

Summary Booklet

CDP Climate Change and Water Report 2018 Turkey Edition¹

Written on behalf of over 650 institutional investors with US\$87 trillion in assets

¹The full version of the report is available here:
<https://cdpturkey.sabanciuniv.edu/en/reports>



RESPONDING COMPANY LIST

CLIMATE CHANGE / TURKEY 2018

Official Sample (BIST-100 Companies)	
AFYON ÇİMENTO SANAYİ T.A.Ş.	NETAŞ TELEKOMÜNİKASYON A.Ş.
AKBANK T.A.Ş.	PEGASUS HAVA TAŞIMACILIĞI A.Ş.
AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.	POLİSAN HOLDİNG A.Ş.
AKENERJİ ELEKTRİK ÜRETİM A.Ş.	SODA SANAYİ A.Ş.
AKSA AKRİLİK KİMYA SANAYİİ A.Ş.	ŞEKERBANK T.A.Ş.
ANADOLU CAM SANAYİİ A.Ş.	T.GARANTİ BANKASI A.Ş.
ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş.	T.SINAI KALKINMA BANKASI A.Ş.
ARÇELİK A.Ş.	T.ŞİŞE VE CAM FABRİKALARI A.Ş.
ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.	TAV HAVA LİMANLARI HOLDİNG A.Ş.
BRİSA BRIDGESTONE SABANCI LASTİK SAN. VE TİC. A.Ş.	TEKFEN HOLDİNG A.Ş.
COCA-COLA İÇECEK A.Ş.	TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.
ÇELEBİ HAVA SERVİSİ A.Ş.	TRAKYA CAM SANAYİİ A.Ş.
ÇİMSA ÇİMENTO SANAYİİ VE TİCARET A.Ş.	TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
ENKA İNŞAAT VE SANAYİ A.Ş.	TÜRK TELEKOMÜNİKASYON A.Ş.
FORD OTOMOTİV SANAYİ A.Ş.	TÜRKİYE HALK BANKASI A.Ş.
GSD HOLDİNG A.Ş.	TÜRKİYE VAKIFLAR BANKASI T.A.O.
KARDEMİR KARABÜK DEMİR ÇELİK SANAYİ VE TİCARET A.Ş.	VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ş.
KORDSA TEKNİK TEKSTİL A.Ş.	YAPI VE KREDİ BANKASI A.Ş.
MİGROS TİCARET A.Ş.	ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.

Other Responding Companies
ALBARAKA TÜRK KATILIM BANKASI A.Ş.
DURAN DOĞAN BASIM VE AMBALAJ A.Ş.
EKOTEN SANAYİ VE TEKSTİL A.Ş.
KAYSERİ ULAŞIM A.Ş.
PINAR ENTEGRE ET VE UN SANAYİİ A.Ş.
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.
SUN SANAYİ VE TEKSTİL A.Ş.
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.
YÜNİSA YÜNLÜ SANAYİ VE TİCARET A.Ş.
ZORLU DOĞAL ELEKTRİK ÜRETİMİ A.Ş.

