the cost of risks.

In 2022, the potential financial impact of the risks identified on direct operations was **US\$1.27 billion**. In contrast, the total potential financial impact of the opportunities was up to **US\$5.21 billion**.

#### 6 There is an increasing trend in Türkiye to adopt an internal price on water.

In 2022, only 8 companies in Türkiye used an internal price on water. Globally, this percentage is even lower; only 14%. The percentage of companies using internal price on water (16%) is significantly lower than those using internal price on carbon (51%). However, it is encouraging to see that there are 39 companies planning to set an internal price on water over the next two years.

#### 7 More companies in Türkiye need to set basin-specific targets and goals to take into account the unique water-related risks and challenges of the region in which they operate.

In 2022, 55% of the companies were able to meet over half of their water targets. Although most of the companies (90%) have set **company-wide targets and goals** to enhance water risk management, only 12% have **basin-specific** targets and goals in place.

In 2022, CDP in Türkiye has registered a **21% increase in environmental disclosures** by companies, across CDP's three themes – climate change, water security and forests in response to the request from investors.

In total, 15 cities disclosed their environmental data through CDP-ICLEI Cities reporting platform.

In Türkiye, there are **four Climate Change A**

**list** companies out of global 297 and **six Water Security A list** out of 107. A further 22 companies made to the **CDP Türkiye Leaders List** by receiving an A- score for Climate Change and Water Security disclosures.

For the first time in Türkiye, a record-breaking number of companies (18) received an A score and became a **CDP's Supplier Engagement Ratings (SER) Leader**.

# COMPANY RESPONSE SUMMARY

## CLIMATE CHANGE / TÜRKİYE 2022

### ENGAGEMENT

Since the reduction of GHG emissions plays a key role in tackling the climate crisis, it is crucial for companies to consider their value chain operations. This module examines how organizations are working with their suppliers, customers and other stakeholders, and provides data users with insight into the different types of activities in which organizations engage to influence public policy on climate-related issues.

- 92% reported engagement with the value chain in climate-related issues
- 43% published a voluntary sustainability report
- 27% reported engagement with more than 50% of suppliers
- 51% have a public commitment or position statement to conduct their engagement activities in line with the goals of the Paris Agreement

### CARBON PRICING

Carbon pricing has emerged as a key policy mechanism to drive greenhouse gas emissions reductions and mitigate the dangerous impacts of climate change. As the number of jurisdictions with carbon pricing policies has doubled over the last decade, CDP is interested in understanding how companies are affected by these schemes by examining the details on the operations or activities regulated by carbon pricing systems, carbon credits, and internal prices on carbon. The percentages of the following indicators in this module have increased compared to the previous year.

- 51% use an internal price on carbon
- 34% of companies implement an internal carbon price in order to change internal behavior

### GOVERNANCE

This module aims to capture the governance structure of the company with regard to climate change and provides data users with an understanding of the organization's approach to climate-related issues at the board and the management level. The results demonstrate that the responding companies in Türkiye have strong governance structures and strategies for climate change.

- 97% have board-level oversight of climate-related issues within the organization
- 87% provide monetary incentives for the management of climate-related issues
- 85% have climate risk management procedures that are integrated into multi-disciplinary company-wide risk management process

### EMISSIONS

A meaningful and consistent comparison of emissions over time is an essential step in understanding and reducing negative environmental impacts and managing many climate-related issues. This module allows companies to provide a base year and base year emissions and it provides details of the standard, protocol, or methodology used to collect activity data and calculate Scope 1, Scope 2 and Scope 3 emissions.

- 29% reported a decrease in Scope 1 & 2 emissions
- 51% reported an increase in Scope 1 & 2 emissions
- 92% reported Scope 3 emissions

### ENGAGEMENT

### CARBON PRICING

### GOVERNANCE

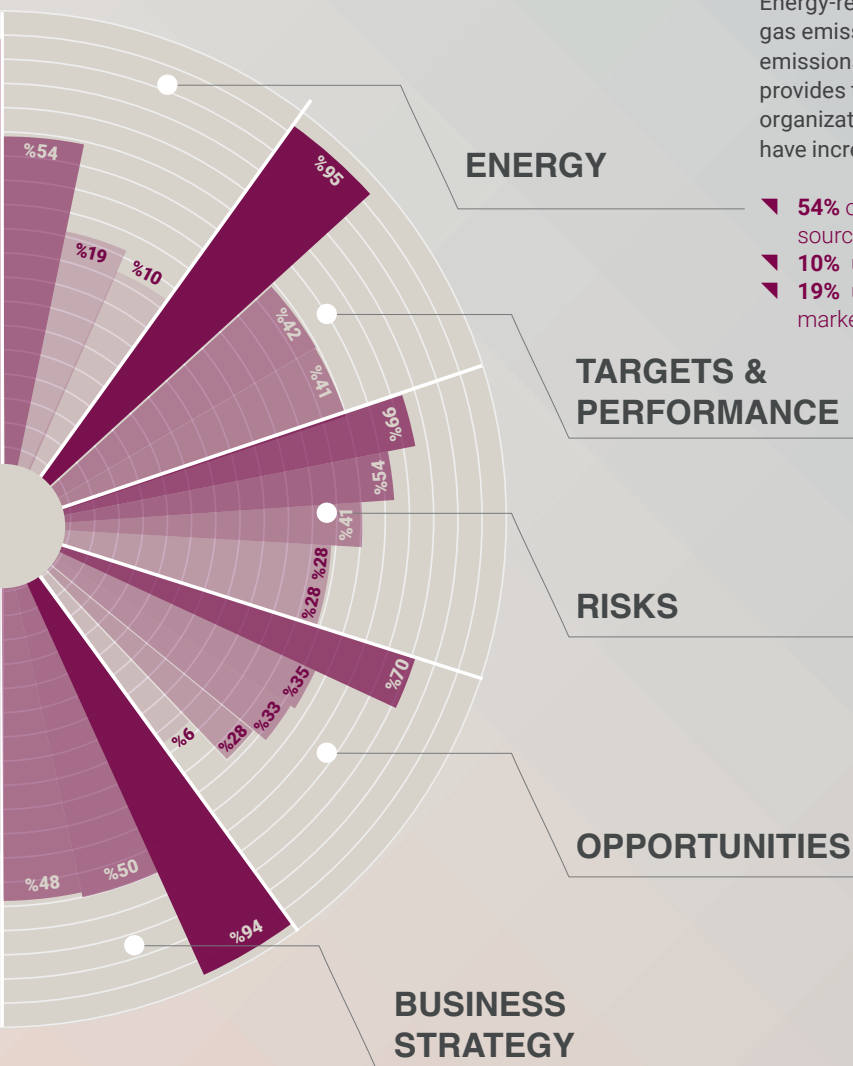
### EMISSIONS

### SCIENCE-BASED TARGETS

### SCIENCE-BASED TARGETS

Companies, which are responsible for a vast majority of the world's emissions, must play a critical role in filling the gap left by country commitments by raising the level of ambition in their target setting and reducing their emissions in line with climate science. Science-based target setting methods enable companies to set emissions targets that are consistent with conserving the remaining global emissions budget. Companies that have joined the SBTi, either through the standard commitment pathway or by joining the Business Ambition for 1.5°C campaign can report on that in the "Targets and performance" module of the CDP climate change questionnaire.

- 41% have net-zero targets that were active in the reporting year and 16% of them consider this a science-based target, and have committed to seek validation of this target by the SBTi in the next 2 years
- 28% have an absolute emission target which is 1.5°C aligned with Science-based target, 10% have an intensity target which is also 1.5°C aligned with SBT.



## ENERGY

Energy-related activities represent the largest share of greenhouse gas emissions in the world for many sectors. Accurate accounting of emissions depends on a comprehensive account of energy. This module provides transparency on the consumption and generation of energy by organizations. In 2022, energy consumption totals from renewable sources have increased significantly.

- 54% of companies report energy consumption totals from renewable sources (excluding feedstocks) in MWh > 0
- 10% use wind as a low-carbon energy technology
- 19% use I-REC and 20% use YEK-G as a tracking instrument for their market-base scope 2 figure

## TARGETS & PERFORMANCE

Target setting provides direction and structure to environmental strategy. This module focuses on emission and low-carbon energy targets, as well as the climate-related targets, details on emission reduction initiatives, and low-carbon products. Providing information on quantitative targets and qualitative goals, and the progress made for these targets can demonstrate the organization's commitment to managing climate-related issues at a corporate level. The percentage of indicators below in this module has increased compared to last year.

- 95% have an emission reduction initiative that were active within the reporting year
- 42% have both absolute and intensity emission target that was active in the reporting year
- 41% have renewable energy consumption or production target

## RISKS

This module helps companies to evaluate exposure to climate-related risks over a range of time horizons, which is crucial to set a strategy for the low-carbon transition recognized in the Paris Agreement and UN SDGs. Responding companies appear particularly mindful of the physical and regulatory risks posed by climate change.

- 95% identified any inherent climate-related **risks** with the potential to have a substantive financial or strategic impact on the business.

Most commonly reported **risk types** with the potential to have a substantive financial or strategic impact on the business:

- Emerging Regulation 66%
- Acute Physical 54%
- Market 41%
- Chronic physical 28%
- Reputation 28%

## BUSINESS STRATEGY

CDP data users are interested in companies' forward-looking strategies and financial decisions that are driven by climate-related future market opportunities, public policy objectives, and corporate responsibilities. This module allows organizations to disclose whether they integrate climate-related issues into their business strategy, have a transition planning, or use scenario analysis to inform business strategy.

- 94% report that climate-related risks and opportunities have influenced company's financial planning
- 48% have a transition plan which aligns with a 1.5°C world
- 50% use both qualitative and quantitative climate-related scenario analysis to inform organization's strategy

## OPPORTUNITIES

Besides the challenges that companies face, climate change also presents opportunities and it is crucial that companies consider these opportunities as well as risks. Among the companies that responded to the opportunities module in 2022, products & services and resource efficiency are the most reported opportunity types considered in the organization's climate-related risk assessments.

- 96% identified any inherent climate-related **opportunities** with the potential to have a substantive financial or strategic impact on the business.

Most commonly reported **opportunity types** that have the potential to have a substantive financial or strategic impact on your business:

- Products and Services 70%
- Resource Efficiency 35%
- Energy Source 33%
- Markets 28%
- Resilience 6%

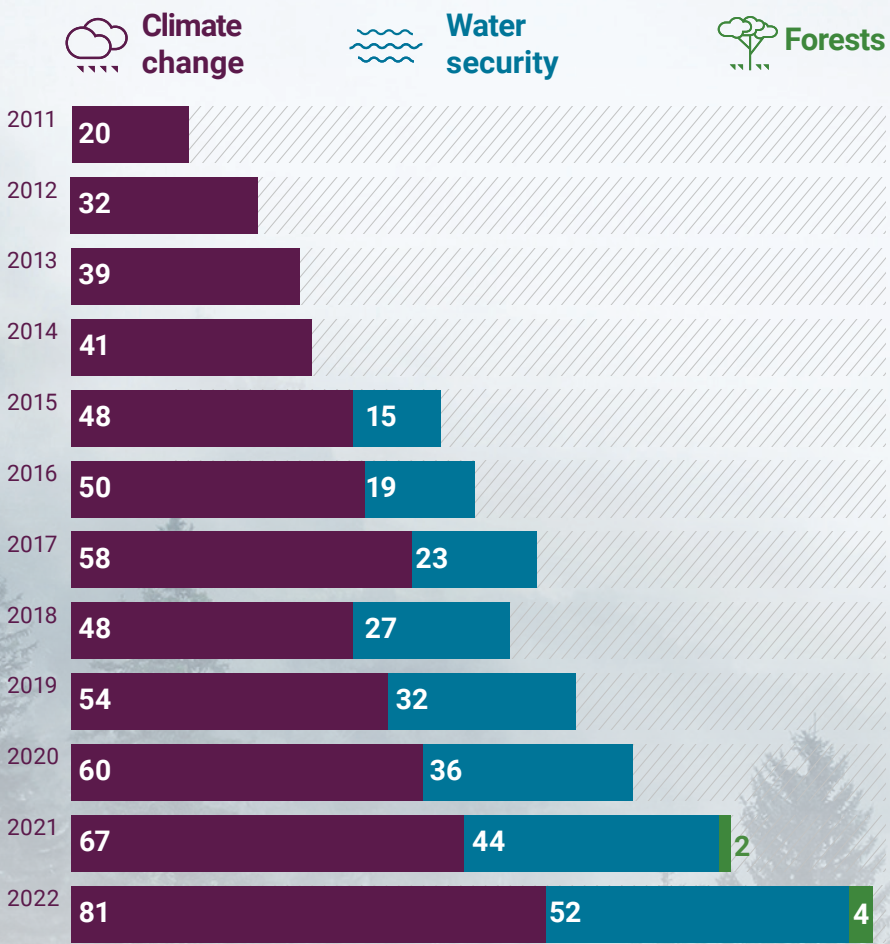
# INTRODUCTION

## TÜRKİYE 2022

CDP's aim is to promote transparency and encourage companies to take action on climate change, by providing information on their environmental performance and risks. CDP is acting on behalf of over 680 institutional investors, representing a combined total of US\$130 trillion in assets under management. It is encouraging to see that 2022 has been a year of significant progress in climate disclosure, with record-breaking numbers of companies and cities reporting through CDP on their efforts to address climate change, deforestation, and water security. More than 18,500 companies - representing half of global market capitalization- and more than 1,100 cities, states, and regions disclosed data through CDP in 2022.

In 2022, CDP in Türkiye has registered a **21% increase in environmental disclosures** by companies, across CDP's three themes – climate change, water security and forests in response to the request from investors. 20 companies in Türkiye reported their emissions to CDP for the first time in 2022. In total, 15 cities disclosed their environmental data through CDP-ICLEI Cities reporting platform.

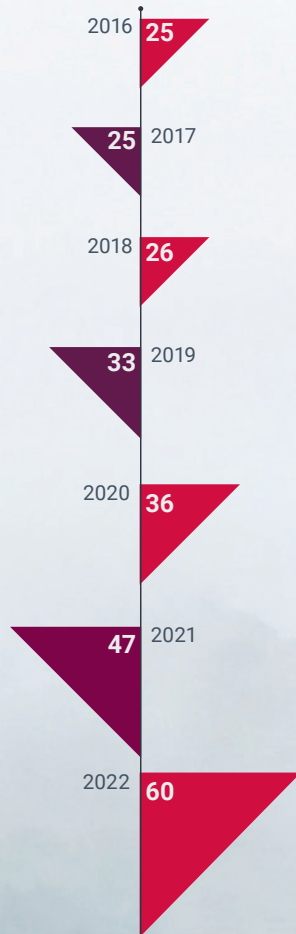
### Number of responding companies in Türkiye since 2011



CDP holds the largest environmental database in the world, and CDP scored nearly 15,000 companies on their climate change, forests and water security disclosures in 2022. Out of these, 330+ companies made to the CDP's prestigious A list.

In Türkiye, there are **four Climate Change A list** companies out of global 297 and **six Water Security A list** out of 107. In total, nine Global A companies from Türkiye are leading the way in environmental transparency and performance this year – Aydem Yenilenebilir Enerji, Arçelik, Brisa, Carrefoursa, Garanti BBVA, Kordsa, Mavi Giyim, Tekfen, T. Halk Bankası. A further 22 companies made to the **CDP Türkiye Leaders List** by receiving an A- score for Climate Change and Water Security disclosures. For the first time in Türkiye, a record-breaking number of companies (18) received an A score and became a **CDP's Supplier Engagement Ratings (SER) Leader**. Please see all leader categories in the CDP Türkiye leaders chapter.

Number of A & B band score distribution since 2016 (climate change and water security scores in total)



## New developments by CDP

- CDP has announced that it will incorporate the International Sustainability Standards Board (ISSB) Climate-related Disclosures Standard into its global environmental disclosure platform. This will help to standardize reporting on climate-related risks and opportunities across different organizations, making it easier to compare performance and identify best practices.
- CDP have included a new set of questions related to plastic pollution which will help in collecting more detailed data on this issue. This information can then be used to find solutions to reduce plastic pollution.
- For the 2022 disclosure cycle, CDP has introduced new questions related to biodiversity. This will help in assessing how companies are impacting biodiversity and what measures they are taking to address it.
- CDP has launched a new government dashboard that provides policymakers with direct access to corporate and subnational action. This interactive tool will help policymakers to identify areas where more action is needed and to track progress in addressing climate change.

## COMPANY RESPONSES OVERVIEW

### CLIMATE CHANGE / TÜRKİYE 2022

# 81

## companies responded to CDP Climate Change Program

CDP requested the largest 100 companies listed in Borsa Istanbul 100 Index (BIST-100) and companies with high environmental impact in Türkiye to disclose their environmental information in 2022. **In total, 81 companies responded to CDP Climate Change Program in Türkiye, an increase of 21% from the previous year.** Out of 81 companies, 44 are from the official sample (BIST-100) and 37 are outside of the official sample, including those reporting voluntarily as 'self-selected' companies (SSCs) or companies that are listed in CDP's global environmental samples. This suggests that there is a growing awareness and willingness among companies in Türkiye to voluntarily disclose their environmental information. The following analysis in this report includes 79 companies in total, excluding the companies responded as 'See Another' (SA) which means that the company is a subsidiary of a parent company which responds to CDP.

"In **Enerjisa Üretim Santralleri**, the Board is reviewing and guiding strategy, major plans of action, risk management policy, annual budget, business plans, setting performance objectives, monitoring implementation and performance of objectives, overseeing major capital expenditures, acquisitions and divestitures, monitoring and overseeing progress against goals and targets for addressing climate-related risks and issues as scheduled. The most strategic product-based company level decisions including risks and opportunities related to climate change are taken by the Board."

# 97%

## have board-level oversight of climate-related issues

# 87%

## have monetary incentives for the management on climate-related issues

### ▼ Governance & Business Strategy

As the world continues to grapple with the challenges posed by climate change, businesses must recognize that effective governance and strategic planning are critical components of managing their climate-related risks and opportunities. This requires board-level leadership and engagement. It also requires strong communication and collaboration across all levels of the organization to ensure that climate-related issues are effectively managed and integrated into day-to-day decision-making.

Almost all respondents (97%) in Türkiye stated that they **have board-level oversight of climate-related issues** within the organization; more than half (58%) of the companies have **CEO oversight**. To accelerate the pace of addressing climate-related issues, companies are adopting the practice of incentivizing the management of those issues via benefits. 93% of companies provide **incentives for the management of climate-related issues**, including the attainment of targets. A further 87% have **monetary incentives**.

**Transition plans** are a vital tool to demonstrate to investors and stakeholders that an organization is committed to achieving a 1.5°C pathway, and its business model will remain relevant in a net-zero carbon economy. Transition plans define how the business model, growth strategy and capital investments need to develop over time to respond to climate-related risks and capitalize on opportunities. **48% of responding companies in Türkiye have a transition plan which aligns with a 1.5°C world** and 28% of them have a publicly available transition plan. A further 19% vote on those plans at Annual General Meetings (AGMs).



# 48%

## have a transition plan which aligns with a 1.5°C world

### Scenario analysis

Scenario analysis is a powerful tool for organizations to use in understanding and addressing climate-related risks and opportunities. By examining a range of plausible future scenarios, organizations can better anticipate and plan for potential risks and opportunities related to climate change, such as changes in regulations, physical impacts, shifts in consumer preferences, and technological innovations. Scenario analysis can help organizations to think more critically about their assumptions and strategies, and to identify potential blind spots or vulnerabilities that may not be apparent under a business-as-usual approach. In addition to its internal benefits, scenario analysis can also be a valuable tool for communicating with stakeholders, such as investors, customers, and regulators. By sharing insights from scenario analysis, organizations can demonstrate their commitment to addressing climate-related risks and opportunities, and provide greater transparency about their strategic planning and decision-making processes.

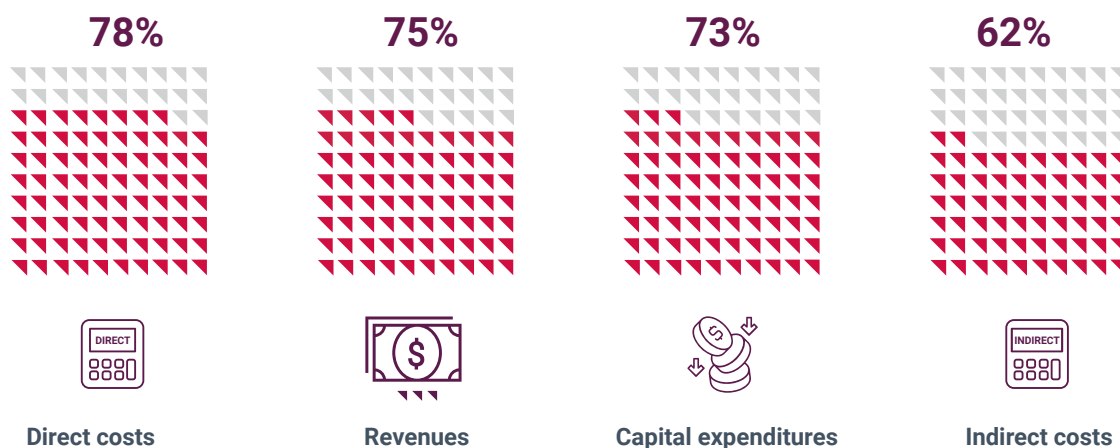
**58%**  
used a company-wide  
scenario analysis

**13%**  
have a 1.5°C aligned  
scenario analysis

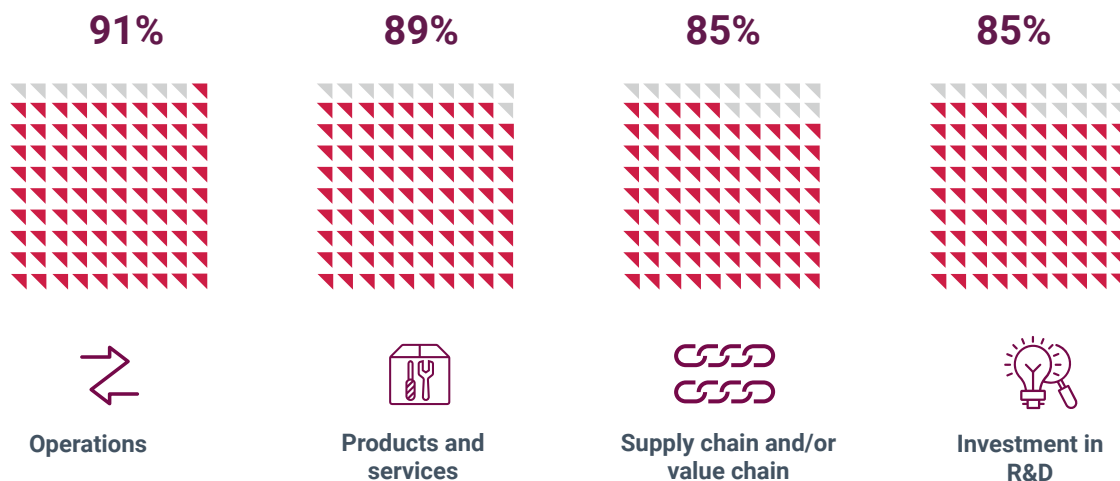
A significant percentage of companies (76%) in Türkiye are adopting best practices by using a **scenario-based approach** to inform their corporate strategy around climate change. In 2022, 58% of companies in Türkiye used a **company-wide scenario analysis** and half of them use **both qualitative and quantitative approaches**. It is notable that a significant percentage of companies have both **physical climate scenarios** (56%) and **transition scenarios** (65%), which indicates that they are considering both the physical risks associated with climate change (such as extreme weather events) and the transition risks associated with the shift to a low-carbon economy (such as policy changes or technological disruptions). 13% of responding companies have a **1.5°C aligned scenario analysis**, which means they are considering the more ambitious goal of limiting global warming to 1.5°C.