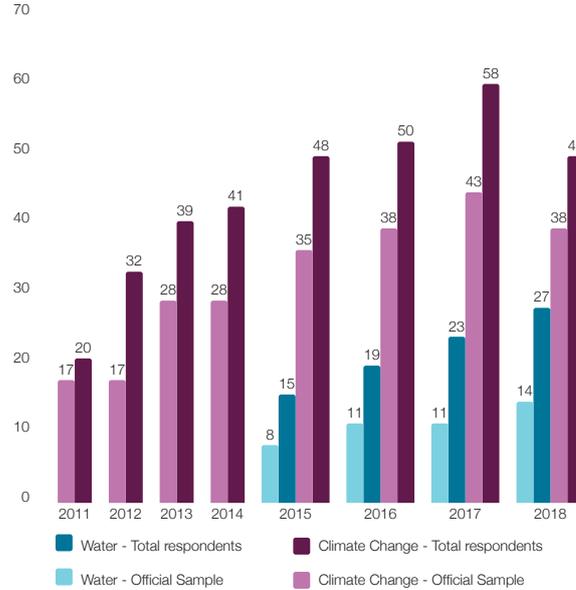
RESPONDING COMPANY LIST

WATER SECURITY / TURKEY 2018

Official Sample
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COCA-COLA İÇECEK A.Ş.
ÇİMSA ÇİMENTO SANAYİİ VE TİCARET A.Ş.
ENKA İNŞAAT VE SANAYİ A.Ş.
FORD OTOMOTİV SANAYİ A.Ş.
KORDSA TEKNİK TEKSTİL A.Ş.
MİGROS TİCARET A.Ş.
POLİSAN HOLDİNG A.Ş.
TEKFEN HOLDİNG A.Ş.
TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.
VESTEL BEYAZ EŞYA SANAYİ VE TİCARET A.Ş.
ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.

Other Responding Companies
AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.
AKENERJİ ELEKTRİK ÜRETİM A.Ş.
ALBARAKA TÜRK KATILIM BANKASI A.Ş.
DURAN DOĞAN BASIM VE AMBALAJ A.Ş.
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PINAR SÜT MAMULLERİ SANAYİİ A.Ş.
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T.GARANTİ BANKASI A.Ş.
TAV HAVA LİMANLARI HOLDİNG A.Ş.
TÜRKİYE HALK BANKASI A.Ş.
YAPI VE KREDİ BANKASI A.Ş.
YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.
ZORLU DOĞAL ELEKTRİK ÜRETİMİ A.Ş.

Number of Responding Companies since 2011



KEY FINDINGS

CLIMATE CHANGE

▼ Most of the (93%) responding companies in Turkey identified inherent climate-related risks with the potential to have a substantive financial or strategic impact on their business. The amount of the identified potential financial impact of risks is US\$29 billion in total.

▼ Analysing environmental disclosures by 44 companies, the report finds 82% now believe so-called 'transition' risks, such as new climate legislation, will meaningfully affect their businesses. A further 89% believe that the risk driver occurs mostly in direct operations and it occurs mostly in medium term (70%).

▼ To manage these risks, 84% of companies now offer monetary incentives to their C-suite or boards for the management of climate-related issues including the attainment of targets.

▼ Climate change is a mainstream boardroom topic for companies in Turkey now. Almost all responding companies (95%) stated the Board-level oversight of climate-related issues within the organization; more than half (52%) of organisations have CEO oversight.

▼ According to the company responses, 57% claim to be implementing current best practice by using a scenario-based approach to inform their corporate strategy around climate change, while an additional 30% anticipate that, by 2020, they will use different climate scenarios to inform their business strategies.

▼ Almost all responding companies in Turkey see business opportunities resulting from climate change. In fact, the proportion of companies that has identified positive opportunities resulting from climate change is larger than the share of companies that has identified risks (95% vs. 93%).

▼ Businesses in Turkey are also finding opportunities in other areas, with 20% of companies offering low-carbon products and services that can help their customers to reduce emissions. A further 24% report that their products and/or services enable third parties to avoid GHG emissions.

▼ There is an obvious progress on emission reporting in Turkey. 45 percent of responding companies reported reductions in GHG emissions compare to the previous year. In parallel, a growing number of companies recognize the importance of verifying the accuracy of their emissions data. 75 percent of responding companies indicated that their scope 1 and scope 2 emissions have been externally assured or assurance is underway jumped from 62% in 2017.

▼ More companies in Turkey are stepping up their response to climate change, setting more ambitious targets to drive longer-term progress towards low carbon future. 84% of respondents have some sort of target in place for reducing emissions (80% in 2017). A further 73% reported that the initiatives are related to energy efficiency processes up from 64% in 2017.

▼ There is a room for improvement of using climate related mechanisms such as setting Science Based Targets and/ or internal carbon price. Only 7% of respondents consider that their target is a science-based target, but these targets have not been approved as science-based by the SBTi. A further, 32% are anticipating setting one by 2020. Similarly, the rate of Turkish companies that use an internal carbon price is quite low: 18 percent (16% in 2017). A further 34% plan to implement a price on carbon in the next two years.

▼ 11 percent of responding companies have developed a low-carbon transition plan to support the long-term business strategy. A further 16% plan to complete it by 2020.

▼ Engagement on climate issues becomes more important for the companies in Turkey because of international developments around climate change. Growing number of companies engaging their supply chains to drive downstream emissions reductions, with 40% integrating climate issues into their supplier evaluation processes. Moreover, 86% of respondents reported engagement in activities that could either directly or indirectly influence public policy on climate-related issues up from 70% in 2017.

▼ BIST100 represent 83% of the total market cap of Borsa Istanbul. Companies that accept the invitation to disclose to CDP represent 52% of the official sample and 43% of the total market cap, which is close to the global figure of 50%.

▼ As environmental awards are announced, there is no Global CDP A list company in Turkey in 2018. However, three companies, Arçelik, Aselsan and Garanti Bank, achieved a score of A- across climate change program are recognized as pioneers of business in Turkey for environmental action.

KEY FINDINGS

WATER SECURITY

- ▼ Many companies are already rising to the water challenge. Today 27 of the Turkey's largest companies measure, manage and report their water risks and impacts through CDP – up from 15 just three years ago.
- ▼ 81 percent of responding companies in Turkey have company-wide water policy. A further 92% engage in activities that could either directly or indirectly influence public policy on water.
- ▼ Company boards have woken up to water security. Water security now has a firm seat at the table of almost all (96%) of the most significant corporate boards in Turkey up from 74% in 2017. In more than half of the responding companies (58%), CEO is the one with responsibility for water-related issues.
- ▼ Water risks are rapidly materializing for business in Turkey. 31 percent (13% in 2017) of companies in Turkey reported suffering from some sort of water-related issue - over the reporting period – mostly related to flooding or droughts – with a total estimate water related financial impact of US\$25.8 million.
- ▼ Dependence of company's operations on sufficient amounts of water, especially reliance on freshwater sources, is alarming. Companies disclosing from Turkey claim that having sufficient good quality freshwater for their own use is either important (62%) or vital (65%) for their business.
- ▼ A significant portion of responding companies (96%) reporting via CDP now measure and monitor more than 50% of all water aspects across all operations to have a good understanding of their water risks. In terms of water withdrawals, 38% of responding companies report a decrease, while 35% measured an increase compared to previous year. Half of the companies reported that total water discharge by destination is higher compared to the previous year.
- ▼ Water crosses the company boundary, at either the corporate level or facility level. Most of the water withdrawal is sourced from third party sources (73%) and most of the water is discharged to third party destinations (88%).

▼ The level of engagement of companies in Turkey with water management and responsiveness to water risks are promising. 69 percent of companies engage with the value chain on water-related issues. A further 38% also ask their suppliers to report on their water use, risks and/or management information.

▼ 96 percent of responding companies state that water risks are assessed jumped from 78% in 2017. However, water-exposed companies should conduct risk assessments that are company-wide and comprehensive, including their direct operations and their supply chains. 31% of disclosing companies meet this higher standard – up from 9% in 2017.

▼ Physical risks are the most reported types of risks in the direct operations (85%) and also in the value chain (38%). Increased operating costs are the most reported potential impact (54%) of identified risks in the direct operations; in the value chain the most reported one is drought (15%).

▼ Looking at the longer term 88% of respondents in Turkey are integrating water-related issues into organization's long-term strategic business plan. A further 73% use climate-related scenario analysis to inform its business strategy.