In 2022, 91% of companies stated that **climate-related risks and opportunities influenced their organization's strategy and/or financial planning**. The lists below show where and how those risks and opportunities have influenced the financial planning of companies:

#### ▼ Financial planning elements that have been influenced



#### ▼ Business area that have been influenced



**85%**  
have multi-disciplinary  
company-wide risk  
management process

"As a Holding company, the most relevant impact related to mismanagement of climate issues would be loss of investors, since **Sabancı Holding** do not have any production activities nor have direct customers. Therefore, the estimated cost of each risk is presented as the amount of investor exit. On the other hand, the cost of mitigating such risks may occur in downstream, i.e. group companies, rather than at the Holding level."

**9x**  
the cost of inaction is  
over nine times the cost  
of action

"**SASA** plans to minimize the financial effects of risks by means of energy efficiency and fuel conversion investments in 2023 and beyond. The investments planned to be established are transition technologies from coal to natural gas, steam saving, waste heat recovery, increasing the amount of energy to be produced from biogas with the installation of an integrated waste water treatment system."

## ▼ Risk Management & Risk and Opportunity Disclosure

It is essential for companies to evaluate their exposure to climate-related risks and opportunities, as this is crucial for their success in transitioning to a low-carbon economy. The potential negative impacts of climate change outweigh the costs of mitigating them, and there are significant opportunities to be realized in the process of transition. Environmental stewardship is directly related to the quality of the process of identifying, assessing, and managing climate-related risks and opportunities, and companies that are proactive in addressing these issues are likely to be better positioned to succeed in the long term.

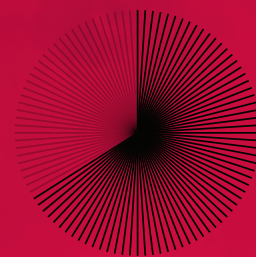
Many companies in Türkiye have recognized the importance of **identifying, assessing, and responding to climate-related risks and opportunities**. Specifically, 93% of companies reported having a process in place for this purpose. 85% of companies have integrated climate-related risks and opportunities into their **multi-disciplinary company-wide risk management process** indicates that these companies are taking a holistic approach to risk management that includes climate considerations. However, it is worth noting that only 11% of companies have a **specific climate-related risk management process**, which may suggest that there is room for improvement in terms of dedicated attention to this issue.

The **frequency of assessments** is also an important factor to consider. 68% of companies assessing climate-related risks and opportunities more than once a year and only a third of companies assess climate-related risks annually, which may not be sufficient to keep up with the pace of change in this area.

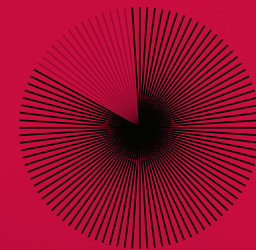
In 2022, 95% of responding companies **identified inherent climate-related risks** with the potential to have a substantive financial or strategic impact on the business. Disclosures through CDP by companies in Türkiye indicate that the potential financial impacts of climate risks are far greater than the costs of addressing them. In 2022, the total potential financial impact of risks identified by companies in Türkiye was up to **US\$24 billion**; while only **US\$2.6 billion** was required to mitigate those risks. The cost of inaction is over nine times the cost of action.

Responding companies have also recognized opportunities as well as risks posed by climate change; 96% of responding companies **identified potential opportunities** that could have a substantive or strategic impact on their business. The **potential financial impact of opportunities** identified by companies in Türkiye amounts to US\$17 billion in total. However, total number of risks (576) identified as relevant is almost three times higher than the identified opportunities (208).

## ▼ Value Chain stages for identifying, assessing and responding to climate-related risks and opportunities



**68%**  
Downstream



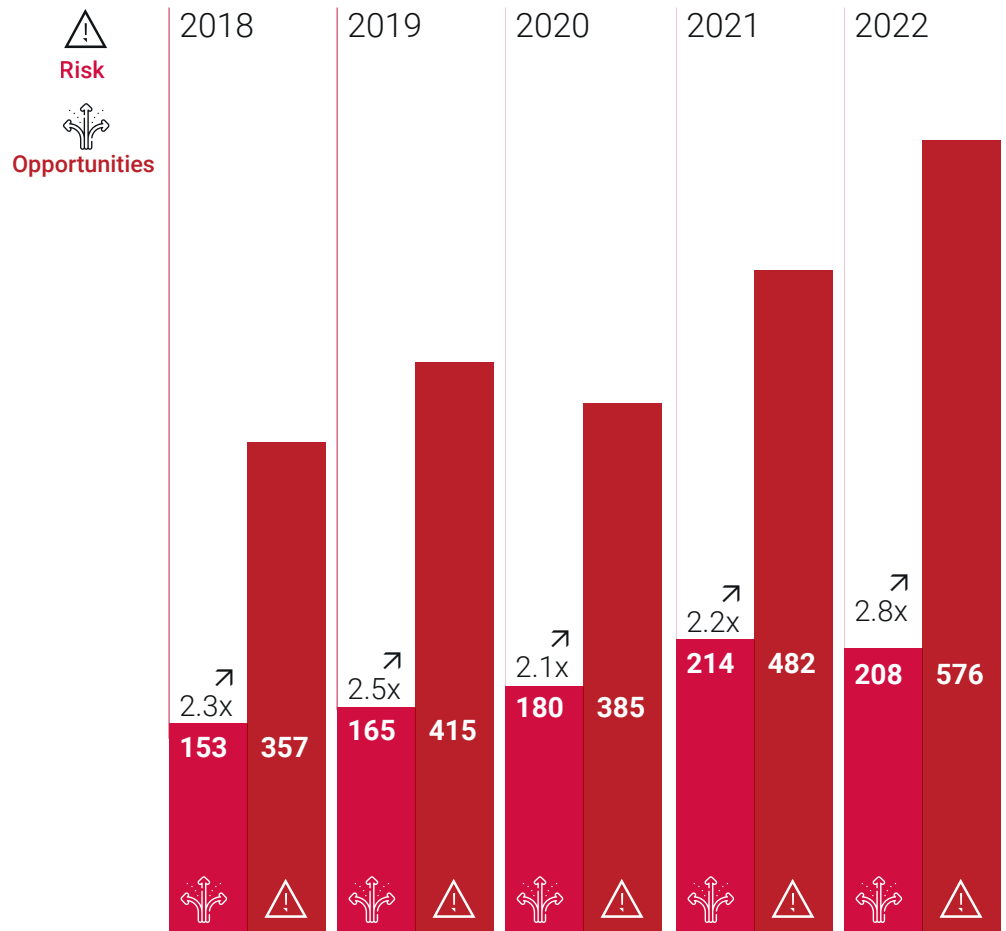
**82%**  
Upstream



**91%**  
Direct Operations

▼ Total Number of risks and opportunities identified as relevant by companies since 2018

**2.8x**  
total number of risks is almost three times higher than the identified opportunities



"As **Mavi**, we should address the rising awareness on climate-related issues by showing our customers that we are committed to reduce our environmental impact. Our customers are increasingly interested in lower impact, more sustainable apparel products. This increased interest can in turn increase the demand for our lower impact apparel products. To address this opportunity, we have launched our most sustainable collection "All Blue" which includes products manufactured with less water and less energy with more efficient manufacturing processes and made with lower impact materials."

The most commonly reported **risk type** with the potential to have a substantive financial or strategic impact on the business is related to **emerging regulation** (66%). This is attributable to the recent national and international developments on carbon markets, carbon tax and climate law. Acute physical risks, such as extreme weather conditions and temperature changes, are the second most commonly reported risk type with a potential financial or strategic impact on businesses in Türkiye, accounting for 54% of reported risks. These risks are known to affect almost all sectors in the country.

In terms of opportunities, **products and services** are identified as the most promising area for businesses to achieve financial or strategic gains, with 70% of reported **opportunity types** falling in this category. Resource efficiencies (35%) and alternative energy sources (33%) are also frequently cited as areas where businesses can save money and create value.

## ▼ Most commonly reported risk & opportunity types



**Carbon pricing mechanisms** are becoming increasingly prevalent globally, as governments and regulators seek to address climate change and encourage the transition to a low-carbon economy. It is not surprising that carbon pricing mechanisms are by far the most commonly reported risk driver with the potential to have a substantive financial or strategic impact on businesses in Türkiye (58%).

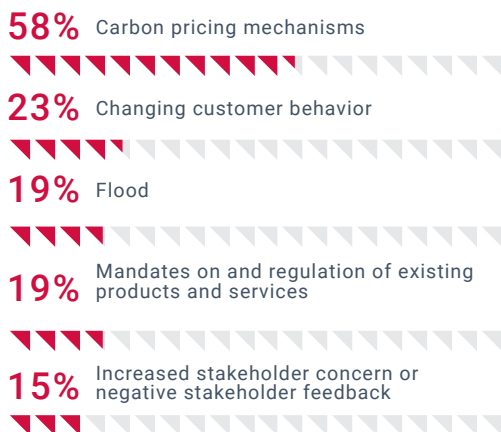
Development and/or expansion of low

emission goods and services (34%) is the most commonly reported climate-related **opportunity driver**. The shift in consumer preferences (30%) towards sustainable products and services is another opportunity driver that businesses can take advantage of. Consumers are increasingly aware of the impact of their purchasing decisions on the environment and are looking for products and services that have a lower environmental impact.

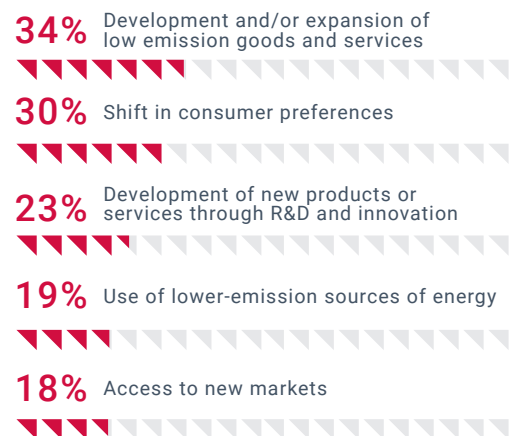
## ▼ Most commonly reported risk & opportunity drivers



### Risk drivers



### Opportunities drivers



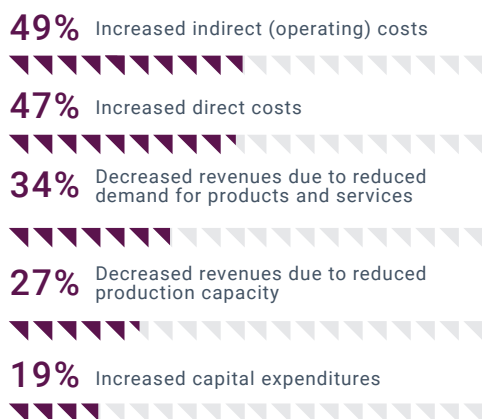
In 2022, 59% of companies provided at least one figure for the potential financial impact of risks and 77% for the potential financial impact of opportunities. The primary **potential financial impacts of the risks** were mostly related to increased indirect (49%) and direct (47%) costs, which were often linked to GHG emissions pricing. On the other hand, the top identified **potential financial impacts of opportunities** were increased revenues resulting from increased demand for products and services (61%).

**59%**  
provided at least one  
figure for the potential  
financial impact of risks

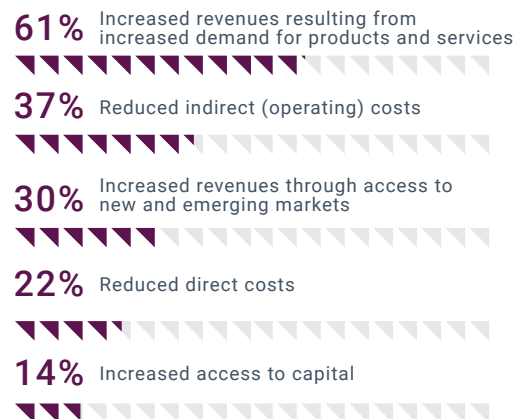
## Primary potential financial impacts of the risks & opportunities identified



### Financial impacts of the risks



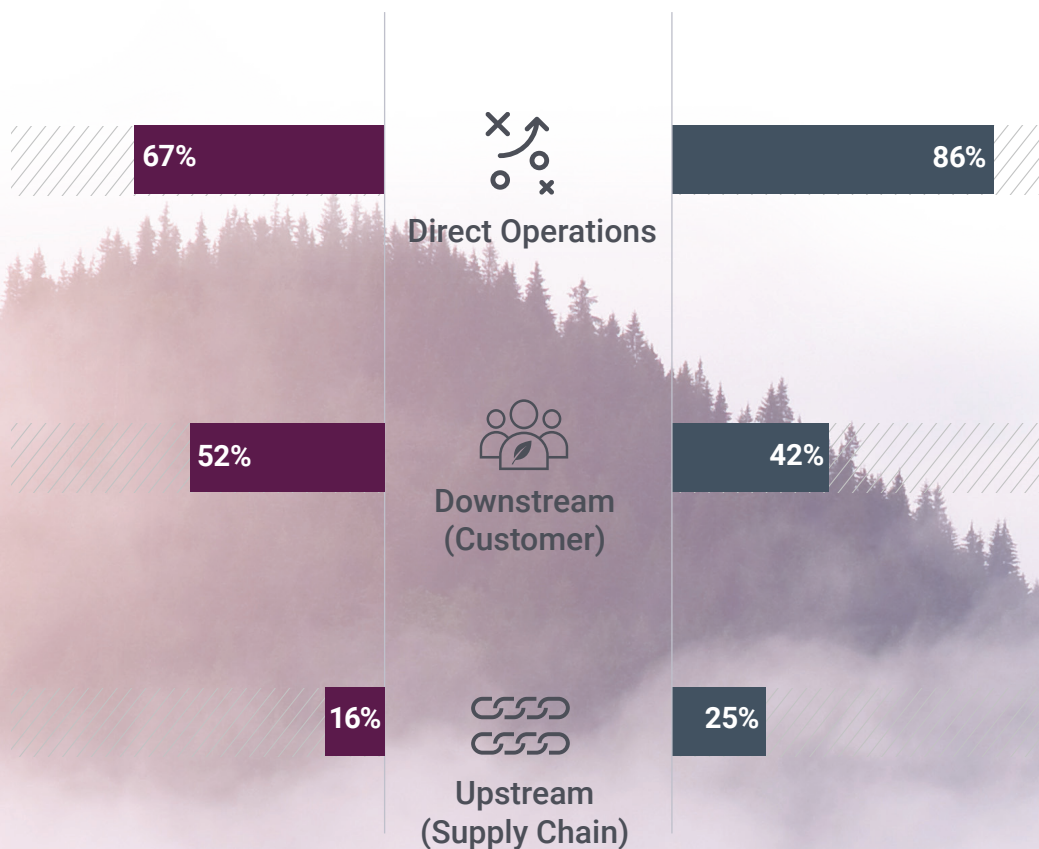
### Financial impacts of the opportunities



The **frequency and time horizon of risk assessment** are critical components of a comprehensive risk management strategy. By regularly reviewing and assessing risks and opportunities, businesses can identify potential threats and take proactive measures to mitigate them, also identifying opportunities to capitalize on emerging trends and changes in the marketplace. In

the **direct operations**, identified risks and opportunities occur mostly in medium term (91% and 58% accordingly). This suggests that businesses need to have a relatively long-term outlook when assessing risks and opportunities. In the **value chain**, the risk factor and opportunity occur mostly in direct operations (86% and 67% accordingly).

## Where does the risk factor and opportunity occur in the value chain?

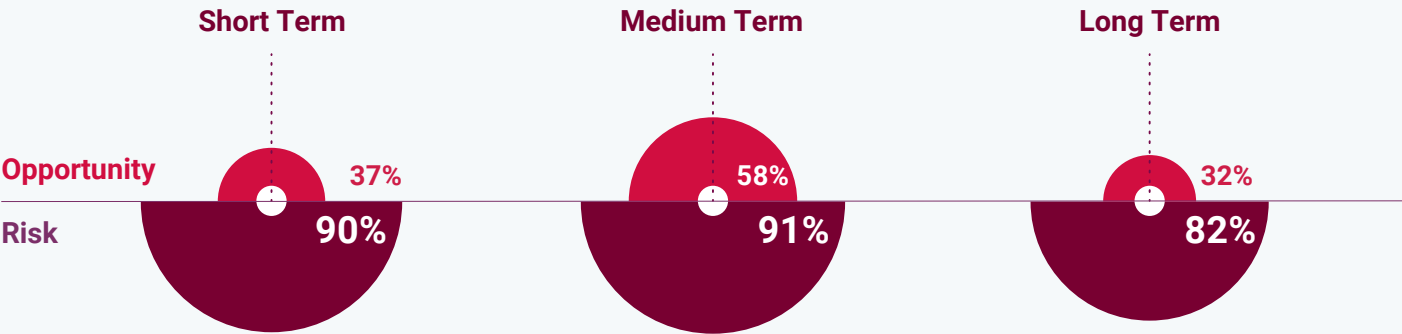


Opportunity Driver



Risk Driver

Time horizon of the identified risks and opportunities in direct operations



42% undertake both absolute and intensity reduction targets

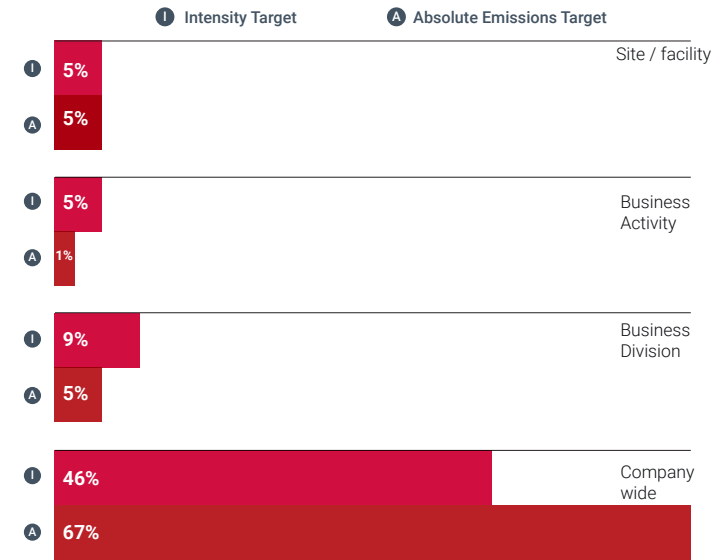
Targets and Performance

Setting emissions reduction targets creates a clear direction for action on climate change. It helps governments and businesses to focus on reducing emissions to a specific level, which provides a sense of urgency and purpose.

In Türkiye, a significant number of companies (90%) have an emissions

reduction target that was active in the reporting year, majority of which have set absolute targets (72%). A further 42% undertook both absolute and intensity reduction targets and this year, for the first time, three financial services companies have mentioned that they have a portfolio target in place. Most of the absolute and intensity targets set by companies in Türkiye are company-wide.

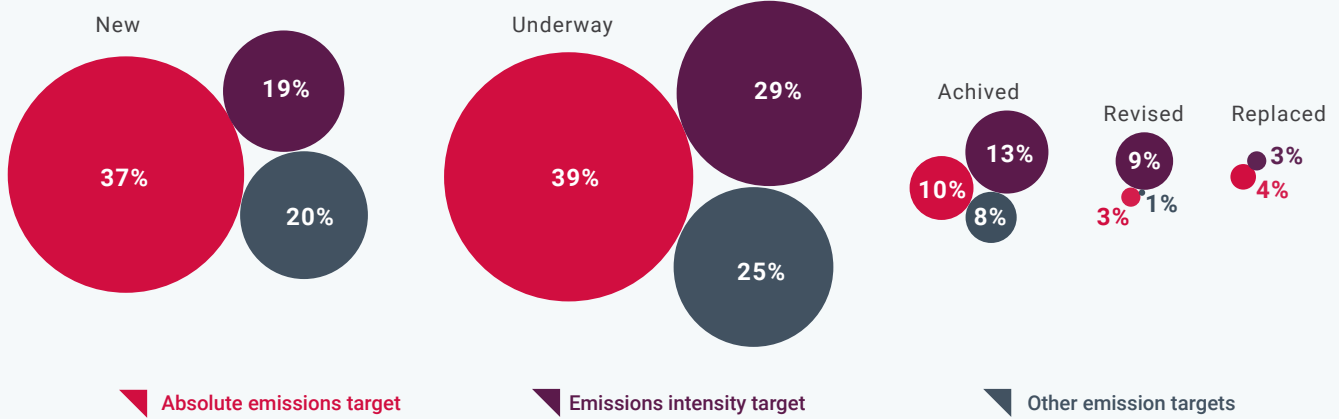
Emissions target coverage



In Türkiye, targets are getting ambitious in their time horizon. A growing number of companies are committing to long-term targets beyond 2030, which is crucial in achieving the goals of the Paris Agreement and limit global warming to 1.5°C. The percentage of companies committing to absolute emissions reductions beyond 2030 has increased from 15% to 58%, and intensity targets from 4% to 32% in just two years. This shows that more companies are recognizing the urgency of the need to take action to address climate change and are willing to set ambitious targets to do so.

Focusing on the absolute targets, which are crucial to drive companies' emissions reductions no matter their changes in output or in size, 39% of companies in Türkiye report in detail about absolute targets underway (53 targets in total). 13% of companies report that they have achieved their current intensity targets by completing their targets 100% in the reporting year but the majority of the reported targets are still underway (29%). The number of new absolute and new intensity targets in total are 47 and 18 accordingly.

## Progress made against emission targets



## 41% have renewable energy target

"The steps **Tofaş** take in our transition to low-carbon economy and fight against climate change focus on three main topics: Reduction of emissions from our production activities; raising awareness of our supply chain regarding climate change and monitoring the related emissions; studies on energy efficiency and alternative fuels in vehicles. 21% of our R&D activities are about reducing emissions and by 2030, we aim to reduce our greenhouse gas emissions resulting from production by 50% compared to 2019."

To deliver against their targets, global companies are increasingly turning to clean energy, cutting emissions while simultaneously increasing their energy productivity, and reducing their energy use. In 2022, 44% of companies in Türkiye have set targets to increase their **low-carbon energy consumption** or production demonstrates a growing awareness of the importance of transitioning to more sustainable energy sources.