SNAPSHOT

CLIMATE CHANGE / TURKEY 2018



SNAPSHOT

WATER / TURKEY 2018

Response Summary & Current State	Total Number of Responding Companies 27	Number of public responses 19	Engage with the value chain on water-related issues 69%	Water quality & quantity are vital for the success of the business 65%	Water aspects of all operations (%100 of sites/facilities operations) are regularly measured and monitored 88%
Business Impacts & Procedures	Organization has experienced detrimental water-related impacts 31%	Identified flooding as the top impact driver of the water-related detrimental impacts 15%	Undertook a water-related risk assessment 96%	Both direct operations and supply chain have integrated in the procedures for identifying and assessing water-related risks 31%	Employers are the most considered stakeholders in organization's water-related risk assessments 92%
Governance & Strategy	Reported board level oversight of water-related issues within the organization 96%	Reported engagement in activities that could influence public policy on water 92%	The board chair has the responsibility for water-related issues 15%	Water-related issues are integrated into the long-term (more than 10 years) strategic business plan 38%	Water-related issues are integrated into financial planning of the organization 73%
Risks & Opportunities	Identified water-related risks both in direct operations and the rest of the value chain 46%	Identified water-related opportunities and some/all are being realized 92%	Identified risks in the direct operations with the potential to have impact on the business within a year 27%	Identified flooding or increased water scarcity as the most primary risks in the direct operations 27%	Identified cost savings as the most primary water related opportunity 58%
Accounting	Total water withdrawal by source is higher than the previous reporting year 50%	Total water discharge by destination is lower than the previous reporting year 46%	More than 50% of total water use is recycled and reused 15%	More than 50% of suppliers have requested to report on their water use, risks and/or management information 15%	Water withdrawal data has been externally verified 54%
Targets & Strategy	Company-wide targets and goals are in place 35%	Reduced environmental impacts reported as the most common primary motivation behind water targets 42%	More than 50% of targets are achieved 42%	Water stewardship is the top motivation behind the water goals 31%	Identified any linkages or trade-offs between water and other environmental issues 88%

COMPANY RESPONSE SUMMARY

CLIMATE CHANGE / TURKEY 2018

CARBON PRICING

- 18% use an internal price on carbon

VERIFICATION

- Third-party verification or assurance process in place;
- Scope 3 41%
- Scope 1&2 75%

TARGETS

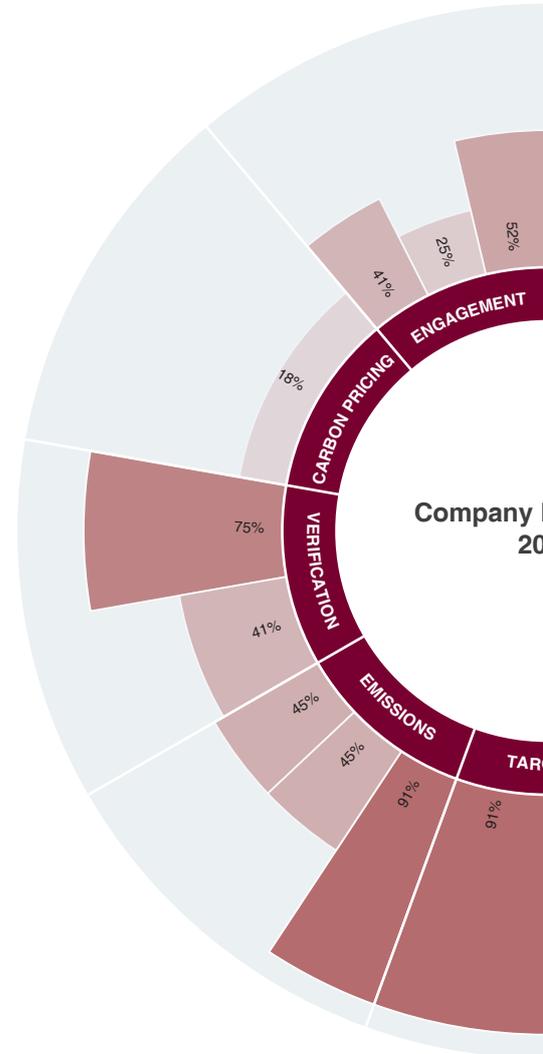
- 84% have an emission targets that was active in the reporting year
- 91% have emission reduction initiatives that were active within the reporting year