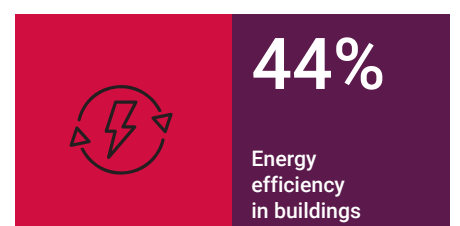
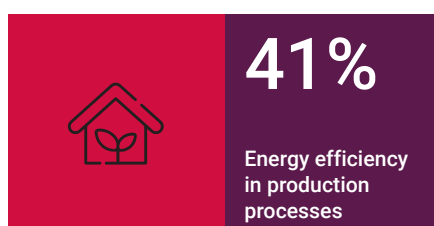
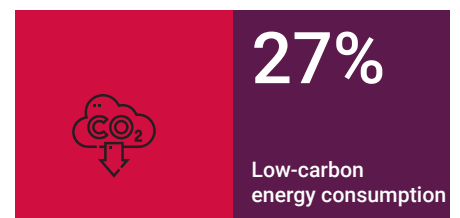
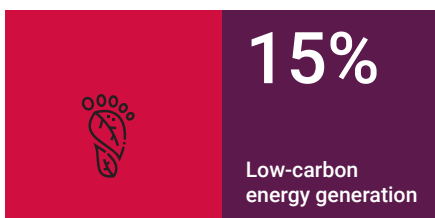
More businesses in Türkiye are recognizing the benefits of renewable energy, including its potential to reduce operational costs, enhance energy security, and mitigate climate risks. In 2022, 41% of companies have **renewable energy target**. 38% of companies have set a renewable energy consumption target, while 14% have a renewable energy production target. These numbers have doubled compared to 2020 (They were 19%, 9% respectively).

In Türkiye, 63% of companies classify some of their existing goods and/or services as **low-carbon products**. The diversity of

low-carbon products and services being offered by companies in Türkiye, such as power (10%), road infrastructure (8%), building construction or renovation (5%), etc. highlights the potential for low-carbon innovation across a wide range of sectors. This not only presents opportunities for investors but also for businesses to expand their offerings and contribute to sustainable development.

Companies in Türkiye are taking a proactive approach to reducing their emissions. It is encouraging to see that 95% of companies in Türkiye reported active **emissions reduction initiatives** in the reporting year. A significant percentage of these initiatives (44%) are related to energy efficiency in buildings. This is not surprising since buildings are a major source of energy consumption and emissions, and improving their energy efficiency can result in significant cost savings for businesses. Energy efficiency in production processes (41%) is another area where companies are focusing their emissions reduction efforts.

## Most commonly reported initiatives implemented in the reporting year/ activity type



# 66%

have active emission reduction initiatives will payback in 10 years

Most companies (66%) believe that their active emission reduction initiatives will payback in 10 years. While it is encouraging to see that almost half of companies (46%) believe that their payback period will be less than a year, it is important for companies to set realistic expectations and timelines for their emission reduction efforts. In some cases, longer payback periods may be necessary in order to achieve significant emission reductions and to make

sustainable investments in the future.

It appears that a significant percentage of companies (67%) in Türkiye are taking steps towards energy efficiency activities by allocating a **dedicated budget** for this purpose. Compliance with regulatory requirements (41%) and engaging employees (37%) are also important methods that companies use to drive investments in these areas.

▼ **Most commonly reported methods to drive investment in emissions reduction activities**



# 29

have science-based targets

▼ **Science Based Targets**

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reduction targets in line with the latest climate science. It is focused on accelerating companies and financial institutions across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. CDP is supporting companies to set their targets based on science as a founding partner of the SBTi. Investors are also urging companies to set science-based targets to decarbonize their portfolios and mitigate climate-related risks. Companies

with validated science-based targets are reducing GHG emissions at a faster and more ambitious pace than the economy as a whole according to the SBTi's latest progress report.

In 2022, 29 companies in Türkiye have **science-based targets**. Out of these, 8 companies have already submitted their targets to SBTi and have received approval. In contrast, in 2020, only one company had an approved target. This suggests that there has been a significant increase in the number of companies in Türkiye taking action to align their emissions reduction targets with the goals of the Paris Agreement.

## Science Based Target status of companies

No, and we do not anticipate setting one in the next 2 years



No, but we anticipate setting one in the next 2 years



No, but we are reporting another target that is science-based



Yes, we consider this a science-based target and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years



Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative



Yes, and this target has been approved by the Science-Based Targets initiative



ABSOLUTE EMISSIONS TARGET

EMISSIONS INTENSITY TARGET

NET-ZERO TARGET

## 22 have set 1.5°C aligned science-based absolute emission targets

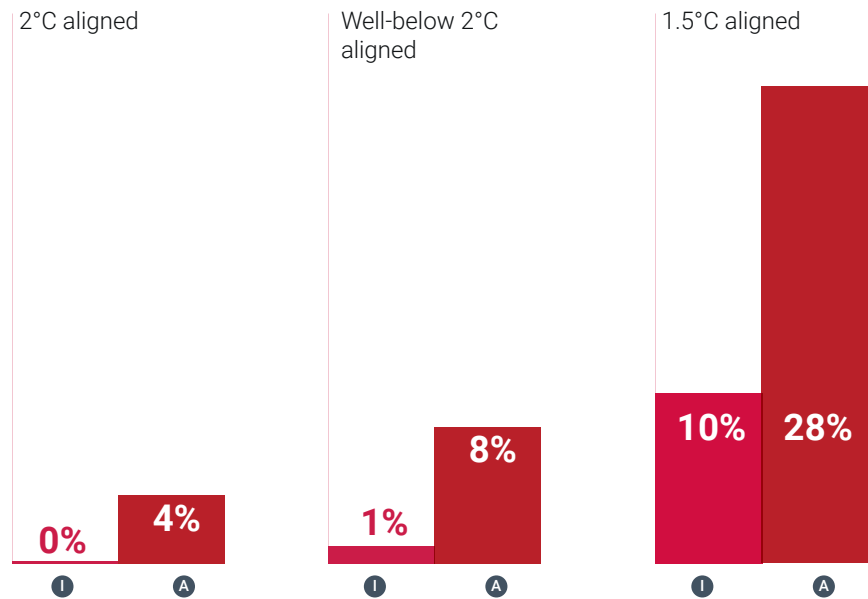
In 2022, 26 companies have reported that their absolute target is science-based and 22 of them have set **1.5°C aligned science-based absolute emission targets**. Besides, 8 companies have set **1.5°C aligned**

**science-based intensity targets**, which means that they are not only reducing their absolute emissions but also improving their emissions intensity in line with the more ambitious 1.5°C goal.

## Target ambition of absolute and intensity science-based targets

I SBT target/ Intensity

A SBT target/ Absolute



## 32 have a net-zero target

"Yapı Kredi became the first institution from TÜRKİYE joined to the "Business Ambition for 1.5°C" platform of the SBTi in 2021 as a part of its strategy to fight against climate change. Thus, the Bank pledged to set its emission reduction targets for limiting the global warming to 1.5°C in line the with the targets of the Paris Agreement. As a company in financial sector, the most of the emissions of Yapı Kredi arises from its investment activities specified as Scope 3 Category 15. That's why, the Bank aims to reduce its emissions by focusing on investing low-carbon sectors and creating more natural-friendly products for their clients."

Having a net-zero target means that these companies are committed to reducing their GHG emissions to as close to zero as possible and offsetting any remaining emissions through activities such as reforestation or carbon capture technologies. In 2022, 32 companies in total have a **net-zero target** in Türkiye and only one of them has been approved by the SBTi. This means that there is still a lot of work to be done to ensure that these net-zero targets are credible and aligned

with the latest climate science. However, it's encouraging to see that 13 companies have committed to seeking validation from the SBTi in the next two years. Additionally, it's positive that 17 companies are planning to **neutralize any unabated emissions** with permanent carbon removals at the target year. This means that these companies are not only reducing their emissions but are also taking steps to actively remove carbon from the atmosphere.

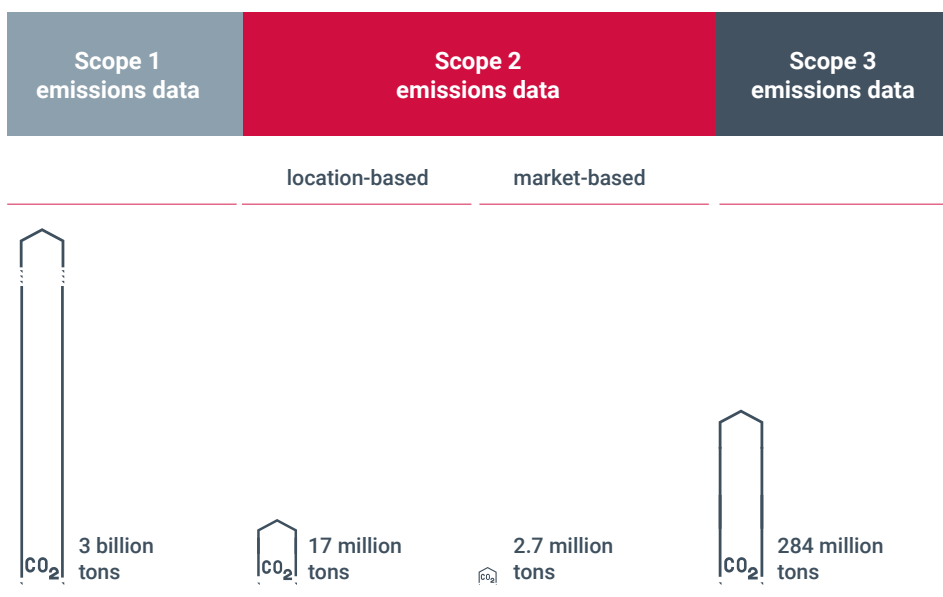
92%  
reported scope 1 & 2  
emissions

### ▼ Emissions trend & energy

Reporting emissions data is an essential part of tracking progress towards sustainability goals and identifying areas for improvement. It's encouraging that such a high percentage of companies (92%) across

all sectors are reporting both their **Scope 1 & 2 emissions**, as well as their **Scope 3** (92%) emissions. This shows a commitment to understanding their environmental impact across their entire value chain and taking responsibility for emissions that occur indirectly as a result of their operations.

### ▼ Reported emissions

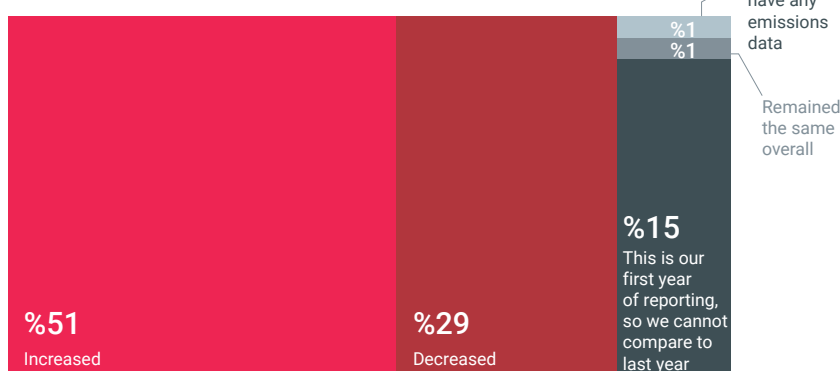


51%  
reported an absolute  
increase in their  
emissions over the past  
year

For the first time in the last 5 years, the number of companies reporting an absolute increase (51%) in their emissions over the past year is much higher than those reporting a reduction (29%). **Increased emissions** are not necessarily a sign of poor progress on climate change. Of those businesses that did report emissions growth was mostly associated to an overall increase in output (47%). However, it is still concerning to see a year-on-year increase in overall emissions. Furthermore, while

an increase in output may explain the increase in emissions, it also highlights the need for businesses to adopt sustainable production methods and shift towards renewable energy sources to reduce their overall impact on the environment. Where reductions were achieved, these were supported in 54% of companies by the implementation of proactive emissions reduction activities and change in renewable energy consumption (25%).

### ▼ Emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year



# 72%

Scope 3 emissions have been externally assured or assurance is underway

**Third-party verification and assurance** ensure the quality of data and processes disclosed. 82% of companies in Türkiye indicated that their Scope 1 & 2 emissions have been externally assured or assurance is underway. A growing number of companies in Türkiye recognize the importance of verifying the accuracy of their Scope 3 emissions data even though it is often more difficult to quantify when compared to Scope 1 & 2 emissions. The increase in third-party verification from 41% in 2020 to 72% in 2022 is a positive trend, indicating a growing commitment to environmental reporting and transparency.

**Energy-related activities** represent the most significant GHG emission sources. Accurate emissions accounting depends on a comprehensive account of energy. Consumption of fuel and consumption of purchased or acquired electricity are the **top two energy-related activities** that the companies have undertaken in Türkiye.

By choosing to use electricity from renewable sources, companies can make a positive impact on the environment and help to accelerate the transition to a low-carbon economy. Almost all companies (94%) provide **energy consumption totals**; including energy consumption totals from **renewable sources** (54%). A further 90% provides **fuel consumption totals** by fuel type consumed by the company.

"As **Coca Cola İçecek**, we have a plan to use a considerable amount of renewable energy in our operations by 2030. We are planning to produce about 20% of our own consumption via renewable resources. Producing our own electricity via renewable resources will reduce our operational expenses and GHG emissions. By 2030, we aim to run our manufacturing operations on 100% renewable electricity and make them carbon-neutral. Therefore, in addition to producing our electricity via renewable resources, we may consider purchasing renewable electricity through power purchase agreements or energy attribute certificates depending on the availability in the markets we operate in."

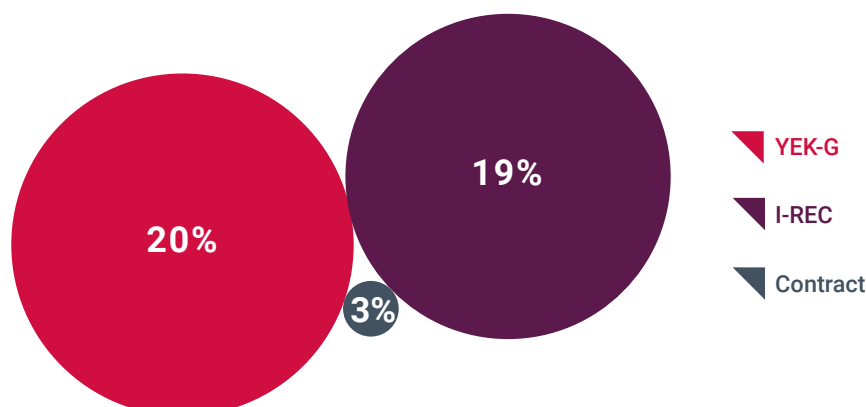
In 2022, 24% of companies reported an electricity, heat, steam, and/or cooling amounts that were accounted for at a zero-emission factor or near-zero emission factor in the market-based Scope 2 figure. In total 16 companies used YEK-G<sup>1</sup> and 15 companies used I-REC<sup>2</sup> as a **tracking instruments** while sourcing renewable energy.

1. YEK-G is a national renewable energy resource guarantee system that allows consumers to obtain electric energy generated from renewable resources by documenting it.
2. International Renewable Energy Certificate (I-REC) is the internationally used standard to certify the renewable origin of electricity. I-REC is used in over 45 countries including Türkiye.

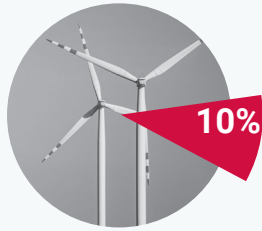
## Renewable energy tracking instruments used in Türkiye

# 54%

provided energy consumption totals from renewable sources in MWh



## Low carbon technology types



Wind



Hydropower



Large Hydropower



Solar



Renewable Energy Mix



Geothermal

**51%**  
use an internal carbon price

## Carbon Pricing

In Türkiye, 54% of responding companies anticipate to be regulated by a **carbon pricing system** (i.e. ETS, Cap & Trade or Carbon Tax) in the next three years, while 4% of companies are already subject to EU ETS.

**Internal Carbon Price (ICP)** has emerged as a powerful approach to assess and manage carbon-related risks and opportunities that may arise from the transition to a low-carbon economy. It is a key metric to assess climate-related risks and opportunities in line with TCFD's strategy and risk management process. By implementing an ICP system, companies can better understand the financial implications of their carbon emissions and incentivize internal efforts to reduce them. This can help them to be better prepared for future regulations that may impose costs on carbon emissions or for potential carbon taxes, while also demonstrating their commitment to sustainability and environmental responsibility to their shareholders and customers.

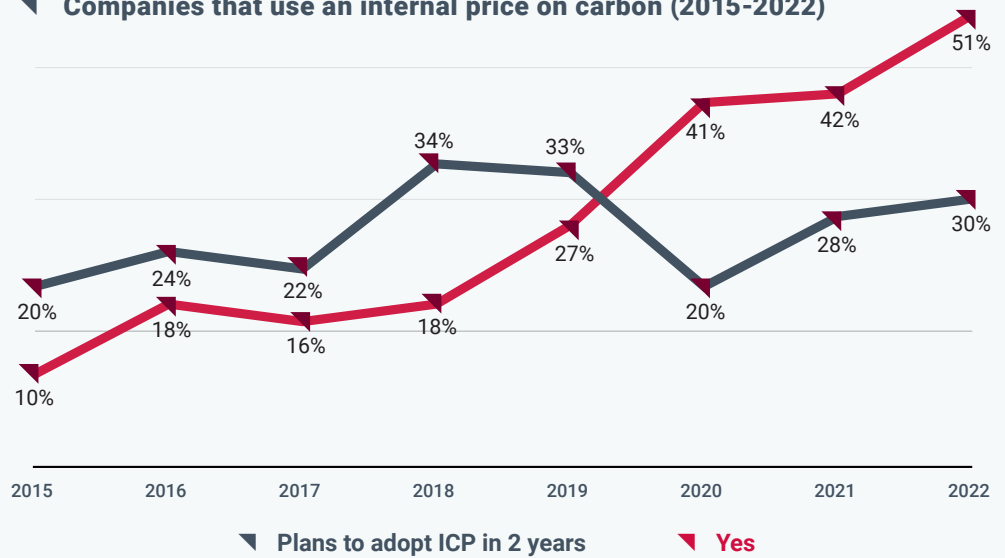
In 2022, 51% of companies are already using an **internal carbon pricing system**, allowing them to be ready for future costs imposed by either emissions trading schemes or carbon taxes, with a further 30% expecting to do so within the next two years. A total number of companies that already use or plan to adopt ICP in the next two years is 64, a 42% increase compared to 2021. This growth is largely driven by the parallel development in regulations that directly or indirectly price carbon and the increasing pressure from shareholders and customers for companies to adequately manage their climate-related risks.

**64**  
a total number of companies that already use or plan to adopt ICP in the next two years

## Internal Carbon Price Types

- Shadow Pricing:** This involves estimating the cost of emitting one tonne of CO<sub>2</sub>e and factoring that cost into the company's financial decision-making. It provides a hypothetical cost on projected carbon emissions.
- Internal Trading:** This allows business units within a company to trade their allocated carbon credits based on respective emissions. It creates a market for carbon credits within the company, incentivizing units with lower emissions to sell credits to those with higher emissions.
- Internal Fee:** This involves charging a per-unit fee based on the amount of GHG the company emits. The fee provides an economic incentive for business units to reduce their emissions and helps generate funds for investment in emissions-reducing projects.
- Implicit Price:** This helps quantify the capital investments required to meet climate-related targets. It involves factoring in the cost of emissions reductions into investment decisions, ensuring that investments are aligned with the company's climate goals.
- Offsets:** This refers to the practice of investing in carbon-reducing projects outside the company's own operations to offset its carbon emissions. These projects may include renewable energy or reforestation projects, and the carbon credits generated from these projects can be used to offset the company's own emissions.

### Companies that use an internal price on carbon (2015-2022)



More companies in Türkiye are gradually adopting ICP and taking advantage of low-carbon investment opportunities while managing carbon risks. While 34% of responding companies see the use of an internal carbon pricing system as a way to **change internal behaviour**, 33% use it to

navigate GHG regulations.

It appears that shadow pricing, which is putting a price on the projected emissions, continues to be the most commonly used form (39%) of ICP by companies disclosed in 2022. Offsets are the second most commonly used form (13%).

### Objective for implementing an internal carbon price

**34%** Change internal behavior



**33%** Navigate GHG regulations



**30%** Drive low-carbon investment



**30%** Identify and seize low-carbon opportunities



**27%** Drive energy efficiency



**23%** Stakeholder expectations



# 27%

engaged with more than half of suppliers in the value chain

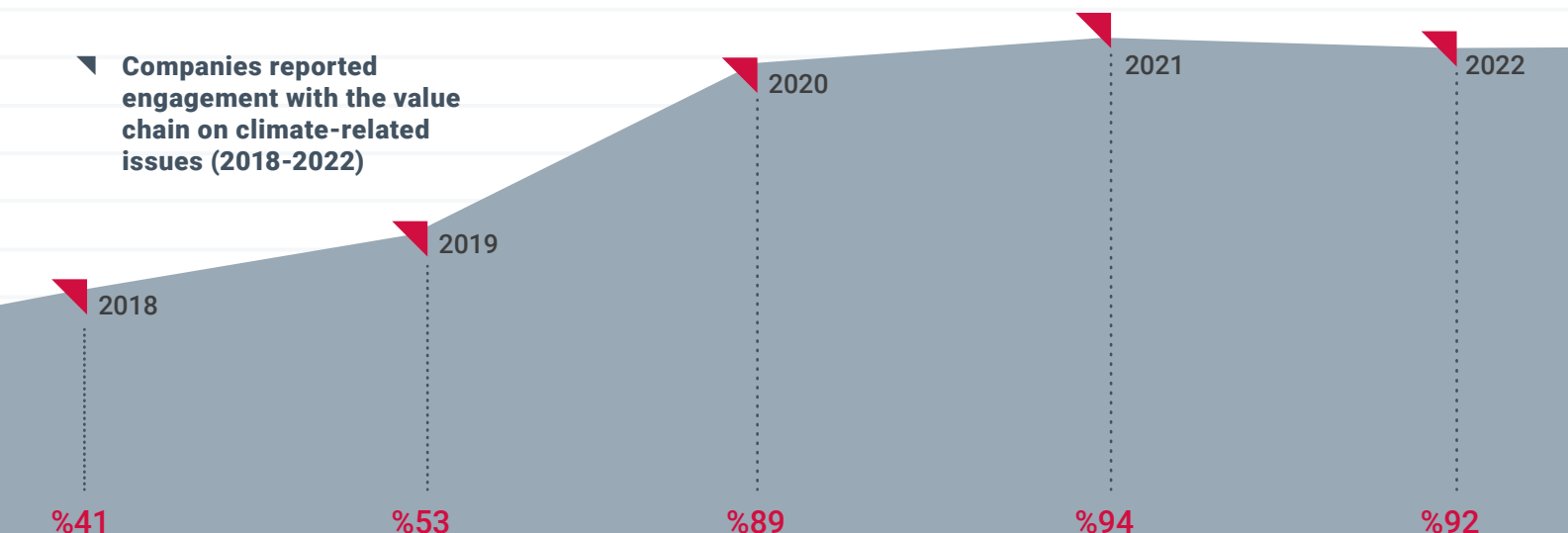
### Engagement with stakeholders

In today's world, businesses must realize that they operate within a larger system and have a responsibility towards their stakeholders and the environment. By involving the entire value chain, businesses can identify opportunities to reduce emissions and work collaboratively to achieve common goals. Moreover, collaborating with the value chain can help ensure incorporation of emission

reduction activities throughout the lifecycle of the product, considering both upstream and downstream emissions.