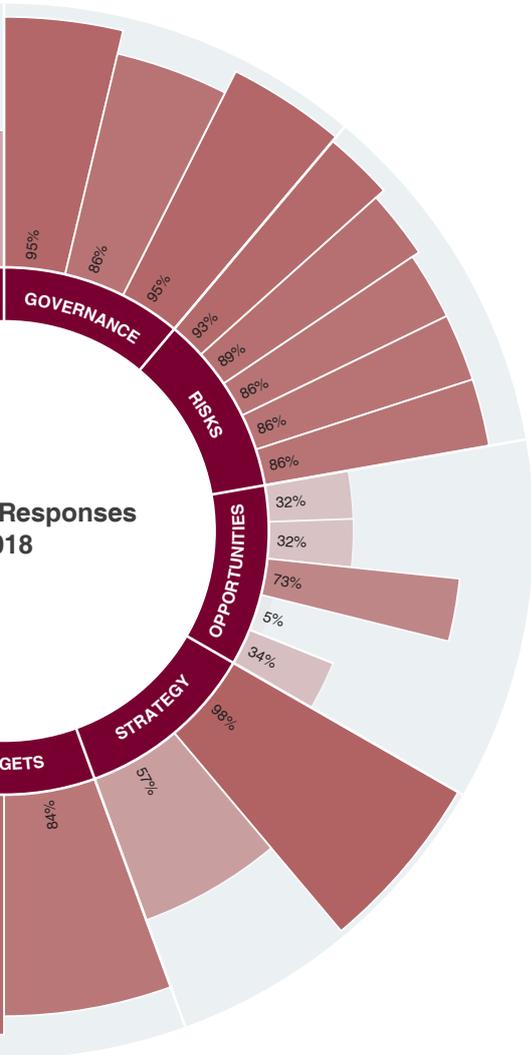
ENGAGEMENT

- 41% reported engagement with the value chain on climate-related issues
- 25% reported engagement with more than %50 of suppliers
- 52% published voluntary sustainability report

EMISSIONS

- 91% reported Scope 1 and 2 emissions
- 45% reported a decrease in Scope 1 and 2 emissions
- 45% reported an increase in Scope 1 and 2 emissions





GOVERNANCE

- 95% have board-level oversight of climate-related issues within the organization
- 86% have climate risk management procedures in place
- 95% provide incentives for the management of climate-related issues

RISKS

- 93% identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on the business.

Mostly reported risk types considered in the organization's climate-related risk assessments;

Reputation	93%
Current Regulation	89%
Emerging Regulation	86%
Acute Physical	86%
Market	86%

STRATEGY

- 98% integrated climate-related issues into business strategy
- 57% use climate-related scenario analysis to inform organization's business strategy

OPPORTUNITIES

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

Mostly reported opportunity types considered in the organization's climate-related risk assessments;

Products and Services	73%
Resource Efficiency	34%
Energy source	32%
Markets	32%
Resilience	5%

COMPANY RESPONSE SUMMARY

WATER / TURKEY 2018

GOVERNANCE & BUSINESS STRATEGY

- 81% of the respondents have a company-wide water policy
- 69% of the respondents identified any water-related outcomes from the organization's climate-related scenario analysis
- 12% of the respondents use an internal price on water

VERIFICATION

- 35% of respondents verified water consumption
- 42% of respondents verified water discharge
- 19% of respondents verified water recycled/reused
- 54% of respondents verified water withdrawals

OPPORTUNITIES

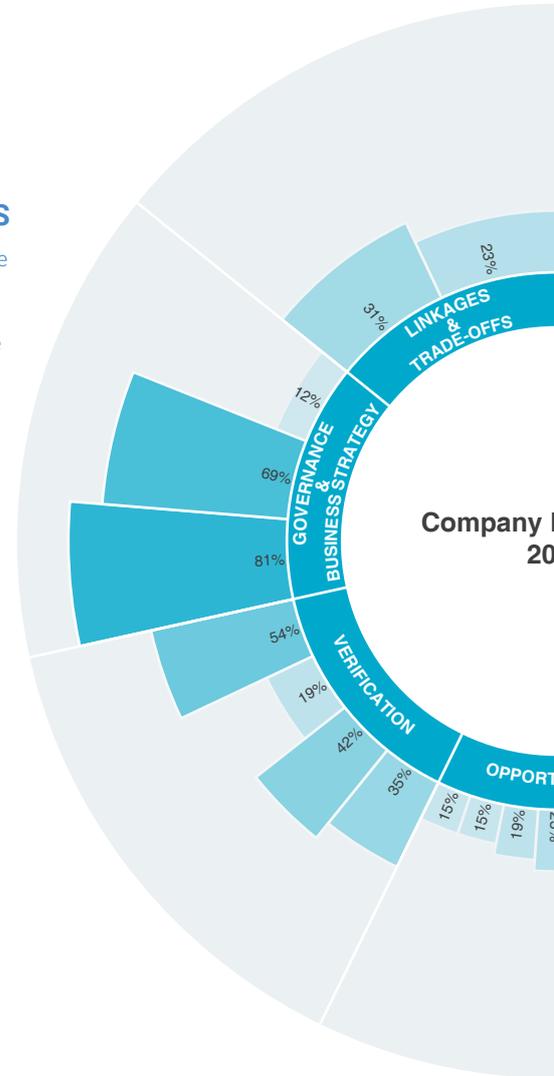
- 96% of the respondents identified water-related opportunities with the potential to have a substantive financial or strategic impact on the business