A significant number of companies (92%) in Türkiye are **engaging with the key stakeholders in the value chain** on climate related issues. Suppliers (80%) and customers (76%) are at the top of that list but only 27% engage with more than half of their suppliers by number.

### Companies reported engagement with the value chain on climate-related issues (2018-2022)



"As **Migros**, we have an engagement activity to raise awareness of our suppliers on food waste and its climate-related impacts and in doing so we aimed to include them in our 2050 target of a 50% reduction in food wastes. After the training, we requested the suppliers to first monitor their food waste amounts and then set a food waste reduction target for their operations. 23 of our suppliers have already set reduction targets. We intend to keep engaging with the rest of our suppliers in order to assist them in their efforts."

**53%**  
have mechanisms for monitoring compliance of their suppliers

A growing number of companies in Türkiye are taking climate-related requirements seriously when it comes to their supplier contracts and purchasing processes. By adding **climate-related requirements to their supplier contracts** (32%) as part of the organization's purchasing process, companies are able to ensure that their suppliers are meeting certain environmental standards.

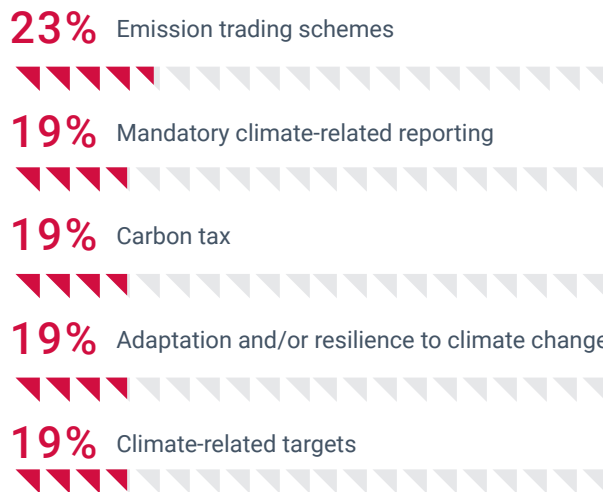
In 2022, 43% of companies require from their suppliers to comply with climate-related regulatory requirements. Over half of companies (53%) in Türkiye **have mechanisms for monitoring compliance of their suppliers**. This suggests that companies are actively tracking the environmental impact of their supply chains and taking steps to reduce their overall carbon footprint. It is worth to mention that a significant percentage of companies (41%) prefer to retain and engage with suppliers who are not compliant with climate-related requirements, rather than excluding them (8%).

Most of the reporting companies (92%) **engage in activities** in order to influence public policy on climate-related issues. Some engage directly with policy-makers (61%), while others do it through trade associations and research organizations (68%).

In Türkiye, over half of the companies (51%) have a **public commitment or position statement** to conduct their engagement activities in line with the goals of the Paris Agreement. A significant portion of the companies (52%) report that **their engagement with policy makers** is aligned with the goals of the Paris Agreement. This suggests that companies in Türkiye are recognizing the importance of working with policy makers to achieve the objectives of the Paris Agreement. Emission trading schemes is the top issue that companies are engaging with policy makers on. Furthermore, 23% of companies report that their funding provided to other organizations is aligned with the goals of the Paris Agreement.

In 2022, 90% of companies **published information** about organization's response to climate change and GHG emissions performance for the reporting year in places other than CDP response. A further 43% published **voluntary sustainability or integrated report**. Companies should be aware that their financial reporting is expected to include environmental information at the same level of CDP responses according to TCFD recommendations.

#### ▼ The issues that companies have been engaging directly with policy makers



**43%**  
published voluntary sustainability or integrated report

## A new module: Biodiversity

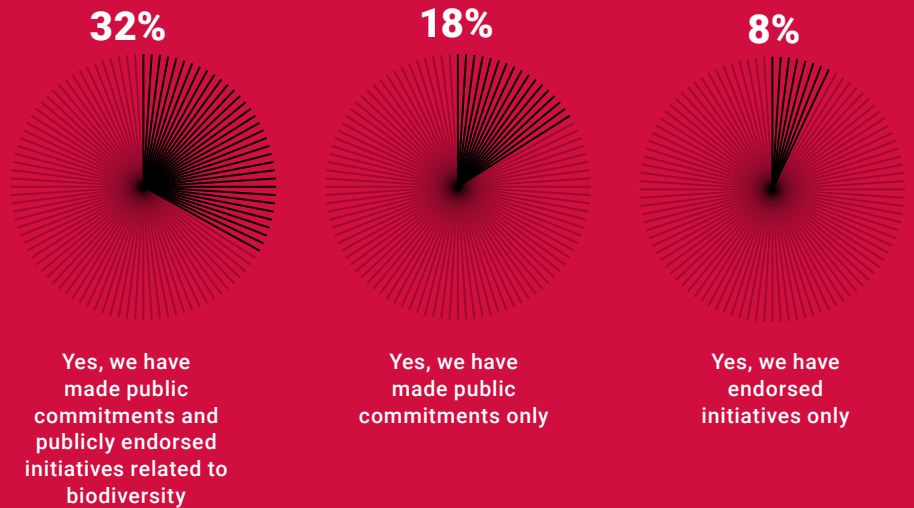
The climate and nature crises need to be addressed simultaneously, including by conserving, protecting, and restoring ecosystems, adopting more sustainable agriculture and forestry practices, and ensuring a circular economy. In line with the 2021-2025 strategy, CDP begins broadening the environmental issues covered in its questionnaires, starting with the inclusion of questions on companies' approach to maintaining and addressing biodiversity. As a first step in 2022, broad questions around governance, commitments, monitoring and reporting on biodiversity issues were included in a new module in the climate change questionnaire. These questions are material to all sectors and geographies and responses will inform future biodiversity metrics, ensuring the relevance and usefulness of biodiversity corporate reporting to both financial institutions and policy makers. The new biodiversity questions were developed in alignment with the International Union for Conservation of Nature (IUCN)'s **Corporate Reporting on Biodiversity Guidelines**.

### ▼ Biodiversity

Biodiversity loss is relevant to companies because they directly impact biodiversity by harming the nature through their operations, supply chains or investments. For that reason, businesses and the finance sector must be engaged for a biodiversity-positive recovery, mainstreaming biodiversity in their planning and investments.

In Türkiye, 71% of companies have some level of **board-level oversight** (57%) or executive management-level responsibility (62%) for biodiversity-related issues. It is encouraging to see that 45 companies in total have made **public commitments and/or endorsed initiatives** related to biodiversity, out of which a significant proportion have committed to both (32%).

### ▼ Status of public commitment or initiatives related to biodiversity



Assessing the impact of value chains on biodiversity is an important step towards sustainable business practices. While it is encouraging that 41% of companies in Türkiye are assessing their impact on biodiversity, only 24% of them are assessing impacts on biodiversity in both their upstream and downstream value chain.

**41%**  
assessed the impact  
of its value chain on  
biodiversity

A majority of companies (57%) take some actions in the reporting period to progress their biodiversity-related commitments. Moreover, 30% of companies are using biodiversity indicators to monitor their performance across their activities. A significant number of companies (62%) published information about their response to biodiversity-related issues in places other than CDP response.

Overall, it is clear that there is still much work to be done to protect biodiversity, and companies have an important role to play in this effort. It will be important for companies to continue to prioritize biodiversity-related issues and take concrete actions to address them in order to make a significant impact on the planet's health.

# COMPANY RESPONSE SUMMARY

## WATER SECURITY / TÜRKİYE 2022

### BUSINESS STRATEGY

The purpose of this module is to collect information on how a company is adapting its long-term business model to secure a sustainable future, in terms of both its own resilience and securing water for all. It flags that companies need to consider how to include water related issues in long term planning/strategy and they must also be accounted for financially. This strengthens the forward-looking focus of the water security questionnaire.

- 92% of the respondents integrated water-related issues into any aspects of organization's long-term strategic business plan
- 78% of the respondents use climate-related scenario analysis to inform its business strategy
- 16% of the respondents use an internal price on water

### GOVERNANCE

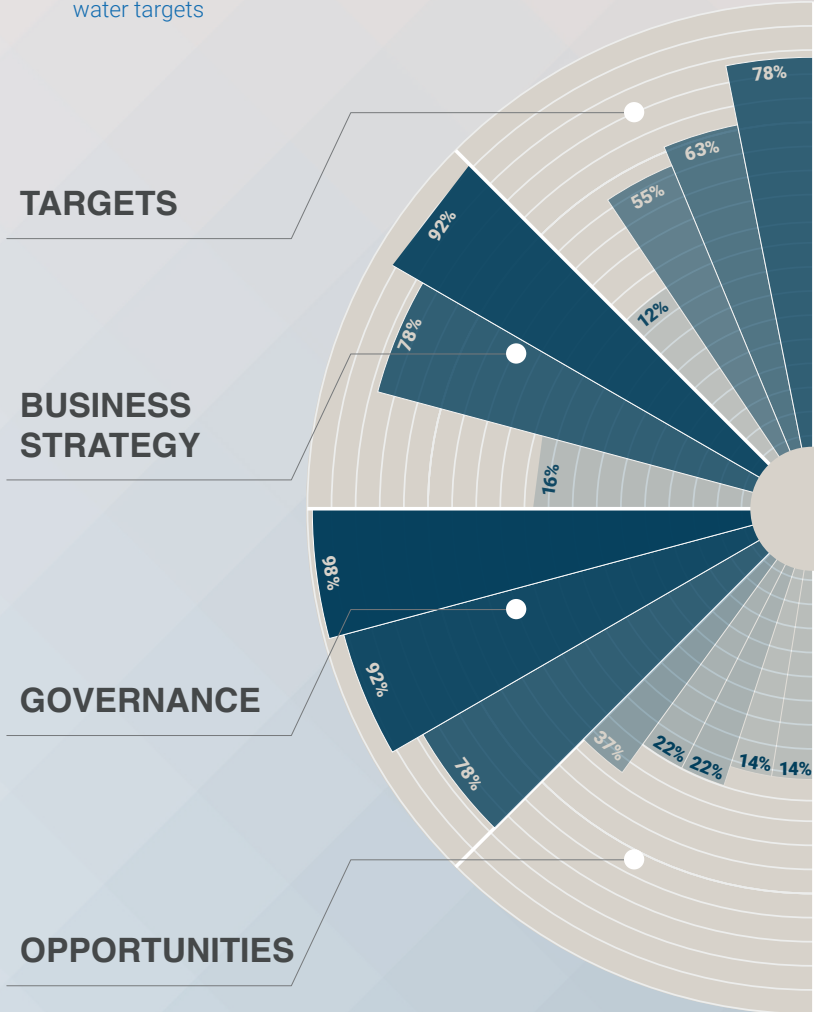
This module captures the governance structure and mechanisms of the organization concerning water security. It provides data users with an understanding of the organization's approach to water-related issues at the board-level and below board-level.

- 98% have a board level oversight of water-related issues within the organization
- 92% have a documented water policy that is publicly available
- 78% provide incentives to C-suite employees/ board members for the management of water-related issue

### TARGETS

Targets module collects information regarding companies' water-related quantitative targets and qualitative goals to demonstrate commitment to progressing water stewardship and security improving water management. Details are requested only for targets and goals that are significant to the company as whole and therefore monitored at the corporate level.

- 12% have basin specific targets and goals are in place
- 78% of the respondents monitored targets and goals at the corporate level
- 63% of the respondents identified reduced environmental impacts as primary motivation behind the water related targets
- 55% of the respondents achieved more than 50% of their water targets



### OPPORTUNITIES

The structure of the water security questionnaire allows a company to tell investors, customers and other data users about its water stewardship journey. For this reason, CDP invites companies to share any water-related operational or market opportunities being realized that could substantively benefit their business. With this module, data users understand the current state of a company's use of water and how water-related opportunities are identified.

- 94% of the respondents identified water-related opportunities with the potential to have a substantive financial or strategic impact on the business and some/all are being realized.

Most commonly reported primary water-related opportunities currently being realized that could have a substantive financial or strategic impact on the business:

- 37% Improved water efficiency in operations
- 22% Cost savings
- 22% Sales of new products/services
- 14% Increased brand value
- 14% Increased sales of existing products/services

## CURRENT STATE & WATER ACCOUNTING

This module allows CDP data users to build a picture of the dependence of the company's direct operations and value chain on the water of a particular quality and to see where in the value chain dependence on water lies the most. The questions allow companies to demonstrate how well they understand their corporate hydrology by providing information on the monitoring of relevant water aspects, and volumetric data on withdrawals.

- 90% reported that sufficient amounts of good quality freshwater available for use is "vital" or "important" for their direct operations
- 92% regularly measured and monitored all of the water aspects across all operations
- 73% reported that total water withdrawal sourced by third party sources
- 71% reported that more than half of total withdrawals sourced from water-stressed area

## VALUE CHAIN ENGAGEMENT

The current state module also asks about engagement activity around water in value chain and a rationale for it. In regions where water sources are highly restricted, organization's water consumption patterns can influence relations with other stakeholders and access to water can be dependent on those relationships. Engagement can also identify opportunities, such as innovation in supply chain to reduce dependency and in product design to reduce water-related impacts.

- 73% engage with their **suppliers** and 65% engage with their **customers** on water-related issues
- 24% of the respondents request from more than half of suppliers to report on their water use, risks and/or management information

## BUSINESS IMPACTS AND PROCEDURES

Business impacts module focuses on water-related impacts on organizations and responses to them. It helps to provide an insight regarding the water risks that a company might be exposed. Procedures module requests information about the procedures that organizations have in place to manage issues salient to their sector and to understand inherent risk exposure. These management procedures are considered important for water security - independent of a company's own perception or assessment of any associated net risk for their company.

- 27% of respondents experienced any detrimental water-related impacts
- 69% of respondents evaluated water-related risks that will take place up to 6 years or longer
- 33% have procedures for identifying and assessing water-related risks covered both direct operations and supply chain
- 8% of respondents stated that flood is the most reported impact driver of the water-related detrimental impacts experienced by the company

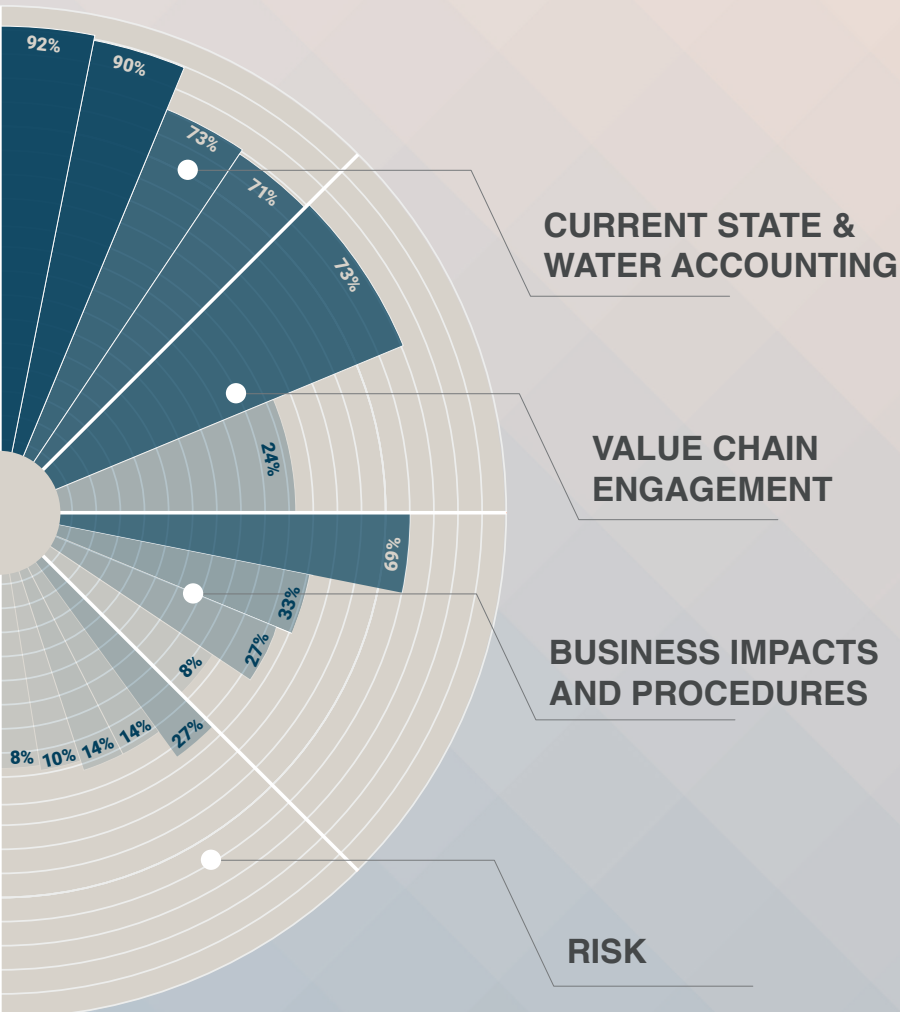
## RISKS

A better understanding of the number, location, and nature of inherent water risks is valuable for disclosing companies, as well as CDP data users. This module allows companies to show that they have a clear awareness of the extent to which they are exposed to inherent water risks in their direct operations and other parts of their value chain.

- 61% of the respondents identified inherent water-related risks both in direct operations and the rest of our value chain, with the potential to have a substantive financial or strategic impact on the business.

Most commonly reported primary potential impacts of identified risks in the direct operations with the potential to have a substantive financial or strategic impact on the business:

- 27% Increased operating costs
- 14% Reduction or disruption in production capacity
- 14% Impact on company assets
- 10% Closure of operations
- 8% Increased compliance costs



## COMPANY RESPONSES OVERVIEW

### WATER SECURITY/ TÜRKİYE 2022

**52**  
disclosing  
companies in total

2023 is a crucial year for global efforts to address water-related challenges and the impacts of climate change. **The Water Action Decade**, which runs from 2018 to 2028, aims to accelerate progress towards the Sustainable Development Goals related to water, including access to safe and affordable drinking water, sanitation and hygiene services, and the sustainable management of water resources. **The UN Water Conference**, which took place in March 2023 for the first time since 1977, focused on the theme of "Water for Sustainable Development" highlighting the need for integrated and sustainable approaches to water management that can contribute to poverty reduction, economic development, and environmental sustainability.

2022 was indeed marked by severe droughts in many parts of the world. Water-related hazards continue to have serious implications on human life and world economy. These events serve as a stark reminder of the urgent need to take action on climate change and to build resilience to its impacts, including by strengthening water management practices and investing in water infrastructure.

The private sector, through corporate action and investment, can play a pivotal role in addressing water-related challenges. Private sector disclosure of comparable and consistent water information is critical for transformative action to address the water and climate crises. By tracking key performance indicators such as corporate governance, risk management, and value chain engagement, **the CDP Water Security questionnaire** allows companies to demonstrate their commitment to responsible water management and provide quantifiable data and insights that can be used by investors, shareholders, and purchasing organizations to make informed decisions.

On behalf of investor signatories, in the eight year of the CDP Water Program in Türkiye, we asked companies to provide data about their efforts to manage and govern water resources. We selected these companies based on economic

and environmental indicators. In total, **52 companies based in Türkiye disclosed through CDP Water Security Program** out of 3,909 companies globally. The number of disclosing companies in Türkiye has grown significantly in recent years. We've witnessed **93% growth in corporate water disclosure** through CDP in Türkiye in the last five years, with an 18% increase in 2022 alone. Additionally, six companies in Türkiye made it to the prestigious **A List** this year, demonstrating an impressive water management leadership.

This chapter presents summary findings from our analyses of 49 (three of the companies are See Another Company) responding company disclosures in response to the CDP Water Security questionnaire.

**93%**  
**growth in corporate water disclosure through CDP in Türkiye in the last five years**

#### ▼ Current State and Accounting

Measuring and monitoring water usage, discharge, and consumption are essential to ensure sustainable water management and to address the growing concerns of water scarcity and pollution. By understanding their water use and its impact on the environment, companies can identify areas where they can improve their water stewardship practices, reduce water consumption, and minimize their water-related risks. CDP's Water Security Program provides data users with a comprehensive view of a company's water usage throughout its operations and supply chains. It enables companies to identify their water dependencies, understand the water risks they face, and develop strategies to mitigate those risks.

# 49%

## water quality & quantity is vital for the success of the business

The **availability of sufficient amounts of good quality freshwater** is vital for health, livelihoods, ecosystems and economic production. CDP asks companies to rate the importance of water quality and water quantity to the success of their business. In 2022, the companies disclosing from Türkiye reported that having sufficient good quality freshwater for their own use is either important (69%) or vital (49%) for their business.

### ▼ The importance of water quality and water quantity to the success of business

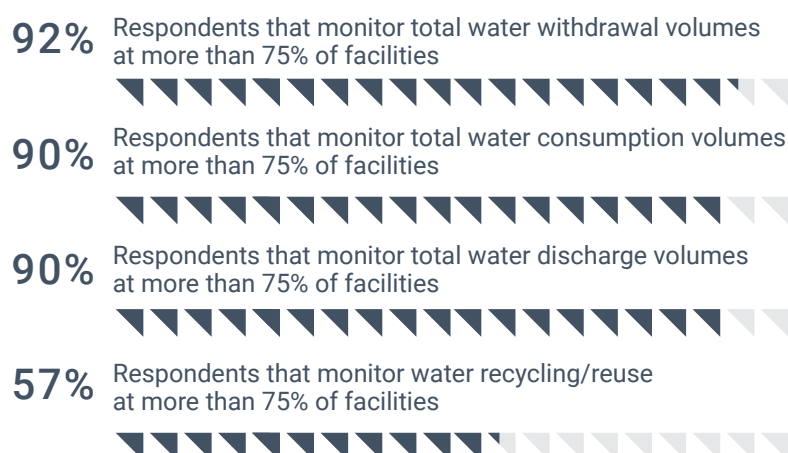


# 92%

## measuring and monitoring more than half of all water aspects

By measuring and monitoring water aspects, companies can identify areas where they can reduce water usage and improve efficiency, thereby reducing their environmental impact and operating costs. In Türkiye, a significant portion of companies (92%) are **measuring and monitoring more than half of all water aspects** across their operations (sites/facilities/operations). A further 92% are also monitoring total water withdrawal volumes at most of their facilities (75% of their facilities).