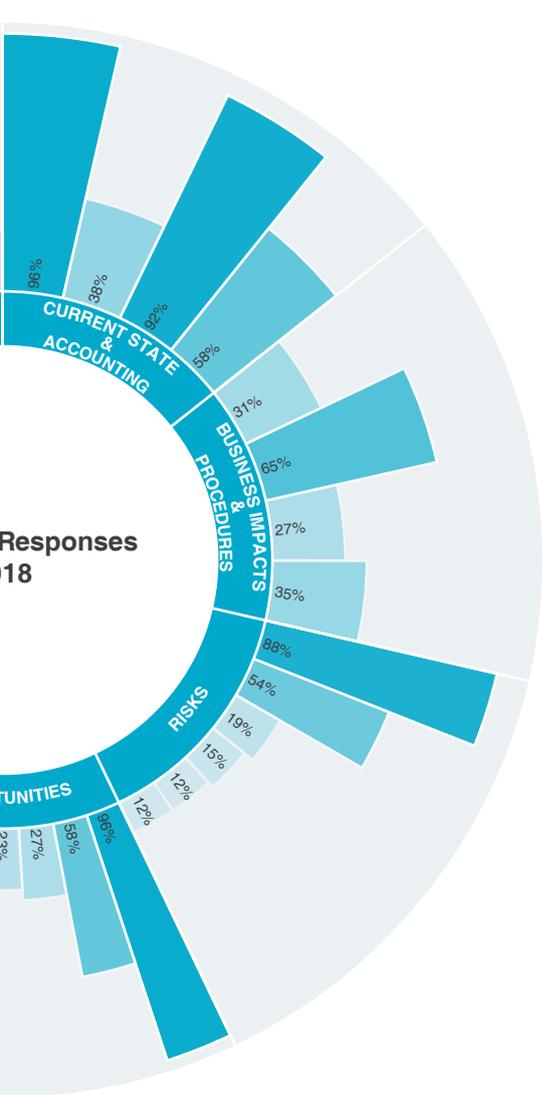
Primary water related opportunities:

- | | |
|---|-----|
| Cost savings | 58% |
| Increased brand value | 27% |
| Improved water efficiency in operations | 23% |
| Sales of new products/services | 19% |
| Stronger competitive advantage | 15% |
| Increased sales of existing products/services | 15% |

LINKAGES & TRADE-OFFS

- 31% decreased energy use is the most common reported type of linkage
- 23% increased energy use is the most common reported type of trade-off





CURRENT STATE & ACCOUNTING

- ▼ 96% regularly measured and monitored more than 50% of the water aspects across all operations
- ▼ 38% more than 50% of total withdrawals sourced from water stressed areas
- ▼ 92% of the respondents provide total water discharge data by destination
- ▼ 58% of the respondents provide water recycle or reuse percentages

BUSINESS IMPACTS & PROCEDURES

- ▼ 31% of the respondents assessed water risks as part of an enterprise risk management framework
- ▼ 65% of the respondents assessed water risks as part of the other company-wide risk assessment systems.
- ▼ 27% assessed water risks in an environmental risk assessment.
- ▼ 35% assessed water-related risks for more than 10 years.

RISKS

- ▼ 88% of the respondents identified inherent water-related risks with the potential to have a substantive financial or strategic impact on the business

Potential impacts of identified risks in the direct operations are:

- ▼ Increased operating costs 54%
- ▼ Reduction or disruption in production capacity 19%
- ▼ Brand damage 15%
- ▼ Closure of operations 12%
- ▼ Increased production costs 12%

CDP TURKEY LEADERS

2018

Company	Sector	Score
ARÇELİK A.Ş.	Consumer discretionary	A-
ASELSAN ELEKTRONİK SAN. VE TİC. A.Ş.	Industrials	A-
T.GARANTİ BANKASI A.Ş.	Financials	A-

Each of the questionnaires have a unique scoring methodology. The sector-based approach allows CDP to make more meaningful assessments of companies' responses, incorporating each sector's characteristics and nuances, resulting in a score that reflects the company's progress in environmental stewardship and enabling better benchmarking against other companies.