### ▼ Companies that regularly measure and monitor more than 75% of all water aspects across all operations



# 59%

discharge water to a third-party destination without any treatment

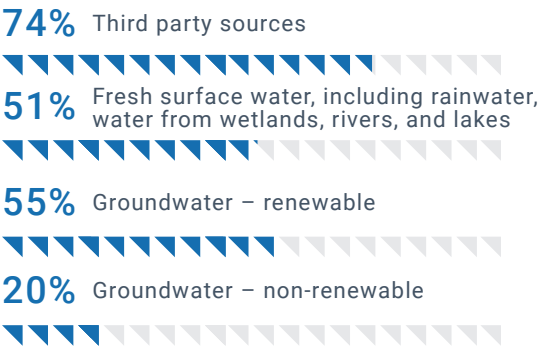
As per **accounting of water use**, 94% of responding companies in Türkiye gave an account of their water withdrawals by source via CDP. Total volume of **water withdrawn** across all operations is 10,590 megaliters. Furthermore, the total **water discharge** data by destination provided by 88% of the companies is 9,975 megaliters. This refers to the amount of water that was discharged or released by the companies into the environment, either through

treatment or other means. A significant number of companies (59%) discharge their water to a third-party destination without any treatment and 12% of companies discharge water to the natural environment without treatment. It is important that companies to prioritize responsible wastewater management practices and invest in the necessary technologies and infrastructure to ensure that their operations do not harm the environment or public health.

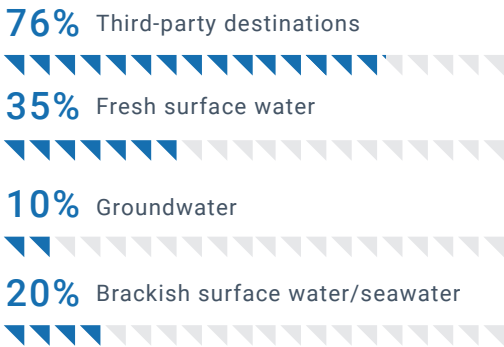
## The most frequently cited water withdrawal sources and water discharge destinations



Total water withdrawal data by source



Total water discharge data by destination



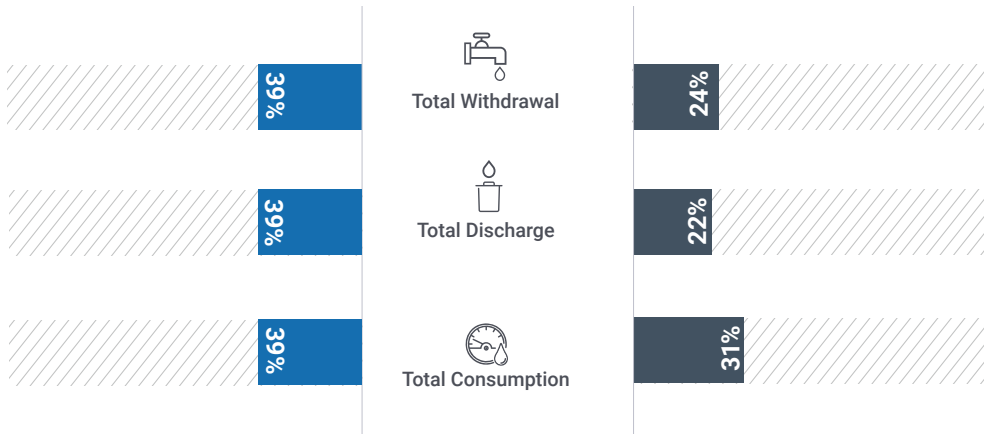
# 39%

water withdrawal is lower than the previous year

Water is a critical resource in many industrial processes, including manufacturing, energy production, and agriculture. While some companies have made strides in reducing their water consumption through recycling and other measures, many industrial processes still require significant amounts of water that cannot be easily replaced or substituted. Compared to the previous year, 39% of the companies in Türkiye managed to

reduce their **water consumption**, while 31% reported an increase in their water use. 39% of companies responding to the CDP from Türkiye reported a decrease in **water withdrawals** compared to the previous year, while 24% reported an increase. The most common reason cited by companies for increased water withdrawal was an increase in production. In addition, 39% of companies reduced their total water discharge compared to the previous year.

## Companies provided total volumes of water data across all operations compare to the previous reporting year



Lower/ Much Lower Higher / Much Higher

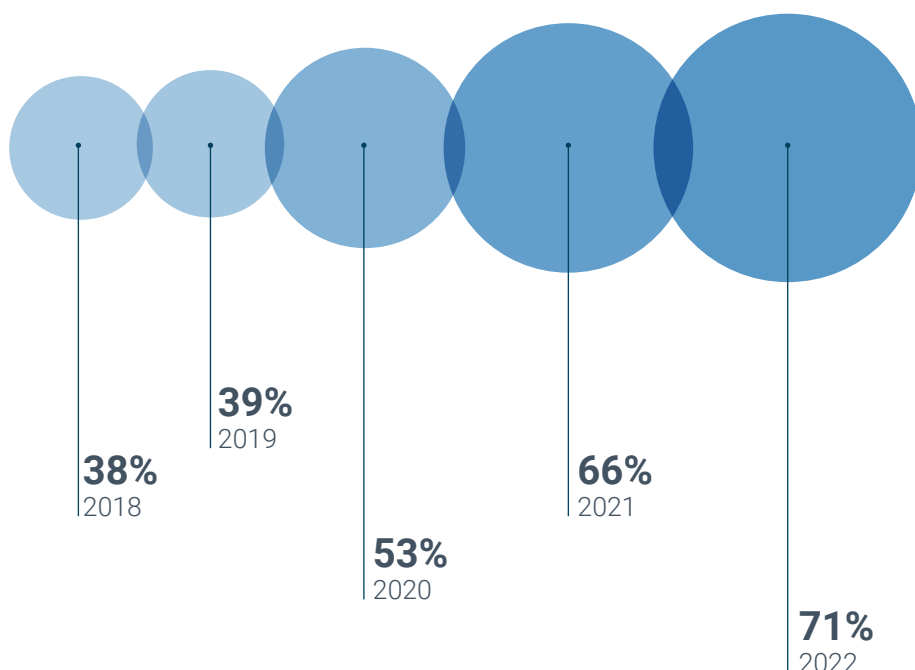
**71%**  
more than half of total  
withdrawals is sourced  
from water-stressed  
areas

In 2022, 71% of companies withdraw more than half of their total water withdrawals from **water-stressed areas**. This represents an 87% increase from five years ago. It shows that more companies in Türkiye rely on water resources that are under stress or at risk of depletion.

In Türkiye, water withdrawals for most companies (73%) are often sourced from **third-party sources**, while water is typically discharged to **third-party destinations**

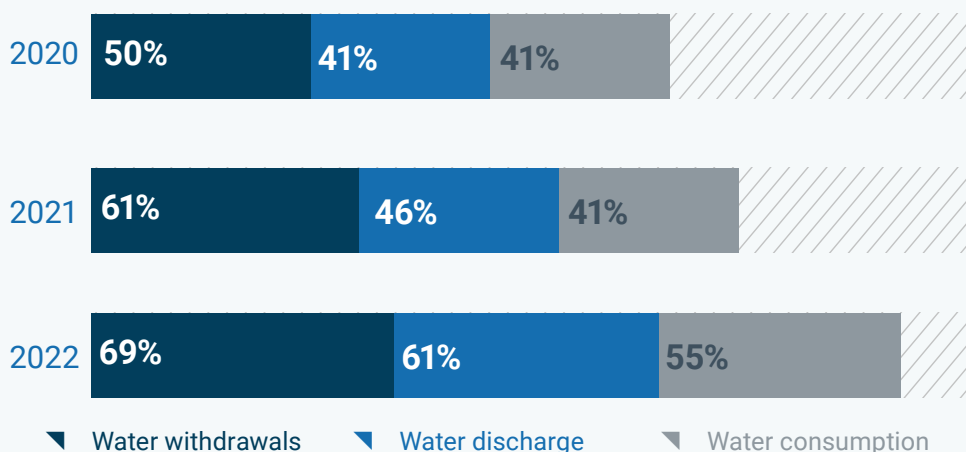
(76%). This indicates that water usage frequently extends beyond a company's physical boundaries, either at the corporate or facility level. By sourcing water from third-party sources and discharging it to third-party destinations, companies may be indirectly contributing to water pollution and degradation. It is essential that companies take steps to ensure that their water usage and discharge practices are environmentally responsible.

▼ **Companies reported more than half of total withdrawals sourced from water-stressed areas (2018-2022)**



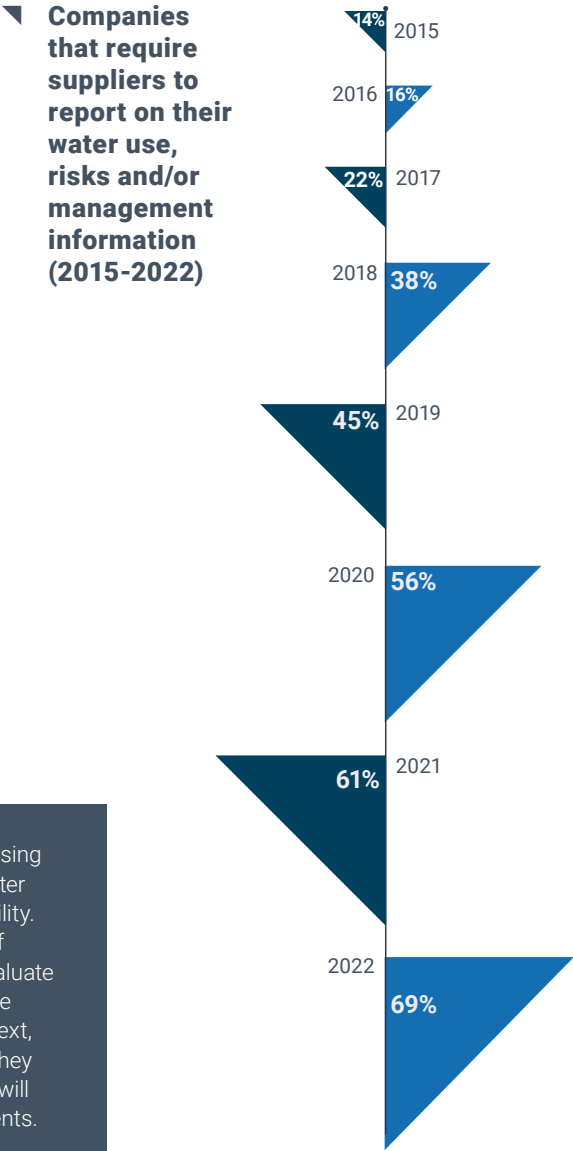
**73%**  
water withdrawal is  
sourced from third  
party sources

▼ **Companies that have externally verified more than half of water accounting data (2020-2022)**



# 73% engaged with the suppliers on water- related issues

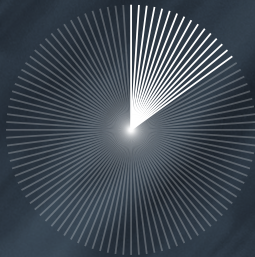
Engaging with suppliers, customers, and other value chain partners on water-related issues is crucial for companies, especially in regions where water sources are limited. It allows them to manage their water footprint, reduce water risks, and support sustainable water management practices. This engagement also helps build trust and strengthen relationships with stakeholders, which can be vital in securing access to water. In Türkiye, 73% of responding companies **engage with their suppliers on water-related issues**. A further 65% engage with the customers or other value chain partners.



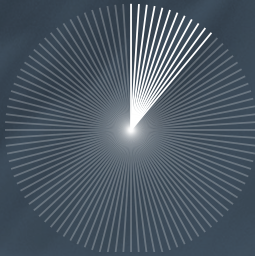
"As **Vakıf Bank**, we know that raising our customers' awareness of water is important for social sustainability. When evaluating the efficiency of water, our customers need to evaluate the financial effects as well as the importance of water. In this context, when they use water efficiently, they will save economically, and they will experience ease in loan repayments. As a result, while meeting all the requirements regarding social and environmental impacts, repaying the savings and loan payments with a sustainable business model, and thus our country develops in a sustainable way."

The percentage of companies asking **key suppliers** to provide information on their water use, risks and/ or management was 69% in 2022, with a quarter of them requesting this data from more than half of their suppliers. This is higher than the global figure of only 34%.

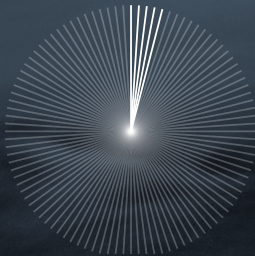
## Types of engagement with suppliers on water-related issues



33%  
Onboarding & compliance



24%  
Innovation & collaboration



8%  
Incentivizing for improved water management and stewardship

**27%**  
experienced  
detrimental water  
related impacts

### Business Impact & Procedures

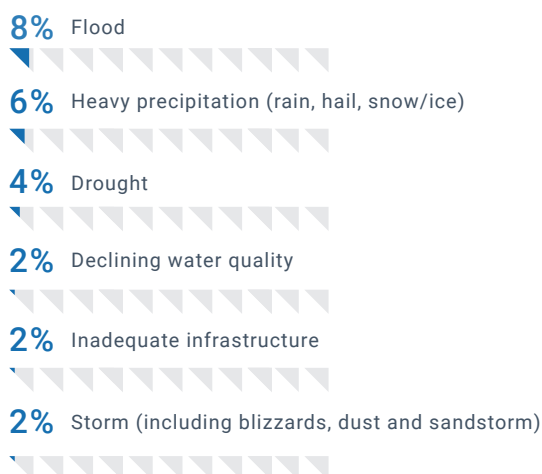
It is crucial for companies to take action to improve their water security to mitigate risks and avoid the costs associated with water-related damages. The percentage of companies exposed to water-related risks in Türkiye is well above the global average. The fact that 27% of Turkish companies experienced detrimental impacts related

to water, compared to the global average of 8%, shows that there are some unique challenges Turkish companies face.

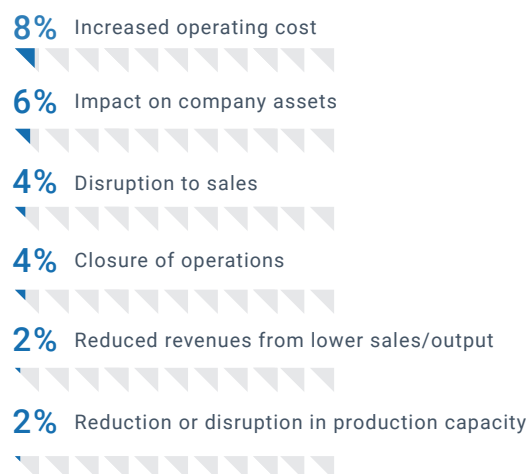
Companies should act on their water security because the price of non-action is high. The total financial impact of water-related detrimental impacts experienced by companies in Türkiye is US\$25.3 million. This figure is US\$12.5 billion globally.

### The most frequently cited impact drivers and impacts of the water-related detrimental impacts experienced by company

#### Impact drivers



#### Impacts



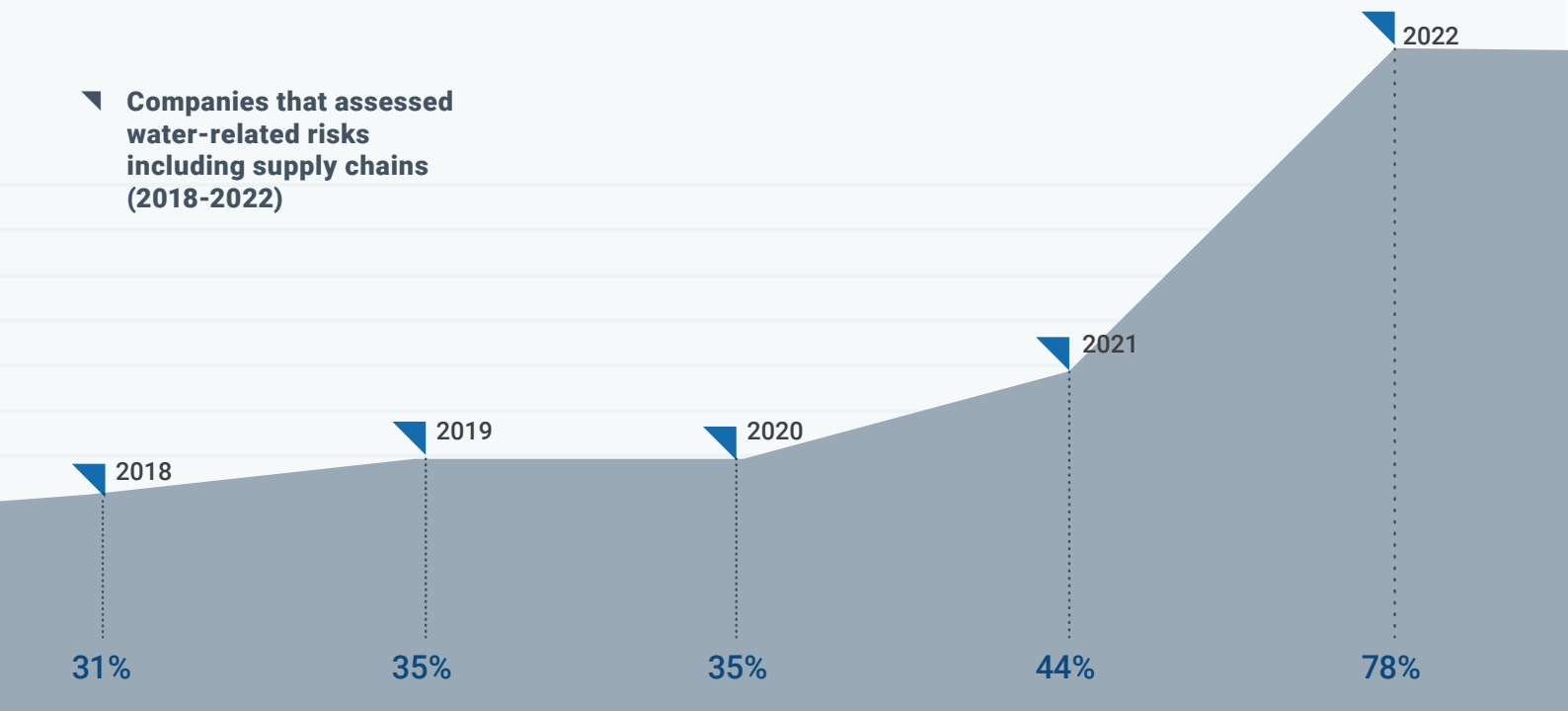
"CarrefourSA used the WRI Aqueduct Water Risk Atlas tool to assess water risks. The change in water stress up to 2030 was analyzed according to the pessimistic scenario. According to the Water Risk Atlas, it is estimated that water stress will increase approximately 2 times in 2030 in various basins where CarrefourSA stores are located and where food products are grown. With the increase of water stress, it is expected that agricultural productivity will decrease and product prices will increase. In addition, it is foreseen that there will be changes in the product variety and the regions where the products are grown."

It is important for companies to conduct comprehensive risk assessments that consider all potential exposures and opportunities, including water-related risks. While the majority of responding companies (94%) stated that they **assess water risks**, it is important for companies to conduct risk assessments that are company-wide and comprehensive, including their direct operations and supply chains. 33% of disclosing companies meet this higher standard. A significant number of companies (69%) have been assessing water-related risks for more than six years. Additionally, 59% assessed water risks as part of an established enterprise risk management framework, which can help to ensure that water risks are considered in a holistic manner alongside other potential exposures. Lastly, it is positive to see that almost all companies (94%) undertake water risk assessments frequently, either annually or more than once a year.

**33%**  
conducted risk  
assessments that  
include both direct  
operations and supply  
chains

**94%**  
companies undertake  
water risk assessments  
frequently

Companies that assessed water-related risks including supply chains (2018-2022)



# 71%

local communities considered in risk assessments

Water availability at a basin/catchment level are **the most considered contextual issues** in the company's water-related risk assessments. Employees are **the most considered stakeholders** (90%) that are considered in the company's water-related risk assessments. Water is also a local issue and **assessing risks at a basin/catchment level** poses challenges for companies, given that it requires an understanding of the activities and needs of local communities and other local water users. It's encouraging to see that a

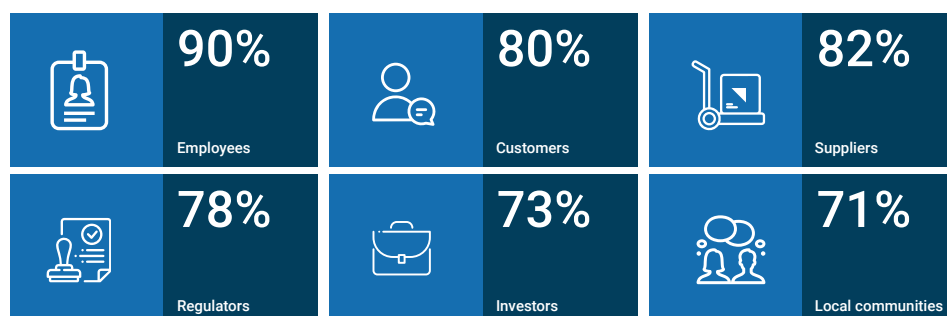
majority of companies (71%) in Türkiye are considering local communities in their risk assessments. However, there is still room for improvement in terms of considering water users at a basin/catchment level and involving river basin management authorities and other special interest groups at local level. By engaging with these stakeholders, companies can gain a better understanding of the local water context and collaborate to address water-related risks and opportunities in a more effective and sustainable manner.

The most frequently considered contextual issues in the water-related risk assessments



"Excessive heat and decreasing rain and snowfall in Türkiye might result in droughts, which in turn might impact energy supply and prices. **Enerjisa Enerji** carries out annual risk assessments based on the hydrology scenarios each year. The frequency of the assessments is more than once a year. The company also carries out hedging activities to mitigate the price risks in the market. Price risks are directly concerning our customers and included in our assessments. Lastly, on our employees' side, access to fully-functioning, safely managed WASH services for all employees is always a priority."

The most frequently considered stakeholders in the water-related risk assessments



"Polisan Holding assessed the total water risk for the region where the Dilovası facilities were located, according to the World Resources Institute. According to the results of the water risk assessment, the company focuses on projects that reduce water consumption and on the recovery of used water, the reduction of the produced wastewater, it tracks technological research and investment opportunities in its use."

4x

the potential financial impact of opportunities is more than four times the cost of risks

## ▼ Risks Assessment & Opportunities

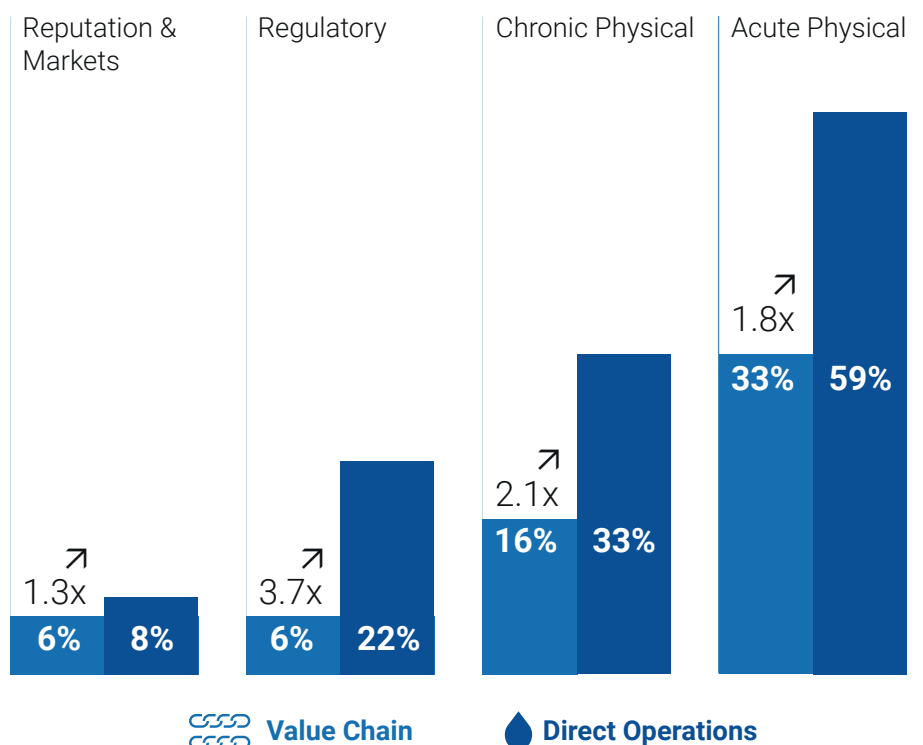
Companies should undertake water risk assessments that account for the regional context in both direct operations and supply chains. By proactively addressing water risks, companies can reduce their water footprint, improve water efficiency, and increase their resilience to water-related challenges. Moreover, identifying water-related opportunities can help companies save costs, improve their brand reputation, and gain a competitive advantage in the market.

A significant number of companies in Türkiye (61%) have identified **inherent water-related risks** that could significantly impact their financial and strategic operations, both in direct operations and in the rest of our value chain. Furthermore, 47% of companies reported that more than half of their facilities are **exposed to water risks**. That percentage for facilities located on river basins is 39%. This rate is only 14% globally. This proves that companies in

Türkiye are exposed to much more risk than companies reporting to CDP from all over the world. The potential financial impact of these identified risks on direct operations is **US\$1.27 billion**. On the contrary, the total potential financial impact of opportunities in Türkiye was up to **US\$5.21 billion**. The potential financial impact of opportunities is more than four times the cost of risks.

Companies in Türkiye are becoming more aware of the potential risks associated with water usage, and are starting to evaluate these risks both in their direct operations and throughout their value chain. Acute physical risks are the most reported **types of risks** in the direct operations (59%) and in the value chain (33%). In the value chain, the most reported **risk drivers** are drought (16%) and in direct operations, it is flood (32%). Finally, increased operating costs (37%) are the most commonly reported **potential impact** of water-related risks in direct operations; demonstrates that companies are recognizing the financial implications of these risks. This trend is expected to continue as water scarcity becomes an increasingly significant issue in Türkiye.

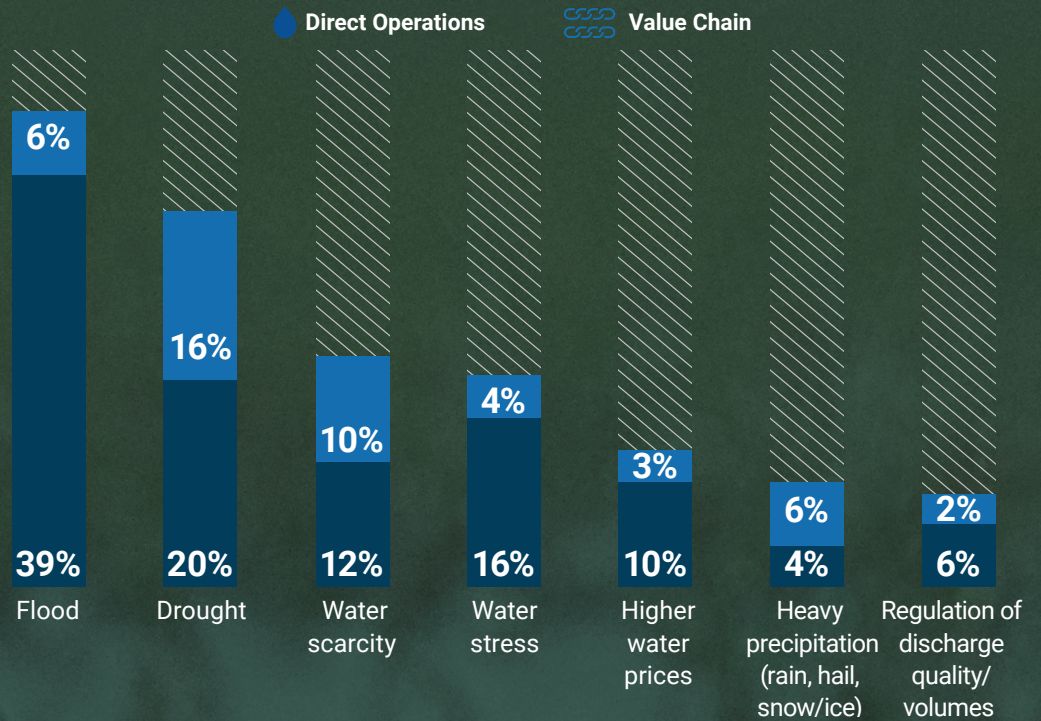
## ▼ Risk types identified in direct operations and within the value chain



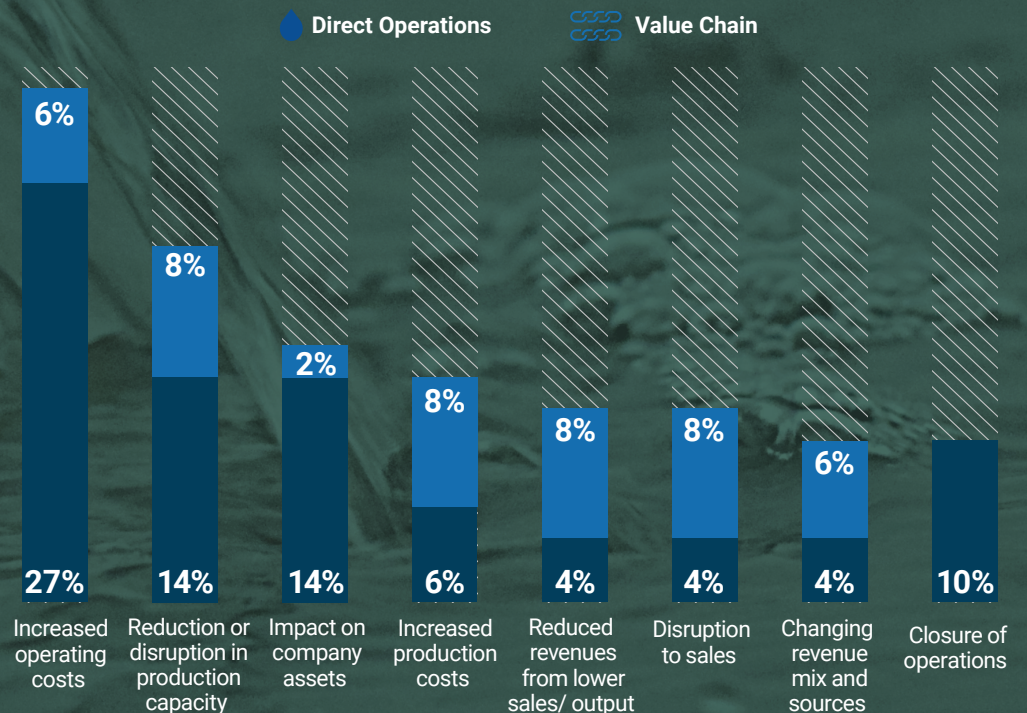
47%

more than half of the facilities are exposed to water risks

### Primary risk drivers in direct operations and within the value chain



### Primary potential impact of identified risks in direct operations and within value chain

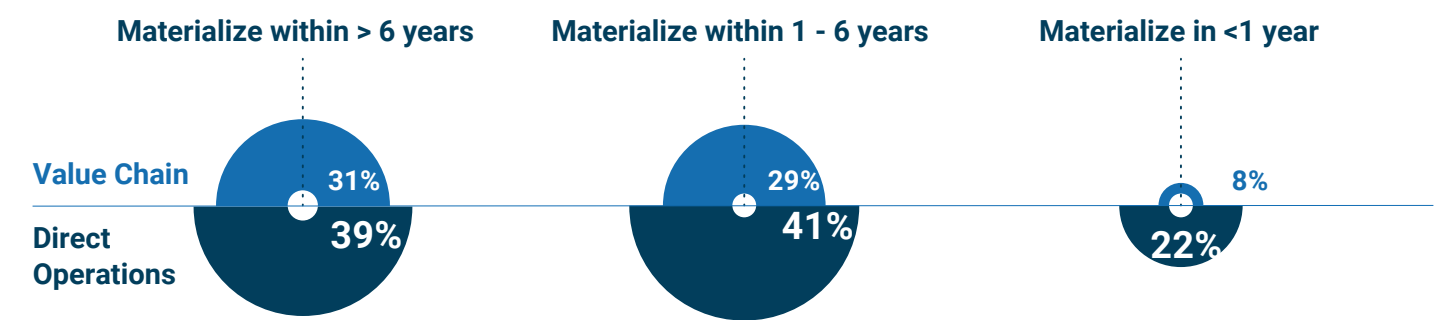


**22%**  
anticipate risks to  
materialize in less  
than a year

It is important to consider both **timeframes and magnitudes** when assessing the impact of identified risks on a company's financial and strategic objectives. While 41% of companies in Türkiye estimate that

the risks identified in their direct operations will have a significant impact within one to six years, 22% expect to see these impacts in less than a year.

Timeframe of substantive financial or strategic impacts of identified risks and opportunities in direct operations to realize

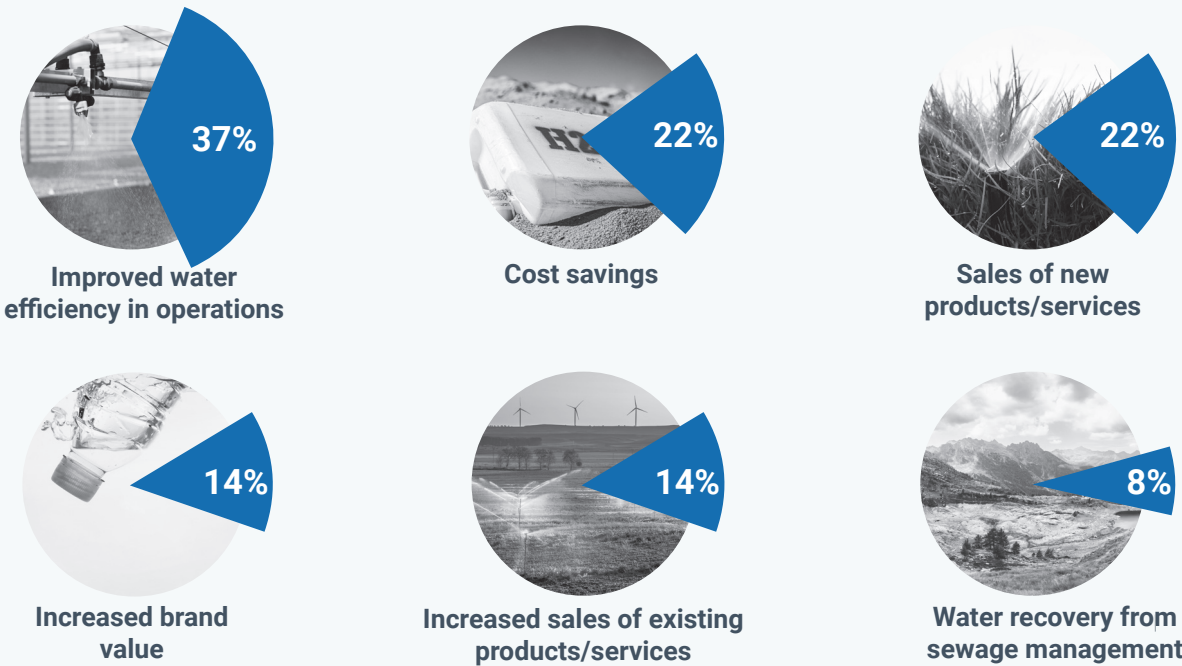


98%  
identified water-related opportunities

Almost all companies (98%) identified **water-related opportunities** with the potential to have a substantive financial or strategic impact on the business. Improved water efficiency in operations (37%) is the

most commonly reported primary water-related opportunity. Efficiency (65%) and products & services (41%) are the most reported **types of opportunities** currently being realized.

Primary water-related opportunities currently being realized



**82%**  
have at least one board member with competence on water-related issues

**73%**  
have monetary incentives in place for C-Suite executives on water-related issues

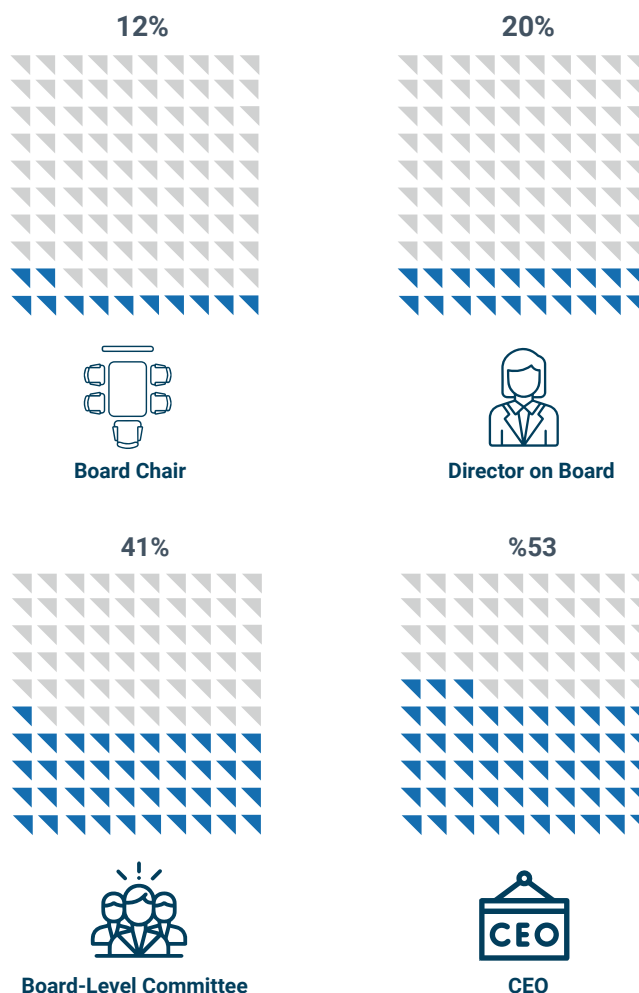
"Vestel Elektronik's Environmental Policy and water targets apply to all operations throughout the company. Based on this policy: We will work to reduce environmental impacts by developing energy efficient, environmentally friendly products, and for this purpose, we will ensure that product designs and technology are constantly developed and improved. We will reduce the consumption of natural resources, especially raw materials, energy, water and chemicals, during the design and manufacturing stages. We will ensure responsible and reasonable use of water, improve water performance, and assess water stress and risks. We will perform works to increase the environmental awareness and performance of our internal and external stakeholders, by using all our communication resources. We will provide continuous training to our employees so that they acquire the right behavior habits regarding environmental awareness."

#### ▼ Governance

The decisions made by a CEO and the Board have the potential to significantly impact a company's influence on water resources. Almost all (98%) companies in Türkiye have **board-level oversight of**

**water-related issues**, and 82% have at least one board member with competence in these issues. In more than half (53%) of companies, the **CEO** is responsible for water-related issues, and 73% provide **monetary incentives** to senior executives on water-related matters.

#### ▼ The position of the individual on the board with responsibility for water-related issues



In Türkiye, the majority of companies (92%) have a **company-wide water policy**. A significant proportion of companies (67%) directly **engage with policy makers** to influence public policy on water. In 2022, 67% of companies included information about their response to water-related risks in their most recent mainstream financial report, which represents a 63% increase compared to 2020.

**67%**  
have a direct engagement with policy makers

92%  
have integrated water-related issues into long-term strategic business plan

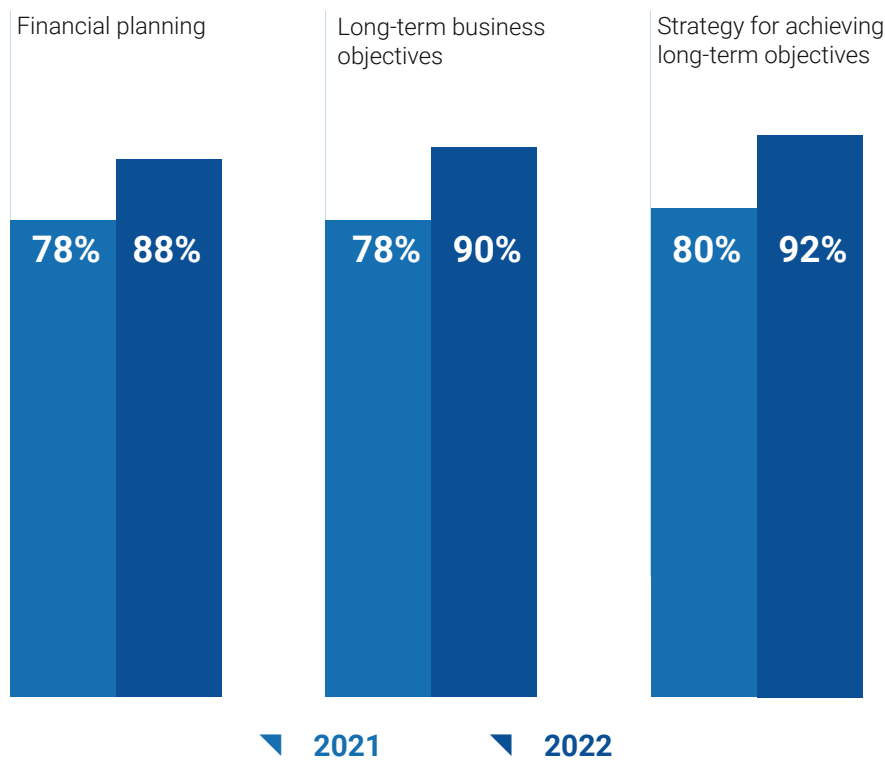
"Aydem Yenilenebilir Enerji already have an installed capacity of which energy generation is 100% coming from renewable energy resources. As 84% of this installed capacity is coming from hydropower plants, therefore water-related issues have a crucial impact on our long-term business objectives. Especially HEPPs located in areas with high water stress risk are always evaluated as part of our risk assessment process and action is taken for possible solutions in response to the decreasing water withdrawal volume. As a short, intermediate, and long-term target, we have an objective to remain our installed capacity 100% renewable and minimize our negative impact on the environment."

Business Strategy

Companies are taking a strategic and comprehensive approach to address water-related risks and opportunities, in order to ensure a water-secure future. This involves various key steps, such as evaluating water-related risks and opportunities, setting ambitious targets, monitoring progress, integrating water into financial planning, engaging stakeholders, and implementing sustainable water management practices. By following these steps, companies can improve their own resilience and competitiveness, as well as promote responsible water usage, and guarantee access to water for all.

Companies are also looking into medium and long-term strategies on water issues and have integrated the water aspects into their business plans. 92% of companies in Türkiye are integrating water-related issues into company's **long-term strategic business plan**. A further 55% integrated those issues into strategic business plan for more than 10 years. 90% of companies take water-related issues into account when setting their long-term business objectives. A further 92% have a strategy to achieve these long-term goals. This rate is almost twice the global average.

Water-related issues are integrated into which aspects of long-term strategic business plan (2021-2022 comparison)



78%  
have used climate-related scenario analysis

By conducting scenario analysis, companies can assess how different climate scenarios might impact their water resources and develop strategies to adapt to or mitigate these risks. In Türkiye, 78%

of companies use **climate-related scenario analysis** to inform their business strategy and identify any water-related outcomes resulting from such analysis.

# 57%

have products and/or services that are classified as low water impact

In 2022, only 8 companies in Türkiye used an **internal price on water**. Globally, this percentage is even lower; only 14%. The percentage of companies using internal price on water (16%) is significantly lower than those using internal price on carbon (51%). However, it's encouraging to see that there is an increasing trend in Türkiye with 39 companies planning to set an internal price on water over the next two years.

It is important for companies to continue to prioritize sustainable practices and invest in innovative solutions to minimize their water usage and reduce their water footprint. In Türkiye, a significant number of companies (57%) reported that they have products and/or services that are classified as low water impact.

## ▀ Targets

Setting and achieving ambitious targets to reduce impacts on water availability and quality is essential to ensure the sustainable use of this vital resource. To effectively manage water resources, companies need to set both targets and goals. **Targets** provide a clear focus and help to measure progress towards achieving water security, while **goals** help to create a long-term impact by changing behavior and circumstances. By setting ambitious targets and goals, companies in Türkiye can improve their water stewardship, ensure sustainable use of water resources, and contribute to the overall well-being of the communities they operate in.

In 2022, 55% of the companies were able to meet over half of their water targets. Although most of the companies (90%) have set **company-wide targets and goals** to enhance water risk management, only 12% have **basin-specific** targets and goals in place. More companies in Türkiye need to set basin-specific targets and goals to take into account the unique water-related risks and challenges of the region in which they operate.

In Türkiye, 78% of responding companies are **monitored targets and goals at the corporate level**. Water withdrawals are the most common category of targets that are monitored (39%). The most common category of water-related goals monitored at the corporate level is engagement with customers to help them minimize product impacts (18%).

"In **Akçansa**, scenario analysis for climate-related physical water risks were conducted in line with TCFD recommendations. This analysis covers several acute and chronic water-related risks, such as flooding, drought or extreme precipitation. In addition, Akçansa have supply chain targets set within the scope of Akçansa 2030 Sustainability Targets to ensure responsible purchasing and a sustainable supply chain in all operations. Water risks are addressed within the scope of supplier audits, and suppliers are encouraged to have ISO 14001 certification."

"**Arçelik** set a water target for 2030 to increase the water recycling and reuse ratio to 70% in all manufacturing plants aiming to achieve a closed loop water system in production. Country specific target/goals have been determined for each country where Arçelik have manufacturing plant to achieve company-wide targets. Then, the site/facility-specific targets for each manufacturing plant have been set."