The scoring of CDP's questionnaires is conducted by accredited scoring partners trained by CDP. CDP's internal scoring team coordinates and collates all scores and run data quality checks and quality assurance processes to ensure that scoring standards are aligned between samples and scoring partners.

Further guidance on the 2018 general questions and sector questions can be downloaded from:
www.cdp.net/guidance/guidance-for-companies

CDP SCORING METHODOLOGY

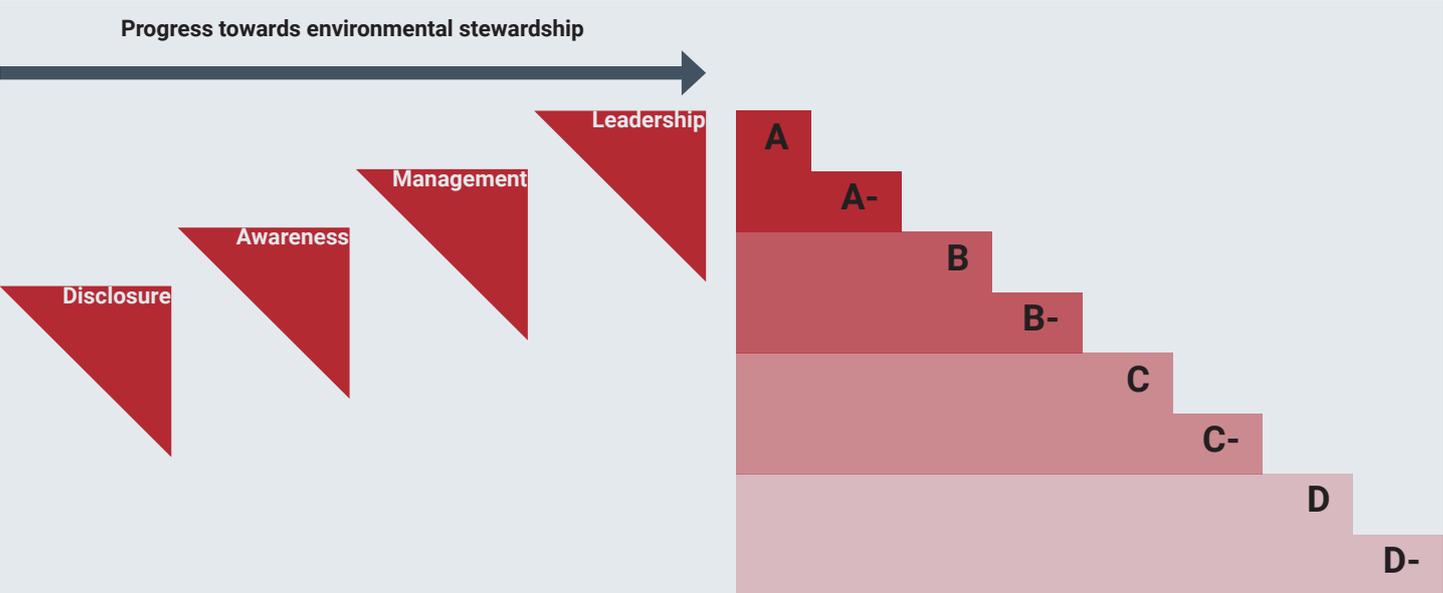


Illustration of scoring levels

F = Failure to provide sufficient information to CDP to be evaluated for this purpose.²

¹ For further information, visit <https://bit.ly/2FlpQdY>

² Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. An F does not indicate a failure in environmental stewardship.

www.cdp.net
<https://cdpturkey.sabanciuniv.edu/>

For the full version of the report



Bu ürün, %100 dönüşümlü
Cyclus Kuşe kullanılarak
hiç ağaç kesilmeden üretilmiştir.