# 55%

achieved more than half of their water targets

▼ Most commonly reported categories of targets and goals that are monitored at the corporate level

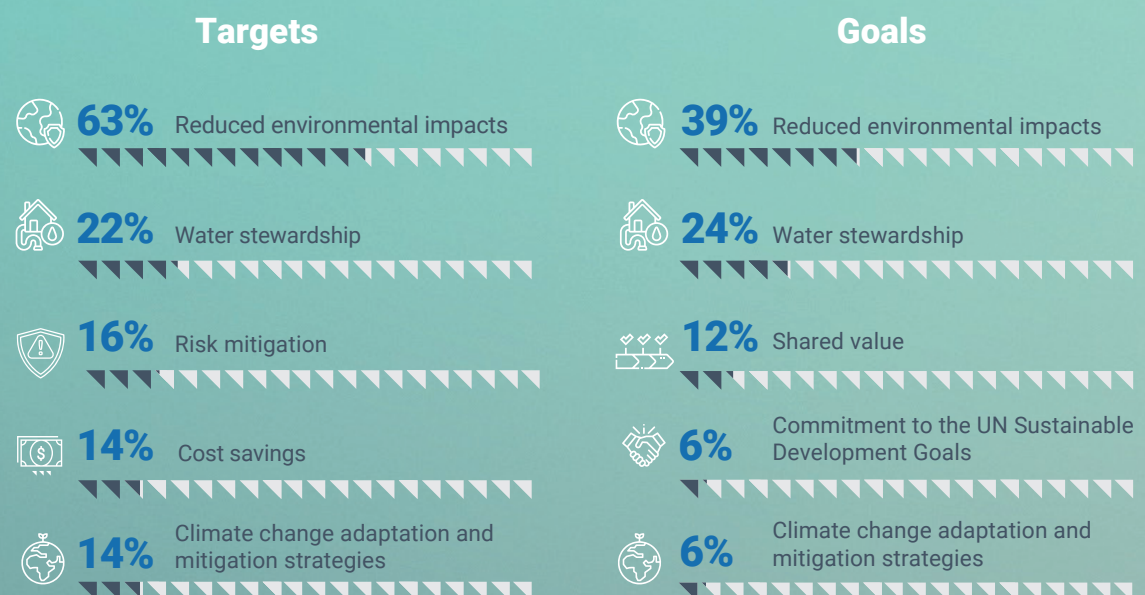


**94%**  
provided a quantitative  
metric for water targets

A high percentage of companies are providing **quantitative measures** for their water targets (94%) and describing their water goals (80%). It allows them to track their progress and identify areas where they need to improve. The **primary motivation** behind these water-

related targets and goals is to reduce environmental impacts. This indicates that there is a growing awareness among companies about the importance of sustainable water management and its impact on the environment.

▼ Most commonly reported categories of motivations behind the water related targets and goals



## CDP LEADERS

### TÜRKİYE 2022

CDP GLOBAL CLIMATE CHANGE A LIST	ACS Industry	Score
AYDEM YENİLENEBİLİR ENERJİ A.Ş.	Power generation	A
BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş.	Manufacturing	A
MAVİ GİYİM SANAYİ VE TİCARET A.Ş.	Retail	A
TÜRKİYE GARANTİ BANKASI A.Ş.	Services	A

CDP GLOBAL WATER SECURITY A LIST	ACS Industry	Score
ARÇELİK A.Ş.	Manufacturing	A
AYDEM YENİLENEBİLİR ENERJİ A.Ş.	Power generation	A
CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.	Retail	A
KORDSA TEKNİK TEKSTİL A.Ş.	Manufacturing	A
TEKFEN HOLDİNG A.Ş.	Infrastructure	A
TÜRKİYE HALK BANKASI A.Ş.	Services	A

CDP TÜRKİYE CLIMATE CHANGE LEADERS	ACS Industry	Score
ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.	Manufacturing	A-
ARÇELİK A.Ş.	Manufacturing	A-
CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.	Retail	A-
ÇEMTAŞ ÇELİK MAKİNA SANAYİ VE TİCARET A.Ş.	Materials	A-
EKOTEN TEKSTİL SANAYİ VE TİCARET A.Ş.	Apparel	A-
FORD OTOMOTİV SANAYİ A.Ş.	Manufacturing	A-
İGA HAVALİMANI İŞLETMESİ A.Ş.	Services	A-
MİGROS TİCARET A.Ş.	Retail	A-
PEGASUS HAVA TAŞIMACILIĞI A.Ş.	Transportation services	A-
QNB FİNANSBANK A.Ş.	Services	A-
TÜRKİYE İŞ BANKASI A.Ş.	Services	A-
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.	Services	A-
TURKCELL İLETİŞİM HİZMETLERİ A.Ş.	Services	A-
TÜRKİYE HALK BANKASI A.Ş.	Services	A-
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.	Manufacturing	A-
YAPI VE KREDİ BANKASI A.Ş.	Services	A-

# CDP TÜRKİYE LEADERS

## TÜRKİYE 2022

### CDP TÜRKİYE WATER SECURITY LEADERS

	ACS Industry	Score
BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş.	Manufacturing	A-
COCA-COLA İÇECEK A.Ş.	Food, beverage & agriculture	A-
MİGROS TİCARET A.Ş.	Retail	A-
PARK CAM SANAYİ VE TİCARET A.Ş.	Materials	A-
ŞEKERBANK T.A.Ş.	Services	A-
TÜRKİYE GARANTİ BANKASI A.Ş.	Services	A-
TÜRK HAVACILIK VE UZAY SANAYİİ A.Ş.	Manufacturing	A-

### CDP SUPPLIER ENGAGEMENT RATING GLOBAL LEADERS

	ACS Industry	Score
ABDİ İBRAHİM İLAÇ SANAYİ VE TİCARET A.Ş.	Biotech, health care & pharma	A
ARÇELİK A.Ş.	Manufacturing	A
BRİSA BRIDGESTONE SABANCI LASTİK SANAYİ VE TİCARET A.Ş.	Manufacturing	A
COCA-COLA İÇECEK A.Ş.	Food, beverage & agriculture	A
ÇEMTAŞ ÇELİK MAKİNA SANAYİ VE TİCARET A.Ş.	Materials	A
ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	A
EKOTEN TEKSTİL SANAYİ VE TİCARET A.Ş.	Apparel	A
ETİ SODA A.Ş.	Materials	A
FORD OTOMOTİV SANAYİ A.Ş.	Manufacturing	A
KAZAN SODA ELEKTRİK ÜRETİM A.Ş.	Materials	A
KORDSA TEKNİK TEKSTİL A.Ş.	Manufacturing	A
MAVİ GİYİM SANAYİ VE TİCARET A.Ş.	Retail	A
MİGROS TİCARET A.Ş.	Retail	A
OSMANGAZİ ELEKTRİK DAĞITIM A.Ş.	Infrastructure	A
TURKCELL İLETİŞİM HİZMETLERİ A.Ş.	Services	A
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.	Manufacturing	A
YAPI VE KREDİ BANKASI A.Ş.	Services	A
ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.	Infrastructure	A

### About CDP Scoring Methodology

The CDP scoring methodology is a means to assess a company's progress towards environmental stewardship as communicated through their CDP response. Each of CDP's questionnaires (Climate Change, Forests and Water Security) has an individual scoring methodology.

**CDP Global A List:** The A List showcases the companies leading on environmental transparency and action, based on their annual disclosure through CDP's climate change, forests and water security questionnaires. If a company receives A score after careful considerations of the scoring team, meets the standards of reputational checks and gets the approval of CDP Scoring Steering Committee, then that company is entitled to be a CDP Global Leader.

**CDP Türkiye Leader:** If a company fails to meet any of the criteria to be a Global Leader, but still performs in the leadership level, then that company receives an A- score. In Türkiye, in order to celebrate the success of those companies and encourage them more, A- companies are named as Türkiye Leaders.

**Supplier Engagement Rating Global Leaders:** It provides a rating for how effectively companies are engaging with their suppliers on climate change. CDP assesses performance on supplier engagement using a company's response to selected questions on governance, targets, value chain (scope 3) emissions and supplier engagement strategies in the CDP Climate Change questionnaire.

# VOLUNTARY REPORTING TO MANDATORY REPORTING

In recent years, there has been a growing demand for sustainability disclosures and reporting processes from stakeholders such as investors, regulators and customers. Sustainability reports include disclosure and communication of an organization's strategy and approach to risks and opportunities, performance and organizational impacts, goals, and progress towards those goals in addition to environmental, social, and governance (ESG) considerations. We know that companies have voluntarily reported their sustainability performance for several years but there has been a transition towards mandatory sustainability reporting in various jurisdictions.

**"Investors and governments are demanding corporations to provide stakeholders with a clearer picture of how they are addressing sustainability-related business risks"**

Many governments and stock exchanges around the world are creating initiatives that encourage sustainability reporting and have introduced mandatory sustainability reporting requirements. For instance, 70 governments have adopted sustainability reporting measures in which 80% of them are mandatory. Additionally, 34 stock exchanges have mandatory ESG listing requirements.

Governments and stock exchanges are playing an increasingly significant role in promoting mandatory sustainability reporting and the number of countries and exchanges requiring such reporting is growing. In addition to the European Union's adoption of the Corporate Sustainability Reporting Directive (CSRD), several other countries have introduced mandatory sustainability reporting requirements.

- When we look closer into the **United Kingdom** example where publicly traded companies have been required to report on their greenhouse gas emissions since 2013 and the regulations have been expanded to include reporting on several other environmental and social metrics, we figure out that the UK has also introduced TCFD to help companies report on the financial risks and opportunities associated with climate change.
- Another example is **China** which issued guidelines in 2020 requiring large-listed companies to disclose ESG performance in their annual reports. The guidelines cover a range of topics, including climate change, environmental protection, and social responsibility.
- In the **United States**, the Securities and Exchange Commission (SEC) has been considering whether to require companies to disclose climate-related risks and opportunities in their financial reporting. While there is

currently no federal requirement for sustainability reporting, many states have introduced their own reporting requirements, including California, which requires publicly traded companies headquartered in the state to disclose their ESG risks and opportunities.

- Turning to stock exchanges; many exchanges around the world have introduced mandatory ESG listing requirements which require companies to meet certain sustainability criteria to be listed. The **New York Stock Exchange**, for example, has introduced its own ESG reporting standards while the Hong Kong Stock Exchange requires listed companies to report on a range of ESG factors.

We see that mandatory sustainability reporting is becoming more widespread around the world with many governments and stock exchanges introducing regulations and requirements. Companies that are subject to these regulations will need to ensure that they are reporting on their ESG performance accurately and transparently and that they are taking steps to improve their sustainability performance.

## CDP's Position on behalf of Investors

CDP also works closely with governments and regulators to support them in mandating and enforcing the highest possible standards of disclosure. The majority of existing regulation is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This is an important first step to wider and more advanced environmental disclosure that builds on financial and risk-based data that focuses on impact on people and planet – what CDP defines as 'high-quality mandatory disclosure'.

## An ambitious deal on compulsory reporting on environment, social affairs and governance for the EU governments: The Corporate Sustainability Reporting Directive

On April 21, 2021; the EU's Non-Financial Reporting Regulation (NFRD) was replaced by a proposal for the **Corporate Sustainability Reporting Directive (CSRD)**, which was adopted by the European Commission. The CSRD covers all relevant ESG elements and aims to increase investments in sustainable activities across the European Union. On June 22, 2022; the text was finalized in three-way discussions including the European Council, the European Parliament and the European Commission. Later, it was published and on December 14, 2022, the CSRD is published in the Official Journal. *(The Corporate Sustainability Reporting Directive – Latest insights | Deloitte Netherlands) (Corporate sustainability reporting (europa.eu))*

## CDP has identified five main principles that should be applied to mandatory disclosure regulation

- 1. Aim at environmental integrity;** The policy should be designed to advance the environmental agenda and to lead to real change that positively impacts people and planet. It is not possible to tackle climate without a holistic approach to the environment.
- 2. Ensure compatibility of disclosure standards;** If not based on, the policy needs to be aligned with existing internationally agreed standards. If national standards are developed, they need to be compatible with international standards.
- 3. Provide an enforcement system;** The policy implementation should be monitored by the relevant government authority, and effective measures for non-compliance should be in place. It is essential for policymakers to ensure that climate change is treated as intrinsically material at the company level and highlight that non-disclosure is not permitted under any circumstance.
- 4. Adhere to technical quality and content of the reporting process;** to meet this criterion, reporting should not only focus on risks but also strategy, impact, sector focus, comparability of disclosures, reliability, and accuracy. It should require forward-looking information to support the low-carbon transition. Companies should be required to fully integrate environmental factors at board level, both in terms of board composition and executive compensation.
- 5. Allow space for innovation and more mature disclosure;** The regulation should not form a ceiling and create a tick box exercise but serve as a floor/minimum requirement that stimulates even more ambitious, broader, and deeper disclosure and action. As other regulatory and policy regimes continue to develop, other frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD) can guide the expansion into other areas and further create a pathway into corporate reporting.

**The CSRD** replaced the Non-Financial Reporting Regulation (NFRD) in the EU and requires all relevant ESG elements to be covered in sustainability reporting. The CSRD aims to increase investments in sustainable activities across the EU and it covers all companies with significant operations in EU jurisdictions, including those with only a single subsidiary or branch in the EU.

The CSRD goes beyond reporting and requires companies to put in place policies, strategies, and performance management systems to promote sustainability which means that companies will need to take decarbonization steps and put due diligence procedures in place. The new standards will need to be followed by the first companies in the 2024 financial year for reports that being released in 2025. The CSRD will apply to approximately 50,000 companies, including listed small and medium-sized enterprises (SMEs). These companies will need to comply with more extensive reporting and assurance measures than the previous climate-related disclosures and there may be an accelerated implementation period. The CSRD is part of the Green Deal, which aims to develop a truly sustainable economy in the European Union.

The key advantages of sustainability reporting for businesses include enhanced company reputation and consumer confidence, increased innovation, improved risk management and offering stakeholders greater insight into performance beyond the bottom line. According to Deloitte's 2023 CxO Sustainability Report that is based on a survey of over 2,000 C-level executives, CxO's agree that their company's current sustainability efforts have a positive impact on brand recognition and reputation, consumer satisfaction, innovation around offerings and operations, employee morale and well-being and addressing climate change in decreasing order of impact. [2]

Reporting is encouraged considering recent international government initiatives and strategies. In the United States, the European Union, and other countries, there are actions requiring mandatory reporting.

CSRD is part of the Green Deal which has as an ultimate goal the development of a truly sustainable economy in the European Union. Now, the measures go far beyond reporting: from strategy and policies to performance management, technology, and controls implementation to change management and audit readiness. Also, implications need taking decarbonization steps and putting due diligence procedures in place.

## Türkiye's position amid mandatory reporting tsunami

The increasing demand and trend in sustainability reporting is closely followed by Turkish companies so new action plans towards greener economy are on the Turkish national agenda. Türkiye has also made significant progress in promoting mandatory sustainability reporting in recent years, including the proposed adoption of mandatory reporting requirements.

With the amendment made in the *Turkish Commercial Code No. 6102 published in the Official Journal of Türkiye on June 4, 2022*, Public Oversight Accounting and Auditing Standards Authority (KGK) has been authorized to determine and publish the Turkish Sustainability Reporting Standards in line with international standards and ensure the international validity of these standards. Türkiye introduced the first mandatory sustainability reporting regulation which required companies to disclose their ESG performance in their annual reports. Collaborations are made with relevant institutions and non-governmental organizations to raise awareness and increase the reporting quality in terms of ESG.

The regulation was initially applicable to listed companies, but it was later expanded to cover non-listed companies as well. The mandatory reporting regulation in Türkiye is enforced by the Capital Markets Board (CMB), which is the regulatory body responsible for overseeing the securities markets in the country. The CMB has issued guidelines for companies to follow when preparing their sustainability reports which include reporting on environmental impact, human rights, labor practices, anti-corruption measures and community engagement. In addition to the CMB, the Ministry of Environment and Urbanization (MEU) also plays a role in enforcing sustainability reporting requirements in Türkiye. The MEU is responsible for monitoring the environmental impact of companies and ensuring that they comply with relevant regulations. To further promote sustainability reporting in Türkiye, the CMB has also established the Corporate Governance and Sustainability Committee, which is responsible for developing and recommending policies

related to sustainability reporting and corporate governance.

Overall, Türkiye has made significant progress in promoting mandatory sustainability reporting and the country's regulatory bodies have played a key role in enforcing these requirements and promoting transparency and accountability in the corporate sector.

## Conclusion

We believe that this will increase the reporting quality in terms of ESG and collaborations between relevant institutions and non-governmental organizations which will also raise awareness on the topic. In conclusion, there is a transition from voluntary sustainability reporting to mandatory sustainability reporting and this trend is likely to continue. Governments, stock exchanges, investors, consumers and other stakeholders are demanding greater transparency and accountability from companies regarding their sustainability performance. Mandatory sustainability reporting can enhance company reputation, consumer confidence, risk management, innovation and provide stakeholders with greater insight into performance beyond the bottom line. With the increasing demand for sustainability reporting, this trend is likely to continue, and companies will need to be aware of the regulatory developments and requirements in their respective jurisdictions.

**\*Written by Deloitte Türkiye Team**

### References

1. Deloitte Resources - Deep Dive on Sustainability Reporting Presentation (Session 2 - Sustainability Fundamentals - Reporting vF updated Mar 22 2022.pptx (deloitte.com))
2. Deloitte 2023 CxO Sustainability Report (PowerPoint Presentation (deloitte.com))
3. Capital Group's ESG Global Study 2022 (Study finds two-thirds of investors prefer active funds to integrate ESG | Capital Group

# RESPONSE STATUS

## CLIMATE CHANGE / TÜRKİYE 2022

CDP TÜRKİYE CLIMATE CHANGE SAMPLE (BIST-100)			2022 SCORE	2022 RESPONSE STATUS	2022 PERMISSION STATUS	2022 DISCLOSED EMISSIONS (ACROSS ALL 3 SCOPES)	THE COMPANY HAS SBT (ABSOLUTE/ INTENSITY/ NET-ZERO TARGETS)
COMPANY - REQUESTED	INDUSTRY	PRIMARY QUESTIONNAIRE					
AG ANADOLU GRUBU HOLDİNG A.Ş.	Retail	General	F	NS			
AKBANK T.A.Ş.	Services	Financial services	B	S	P	▼	
AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	Cement	B	S	P	▼	
AKSA AKRİLİK KİMYA SANAYİİ A.Ş.	Materials	Chemicals	B	S	NP	▼	
AKSA ENERJİ ÜRETİM A.Ş.	Power generation	Electric utilities	F	NS			
ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Real estate	F	NS			
ALARKO HOLDİNG A.Ş.	Infrastructure	Construction	F	NS			
ALBARAKA TÜRK KATILIM BANKASI A.Ş.	Services	Financial services	B	S	P	▼	
ALKİM ALKALİ KİMYA A.Ş.	Materials	Paper & forestry	F	NS			
ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	B	S	NP		
ARÇELİK A.Ş.	Manufacturing	General	A-	S	P	▼	▼
ARD GRUP BİLİŞİM TEKNOLOJİLERİ A.Ş.	Services	General	F	NS			
ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.	Manufacturing	Capital goods	B	S	P	▼	
AYDEM YENİLENEBİLİR ENERJİ A.Ş.	Power generation	Electric utilities	A	S	P	▼	▼
AYGAZ A.Ş.	Fossil fuels	General	F	NS			
BERA HOLDİNG A.Ş.	Materials	Capital goods	F	NS			
BİM BİRLEŞİK MAĞAZALAR A.Ş.	Retail	General	F	NS			
BIOTREND ÇEVRE VE ENERJİ YATIRIMLARI A.Ş.	Power generation	Electric utilities	D-	S	NP		
BRİSA BRIDGESTONE SABANCI LASTİK SAN. VE TİC. A.Ş.	Manufacturing	General	A	S	P	▼	▼
COCA-COLA İÇECEK A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	B	S	P	▼	▼
ÇAN2 TERMİK A.Ş.	Manufacturing	Capital goods	F	NS			
ÇEMTAŞ ÇELİK MAKİNA SANAYİ VE TİCARET A.Ş.	Materials	Steel	A-	S	NP	▼	
ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	Cement	B	S	P	▼	▼
DEVA HOLDİNG A.Ş.	Biotech, health care & pharma	General	F	NS			
DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.	Fossil fuels	Oil & gas	B	S	P	▼	
DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.	Retail	General	F	NS			
EGE ENDÜSTRİ VE TİCARET A.Ş.	Manufacturing	General	F	NS			
EİS ECZACIBAŞI İLAÇ, SINAI VE FİNANSAL YATIRIM SAN. VE TİC. A.Ş.	Biotech, health care & pharma	General	F	NS			
EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	General	F	NS			
ENERJİSA ENERJİ A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	
ENKA İNŞAAT VE SANAYİ A.Ş.	Infrastructure	General	B	S	P	▼	
ERBOSAN ERCİYAS BORU SANAYİİ VE TİCARET A.Ş.	Materials	Metals & mining	F	NS			
EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.	Materials	Steel	F	NS			
ESENBOĞA ELEKTRİK ÜRETİM A.Ş.	Infrastructure	General	F	NS			
FORD OTOMOTİV SANAYİ A.Ş.	Manufacturing	Transport OEMS	A-	S	P	▼	▼
GLOBAL YATIRIM HOLDİNG A.Ş.	Services	General	F	NS			
GÖZDE GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.	Services	Financial services	F	NS			
GÜBRE FABRİKALARI T.A.Ş.	Materials	Chemicals	F	NS			
HALK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Real estate	F	NS			
HEKTAŞ TİCARET T.A.Ş.	Materials	Chemicals	F	NS			
İNDEKS BİLGİSAYAR SİSTEMLERİ MÜH. SAN. VE TİC. A.Ş.	Retail	General	F	NS			
İSKENDERUN DEMİR VE ÇELİK A.Ş.	Materials	Steel	F	NS			
İŞ FİNANSAL KİRALAMA A.Ş.	Services	Financial services	F	NS			
İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Real estate	F	NS			
İŞ YATIRIM MENKUL DEĞERLER A.Ş.	Services	Financial services	F	NS			
İZMİR DEMİR ÇELİK SANAYİ A.Ş.	Materials	Steel	F	NS			
KARDEMİR KARABÜK DEMİR ÇELİK SAN. VE TİC. A.Ş.	Materials	Steel	F	NS			
KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş.	Manufacturing	Transport OEMS	C	S	P	▼	
KARTONSAN KARTON SANAYİ VE TİCARET A.Ş.	Manufacturing	Paper & forestry	F	NS			
KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	F	NS			

# RESPONSE STATUS

## CLIMATE CHANGE / TÜRKİYE 2022

CDP TÜRKİYE CLIMATE CHANGE SAMPLE (BIST-100)			2022 SCORE	2022 RESPONSE STATUS	2022 PERMISSION STATUS	2022 DISCLOSED EMISSIONS (ACROSS ALL 3 SCOPES)	THE COMPANY HAS SBT (ABSOLUTE/ INTENSITY/ NET-ZERO TARGETS)
COMPANY - REQUESTED	INDUSTRY	PRIMARY QUESTIONNAIRE					
KERVAN GIDA SANAYİ VE TİCARET A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	F	NS			
KOÇ HOLDİNG A.Ş.	Fossil fuels	Oil & gas	F	NS			
KORDSA TEKNİK TEKSTİL A.Ş.	Manufacturing	General	B	S	P	▼	▼
KOZA ALTIN İŞLETMELERİ A.Ş.	Materials	Metals & mining	F	NS			
KOZA ANADOLU METAL MADENCİLİK İŞLETMELERİ A.Ş.	Materials	Metals & mining	F	NS			
LOGO YAZILIM SANAYİ VE TİCARET A.Ş.	Services	General	F	NS			
MAVİ GİYİM SANAYİ VE TİCARET A.Ş.	Retail	General	A	S	P	▼	▼
MİGROS TİCARET A.Ş.	Retail	General	A-	S	P	▼	▼
MLP SAĞLIK HİZMETLERİ A.Ş.	Biotech, health care & pharma	General	F	NS			
NETAŞ TELEKOMÜNİKASYON A.Ş.	Manufacturing	General	C	S	NP	▼	
ODAŞ ELEKTRİK ÜRETİM SANAYİ TİCARET A.Ş.	Infrastructure	Electric utilities	F	NS			
OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.	Manufacturing	Transport OEMS	F	NS			
OYAK ÇİMENTO FABRİKALARI A.Ş.	Materials	Cement	F	NS			
PARSAN MAKİNA PARÇALARI SANAYİ A.Ş.	Manufacturing	Transport OEMS	F	NS			
PEGASUS HAVA TAŞIMACILIĞI A.Ş.	Transportation services	Transport services	A-	S	P	▼	
PETKİM PETROKİMYA HOLDİNG A.Ş.	Materials	Chemicals	F	NS			
QUA GRANITE HAYAL YAPI VE ÜRÜNLERİ SAN. TİC. A.Ş.	Materials	Metals & mining	F	NS			
SABANCI HOLDİNG A.Ş.	Services	Financial services	B	S	P	▼	▼
SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.	Manufacturing	General	F	NS			
SASA POLYESTER SANAYİ A.Ş.	Materials	Chemicals	B	S	P	▼	
SELÇUK ECZA DEPOSU TİCARET VE SANAYİ A.Ş.	Retail	General	F	NS			
ŞEKERBANK T.A.Ş.	Services	Financial services	B	S	P	▼	
ŞOK MARKETLER TİCARET A.Ş.	Retail	General	F	NS			
TAV HAVALİMANLARI HOLDİNG A.Ş.	Services	General	F	NS			
TEKFEN HOLDİNG A.Ş.	Infrastructure	Construction	B	S	P	▼	
TEKNOSA İÇ VE DIŞ TİCARET A.Ş.	Retail	General	B-	S	P	▼	
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.	Manufacturing	Transport OEMS	B-	S	P	▼	
TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Real estate	F	NS			
TURKCELL İLETİŞİM HİZMETLERİ A.Ş.	Services	General	A-	S	P	▼	▼
TÜMÖSAN MOTOR VE TRAKTÖR SANAYİ A.Ş.	Manufacturing	General	F	NS			
TÜPRAŞ-TÜRKİYE PETROL RAFİNERİLERİ A.Ş.	Fossil fuels	Oil & gas	F	NS			
TÜRK HAVA YOLLARI A.O.	Transportation services	Transport services	B	S	P	▼	
TÜRK İLAÇ VE SERUM SANAYİ A.Ş.	Retail	General	F	NS			
TÜRK TELEKOMÜNİKASYON A.Ş.	Services	General	C	S	NP	▼	
TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.	Manufacturing	Capital goods	N/A	S	NP	▼	
TÜRKİYE GARANTİ BANKASI A.Ş.	Services	Financial services	A	S	P	▼	▼
TÜRKİYE HALK BANKASI A.Ş.	Services	Financial services	A-	S	P	▼	▼
TÜRKİYE İŞ BANKASI A.Ş.	Services	Financial services	A-	S	P	▼	▼
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.	Services	Financial services	A-	S	P	▼	▼
TÜRKİYE SİGORTA A.Ş.	Services	Financial services	F	NS			
TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.	Materials	General	D	S	P		
TÜRKİYE VAKIFLAR BANKASI T.A.O.	Services	Financial services	B	S	P	▼	
ÜLKER BİSKÜVİ SANAYİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	B	S	NP	▼	
VERUSA HOLDİNG A.Ş.	Services	Financial services	F	NS			
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.	Manufacturing	General	A-	S	P	▼	▼
VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.	Manufacturing	General	B	S	P	▼	▼
YAPI VE KREDİ BANKASI A.Ş.	Services	Financial services	A-	S	P	▼	▼
YATAŞ YATAK VE YORGAN SANAYİ VE TİCARET A.Ş.	Manufacturing	General	F	NS			
ZİRAAT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Financial services	F	NS			
ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	

# RESPONSE STATUS

## CLIMATE CHANGE / TÜRKİYE 2022

OTHER RESPONDING COMPANIES			2022 SCORE	2022 RESPONSE STATUS	2022 PERMISSION STATUS	2022 DISCLOSED EMISSIONS (ACROSS ALL 3 SCOPES)	THE COMPANY HAS SBT (ABSOLUTE/ INTENSITY/ NET-ZERO TARGETS)
COMPANY - REQUESTED	INDUSTRY	PRIMARY QUESTIONNAIRE					
ABDİ İBRAHİM İLAÇ SANAYİ VE TİCARET A.Ş.	Biotech, health care & pharma	General	B	S	NP	▼	▼
ADM ELEKTRİK DAĞITIM A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	
AKENERJİ ELEKTRİK ÜRETİM A.Ş.	Power generation	Electric utilities	B	S	P	▼	
AKİŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Real estate	B	S	P	▼	
ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ	Services	Financial services	C	S	NP	▼	
ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.	Manufacturing	Transport OEMS	A-	S	P	▼	▼
ANAGOLD MADENCİLİK SANAYİ VE TİCARET A.Ş. (SSR Mining, Inc.)	Materials	Metals & mining	N/A	SA			
BORUSAN MANNESMANN BORU SANAYİ VE TİCARET A.Ş.	Materials	Steel	C	S	NP	▼	
CARREFOURSA CARREFOUR SABANCI TİC. MERKEZİ A.Ş.	Retail	General	A-	S	P	▼	
ÇELEBİ HAVA SERVİSİ A.Ş.	Services	General	B-	S	NP	▼	
ÇELİKEL ALÜMİNYUM DÖKÜM İMALAT SAN. VE TİC. A.Ş.	Materials	Metals & mining	N/A	S (SV)	NP		
DURAN DOĞAN BASIM VE AMBALAJ A.Ş.	Manufacturing	Paper & forestry	B	S	P	▼	
EKOL LOJİSTİK A.Ş.	Transportation services	Transport services	B	S	P	▼	
EKOTEN TEKSTİL SANAYİ VE TİCARET A.Ş.	Apparel	General	A-	S	P	▼	▼
ENERJİSA ÜRETİM SANTRALLERİ A.Ş.	Power generation	Electric utilities	C	S	P	▼	
GAZDAŞ GAZİANTEP DOĞAL GAZ DAĞITIM A.Ş.	Infrastructure	General	B	S	P	▼	▼
GDZ ELEKTRİK DAĞITIM A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	
GENEL ENERGY PLC	Fossil fuels	Oil & gas	B	S	P	▼	
GENTAŞ GENEL METAL SANAYİ VE TİCARET A.Ş.	Materials	Paper & forestry	D	S	NP	▼	▼
GOODYEAR LASTİKLERİ T.A.Ş. (The Goodyear Tire & Rubber Company)	Manufacturing	General	N/A	SA			
HAMİTABAT ELEKTRİK ÜRETİM VE TİCARET A.Ş.	Power generation	Electric utilities	N/A	S (SV)	P	▼	
İOS GEMİ KİRALAMA VE DİŞ TİC. LTD.	Transportation services	Transport services	N/A	S (SV)	NP		
İGA HAVALİMANI İŞLETMESİ A.Ş.	Services	General	A-	S	P	▼	
İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET A.Ş.	Manufacturing	General	D-	S	P		
KAYSERİ ULAŞIM A.Ş.	Services	General	C	S	P	▼	▼
KAZAN SODA ELEKTRİK ÜRETİM A.Ş.	Materials	Metals & mining	B	S	P	▼	▼
KOLUMAN OTOMOTİV ENDÜSTRİ A.Ş.	Manufacturing	Transport OEMS	C	S	P	▼	▼
LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	Cement	C	S	P	▼	
OSMANGAZİ ELEKTRİK DAĞITIM A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	
PINAR ENTEGRE ET VE UN SANAYİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	B-	S	NP	▼	▼
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	C	S	NP	▼	
POLİSAN HOLDİNG A.Ş.	Materials	Chemicals	B	S	P	▼	
QNB FİNANSBANK A.Ş.	Services	Financial services	A-	S	P	▼	
TOYOTA BOSHOKU TÜRKİYE OTOMOTİV SAN. VE TİC. A.Ş.	Manufacturing	General	D	S	P	▼	▼
TÜRK HAVACILIK VE UZAY SANAYİİ A.Ş.	Manufacturing	Transport OEMS	B	S	P	▼	
TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.	Services	Financial services	B	S	P	▼	
VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	Services	Real estate	N/A	S	NP	▼	

### Key to Response Status Tables

**(F)** Failure to provide sufficient information to CDP to be evaluated for this purpose **(N/A)** Not scored because company responded the short version of questionnaire or parent company has kept their score private. **(NP)** Non-public **(P)** Public **(NS)** (Not submitted) No response or Declined to Participate **(S)** Submitted /Answered Questionnaire **(SA)** (See Another) Company is either a subsidiary or the parent company is already responding to CDP **(SV)**: Company responded the short version of questionnaire. Therefore not scored.

# RESPONSE STATUS

## WATER SECURITY / TÜRKİYE 2022

CDP TÜRKİYE WATER SAMPLE			2022 SCORE	2022 RESPONSE STATUS	2022 PERMISSION STATUS	DISCLOSED WATER WITHDRAWAL, DISCHARGE AND CONSUMPTION DATA	WATER CONSUMPTION STATUS COMPARED TO PREVIOUS YEAR
COMPANY - REQUESTED	INDUSTRY	PRIMARY QUESTIONNAIRE					
ABDİ İBRAHİM İLAÇ SANAYİ VE TİCARET A.Ş.	Biotech, health care & pharma	General	F	NS			
AFYON ÇİMENTO SANAYİ T.A.Ş. (Çimsa Çimento Sanayi ve Ticaret A.Ş.)	Materials	Cement	N/A	SA			
AG ANADOLU GRUBU HOLDİNG A.Ş.	Retail	General	F	NS			
AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	Cement	B	S	P	▼	Higher
AKENERJİ ELEKTRİK ÜRETİM A.Ş.	Power generation	Electric utilities	B	S	P	▼	Much higher
AKSA AKRİLİK KİMYA SANAYİİ A.Ş.	Materials	Chemicals	B	S	NP	▼	Higher
AKSA ENERJİ ÜRETİM A.Ş.	Power generation	Electric utilities	F	NS			
ALBARAKA TÜRK KATILIM BANKASI A.Ş.	Services	Financial services	B	S	P	▼	Lower
ALKİM ALKALİ KİMYA A.Ş.	Materials	Paper & forestry	F	NS			
ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	F	NS			
ANAGOLD MADENCİLİK SAN. VE TİC. A.Ş. (SSR Mining, Inc.)	Materials	Metals & mining	N/A	SA			
ARÇELİK A.Ş.	Manufacturing	General	A	S	P	▼	Much higher
ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.	Manufacturing	Capital goods	B	S	P	▼	Lower
AYDEM YENİLENEBİLİR ENERJİ A.Ş.	Power generation	Electric utilities	A	S	P	▼	Much lower
BİM BİRLEŞİK MAĞAZALAR A.Ş.	Retail	General	F	NS			
BORUSAN MANNESMANN BORU SANAYİ VE TİCARET A.Ş.	Materials	Steel	B-	S	NP	▼	Higher
BRİSA BRIDGESTONE SABANCI LASTİK SAN. VE TİC. A.Ş.	Manufacturing	General	A-	S	P	▼	Higher
CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.	Retail	General	A	S	P	▼	Lower
COCA-COLA İÇECEK A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	A-	S	P	▼	Higher
ÇEMTAŞ ÇELİK MAKİNA SANAYİ VE TİCARET A.Ş.	Materials	Steel	F	NS			
ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	Cement	B	S	P	▼	Higher
DEVA HOLDİNG A.Ş.	Biotech, health care & pharma	General	F	NS			
DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.	Fossil fuels	Oil & gas	F	NS			
DURAN DOĞAN BASIM VE AMBALAJ A.Ş.	Manufacturing	Paper & forestry	B	S	P		
EİS ECZACIBAŞI İLAÇ, SİNAİ VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş.	Biotech, health care & pharma	General	F	NS			
EKOTEN TEKSTİL SANAYİ VE TİCARET A.Ş.	Apparel	General	F	NS			
ENERJİSA ENERJİ A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	About the same
ENKA İNŞAAT VE SANAYİ A.Ş.	Infrastructure	General	B	S	P	▼	Much higher
EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.	Materials	Steel	F	NS			
ETİ SODA A.Ş.	Materials	Metals & mining	B	S	P	▼	Lower
FORD OTOMOTİV SANAYİ A.Ş.	Manufacturing	Transport OEMS	B	S	P	▼	Higher
GENEL ENERGY PLC	Fossil fuels	Oil & gas	B-	S	P	▼	Higher
GOODYEAR LASTİKLERİ T.A.Ş. (The Goodyear Tire & Rubber Company)	Manufacturing	General	N/A	SA			
GÜBRE FABRİKALARI T.A.Ş.	Materials	Chemicals	F	NS			
HEKTAŞ TİCARET T.A.Ş.	Materials	Chemicals	F	NS			
İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET A.Ş.	Manufacturing	General	C-	S	P		
İPEK DOĞAL ENERJİ KAYNAKLARI ARAŞTIRMA VE ÜRETİM A.Ş.	Fossil fuels	Oil & gas	F	NS			
İSKENDERUN DEMİR VE ÇELİK A.Ş.	Materials	Steel	F	NS			
KARDEMİR KARABÜK DEMİR ÇELİK SANAYİ VE TİCARET A.Ş.	Materials	Steel	F	NS			
KAZAN SODA ELEKTRİK ÜRETİM A.Ş.	Materials	Metals & mining	B	S	P	▼	About the same
KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	F	NS			
KOÇ HOLDİNG A.Ş.	Fossil fuels	Oil & gas	F	NS			
KORDSA TEKNİK TEKSTİL A.Ş.	Manufacturing	General	A	S	P	▼	Much higher
KOZA ALTIN İŞLETMELERİ A.Ş.	Materials	Metals & mining	F	NS			
KOZA ANADOLU METAL MADENCİLİK İŞLETMELERİ A.Ş.	Materials	Metals & mining	F	NS			

# RESPONSE STATUS

## WATER SECURITY / TÜRKİYE 2022

CDP TÜRKİYE WATER SAMPLE			2022 SCORE	2022 RESPONSE STATUS	2022 PERMISSION STATUS	DISCLOSED WATER WITHDRAWAL, DISCHARGE AND CONSUMPTION DATA	WATER CONSUMPTION STATUS COMPARED TO PREVIOUS YEAR
COMPANY - REQUESTED	INDUSTRY	PRIMARY QUESTIONNAIRE					
MAVİ GİYİM SANAYİ VE TİCARET A.Ş.	Retail	General	B	S	P		
MİGROS TİCARET A.Ş.	Retail	General	A-	S	P	▼	About the same
OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.	Manufacturing	Transport OEMS	F	NS			
PERLA FRUIT GIDA SANAYİ VE TİCARET A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	F	NS			
PETKİM PETROKİMYA HOLDİNG A.Ş.	Materials	Chemicals	F	NS			
PINAR ENTEGRE ET VE UN SANAYİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	C	S	NP	▼	Lower
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	B-	S	NP	▼	About the same
POLİSAN HOLDİNG A.Ş.	Materials	Chemicals	B-	S	P	▼	Much lower
SASA POLYESTER SANAYİ A.Ş.	Materials	Chemicals	B-	S	P	▼	
SODA SANAYİ A.Ş.	Materials	Chemicals	F	NS			
SUN TEKSTİL SANAYİ VE TİCARET A.Ş.	Apparel	General	F	NS			
ŞEKERBANK T.A.Ş.	Services	Financial services	A-	S	P	▼	About the same
ŞOK MARKETLER TİCARET A.Ş.	Retail	General	F	NS			
TEKFEN HOLDİNG A.Ş.	Infrastructure	Construction	A	S	P	▼	Lower
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.	Manufacturing	Transport OEMS	B	S	P	▼	Lower
TÜMÖSAN MOTOR VE TRAKTÖR SANAYİ A.Ş.	Manufacturing	General	F	NS			
TÜPRAŞ-TÜRKİYE PETROL RAFİNERİLERİ A.Ş.	Fossil fuels	Oil & gas	F	NS			
TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.	Manufacturing	Capital goods	N/A	S	NP	▼	About the same
TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	F	NS			
TÜRKİYE HALK BANKASI A.Ş.	Services	Financial services	A	S	P	▼	Much lower
TÜRKİYE İŞ BANKASI A.Ş.	Services	Financial services	B	S	P	▼	Lower
TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.	Materials	General	F	NS			
ÜLKER BİSKÜVİ SANAYİ A.Ş.	Food, beverage & agriculture	Food, beverage & tobacco	B-	S	NP	▼	Lower
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.	Manufacturing	General	C	S	P	▼	Lower
VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.	Manufacturing	General	C	S	P	▼	Much lower
YAPI VE KREDİ BANKASI A.Ş.	Services	Financial services	B	S	P	▼	Much lower
YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.	Apparel	General	B-	S	P	▼	Lower
ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.	Infrastructure	Electric utilities	B	S	P	▼	Lower
OTHER RESPONDING COMPANIES							
AKBANK T.A.Ş.	Services	Financial services	B	S	P	▼	Much higher
HAMİTABAT ELEKTRİK ÜRETİM VE TİCARET A.Ş.	Power generation	Electric utilities	N/A	S (SV)	P	▼	Higher
İGA HAVALİMANI İŞLETMESİ A.Ş.	Services	General	B	S	P	▼	
LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.	Materials	Cement	B	S	P	▼	
PARK CAM SANAYİ VE TİCARET A.Ş.	Materials	General	A-	S	P	▼	About the same
SABANCI HOLDİNG A.Ş.	Services	Financial services	B	S	P	▼	Higher
TOYOTA BOSHOKU TÜRKİYE OTOMOTİV SAN. VE TİC. A.Ş.	Manufacturing	General	C	S	P	▼	Lower
TÜRK HAVACILIK VE UZAY SANAYİİ A.Ş.	Manufacturing	Transport OEMS	A-	S	P	▼	About the same
TÜRKİYE GARANTİ BANKASI A.Ş.	Services	Financial services	A-	S	P	▼	Much higher
TÜRKİYE VAKIFLAR BANKASI T.A.O.	Services	Financial services	B-	S	P	▼	

### Key to Response Status Tables

**(F)** Failure to provide sufficient information to CDP to be evaluated for this purpose **(N/A)** Not scored because company responded the short version of questionnaire or parent company has kept their score private. **(NP)** Non-public **(P)** Public **(NS)** (Not submitted) No response or Declined to Participate **(S)** Submitted /Answered Questionnaire **(SA)** (See Another) Company is either a subsidiary or the parent company is already responding to CDP **(SV)**: Company responded the short version of questionnaire. Therefore not scored.

# RESPONSE STATUS

## FOREST / TÜRKİYE 2022

CDP TÜRKİYE FOREST SAMPLE			2022 RESPONSE STATUS	2022 SCORE
COMPANY - RESPONDED TO CDP	INDUSTRY	PRIMARY QUESTIONNAIRE		
CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.	Retail	General	S	B (Timber, Palm Oil, Cattle, Soy)
GENTAŞ GENEL METAL SANAYİ VE TİCARET A.Ş.	Materials	Paper & forestry	S (SV)	N/A
GOODYEAR LASTİKLERİ T.A.Ş. (The Goodyear Tire & Rubber Company)	Manufacturing	General	SA	N/A
MAVİ GİYİM SANAYİ VE TİCARET A.Ş.	Retail	General	S	B (Timber)

**Key to Response Status Tables**  
(N/A) Not scored because company responded the short version of questionnaire or parent company has kept their score private. (S) Submitted /Answered Questionnaire (SA) (See Another) Company is either a subsidiary or the parent company is already responding to CDP (SV): Company responded the short version of questionnaire. Therefore not scored.

### Important Notice

The contents of this report may be used by anyone providing acknowledgement is given to CDP Worldwide (CDP). This does not represent a license to repackaging or resell any of the data reported to CDP or the contributing authors and presented in this report. If you intend to repackaging or resell any of the contents of this report, you need to obtain express permission from CDP before doing so.

Sabancı University Corporate Governance Forum and CDP have prepared the data and analysis in this report based on responses to the CDP 2022 information request. No representation or warranty (express or implied) is given by Sabancı University Corporate Governance Forum or CDP as to the accuracy or completeness of the information and opinions contained in this report. You should not act upon the information contained in this publication without obtaining specific professional advice. To the extent permitted by law, Sabancı University Corporate Governance Forum and CDP do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this report or for any decision based on it. All information and views expressed herein by CDP and/or Sabancı University Corporate Governance Forum is based on their judgment at the time of this report and are subject to change without notice due to economic, political, industry and firm-specific factors. Guest commentaries where included in this report reflect the views of their respective authors; their inclusion is not an endorsement of them.

Sabancı University Corporate Governance Forum and CDP and their affiliated member firms or companies, or their respective shareholders, members, partners, principals, directors, officers and/or employees, may have a position in the securities of the companies discussed herein. The securities of the companies mentioned in this document may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates.

‘CDP Worldwide’ and ‘CDP’ refer to CDP Worldwide, a registered charity number 1122330 and a company limited by guarantee, registered in England number 05013650.

© 2022 CDP Worldwide. All rights reserved.

DOI number: 10.5900/SU\_SOM\_WP.2023.46062

**CDP Contacts**

**Dexter Galvin**  
Global Director, Corporations &  
Supply Chains

**Ji Yeon Kim**  
Manager, UK & WW  
Corporate Engagement

**CDP Worldwide**  
4th Floor  
60 Great Tower Street  
London EC3R 5AD  
Telephone: +44 (0) 20 3818 3900  
www.cdp.net

**Partner Contacts**

**Ata Can Bertay**  
SU CGFT - Director

**Mirhan Köroğlu Göğüş**  
CDP Türkiye- Projects Manager

**Sabancı University**  
Orhanlı/Tuzla 34956  
İstanbul Türkiye

Tel: +90 (0) 216 483 96 82  
cdpturkey.sabanciuniv.edu  
cdp@sabanciuniv.edu

**Report Writer Contacts**

**Mirhan Köroğlu Göğüş**  
CDP Türkiye -Projects  
Manager

**Işıl Oral**  
CDP Türkiye  
Projects Officer

**Report Design**

**Cihan Uyanık**  
Printworld

DOI: 10.5900/SU\_SOM\_WP.2023.46062

CDP Partner

CDP Türkiye Sponsor

CDP Türkiye Report Sponsor