

Water 2016 - ŞEKERBANK T.A.Ş.

Module: Introduction

Page: W0. Introduction

W0.1

Introduction

Please give a general description and introduction to your organization.

Şekerbank T.A.S. was founded in 1953 as the "Sugar Beet Cooperative Bank" in Eskişehir, Turkey. The founding mission of the bank was to fund the needs of sugar beet producers, farmers and the sugar industry. Today, Şekerbank has a well-penetrated branch network and broad geographical coverage with its 63 years of experience. Being the first bank to enter the Borsa Istanbul Corporate Governance Index in Turkey, Şekerbank is one of the leading banks to serve the agricultural sector, micro, small and medium enterprises (MSMEs) and to support initiatives and production in line with its Community Banking mission. Şekerbank has been transforming its community banking mission and adopting a greater sustainable development perspective by directing its operations into this area now more than ever. Positioning itself as 'Turkey's key bank' in the international scene through niche and local banking services, Şekerbank pursues its mission of supporting producers and broad-based banking services to those social segments without sufficient access to financial services especially the unbanked segments under the scope of financial inclusion. Within its sustainable development strategy, Şekerbank has developed a leading product in Turkey, EKOkredi (EKOkredi), for the financing of energy efficiency projects (waste management, renewable energy projects etc.) to individuals, SMEs, industrial and agricultural enterprises under favorable terms in 2009. With regard to sustainability and water, through EKOkredi agricultural loans Şekerbank offers farmers opportunities to increase the productivity of their lands and to protect their fields from unexpected seasonal changes by offering financing for modern irrigation systems, organic agricultural greenhouses, and solar energy systems. Across all EKOkredi segments the bank has introduced over 80 thousand people to energy savings thus far. Şekerbank collaborates with various partners in the public & private sector, and NGOs via EKOkredi. EKOkredi was selected one of the best sustainability practices to represent Turkey at the Rio+20 United Nations Conference on Sustainable Development, and thus is a key business initiative and a strategic standpoint for Şekerbank. Through EKOkredi, Şekerbank provides foreign resources obtained from international financial institutions for the financing of energy efficiency projects and passes these resources on to its broad-based customer profile. Şekerbank, as part of its strategy to operate as a sustainable bank, has supported various international initiatives such as COP 21, and signed the Caring for Climate platform and the Carbon Pricing Leadership Index initiatives in Paris, as well as embraced the IFC (International Finance Cooperation) Social and Environmental Performance Standards. Every member of our credit committees, from the branch-level to top-tier management, takes into consideration the responsibilities underlined by the Social and Environmental Management System Regulations (SEMS) which is implemented in project finance and which was recently updated by the Sustainable Development Banking Department. The Sustainable Development Banking Department (SDB) was established in April 2015 and integrated into the Office under Strategy and Corporate Communications Management, reflecting the important shift in the Bank toward a sustainable development vision. The SDB department's main functions include incorporating and aligning the global Sustainable Development Goals into Bank projects, as well as analyzing Bank projects through the lens of the banks' sustainable development strategy. The department focuses on developing projects reducing energy and water waste in the Bank's facilities, as well as leading sustainability training from top-management to branch level, maintaining the Social and Environmental Management System regulations, and monitoring the Bank's carbon and water footprints.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported

Thu 01 Jan 2015 - Thu 31 Dec 2015

W0.3**Reporting boundary**

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

W0.4**Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

No

Further Information

Please find 2015 annual report and 2013 sustainability report of Şekerbank in attached files...

Attachments

[sustainabilityreport2013-.pdf](#)

[Şekerbank annual reports 2015.pdf](#)

Module: Current State**Page: W1. Context****W1.1**

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quantity	quality and	Direct importance rating	use for	Indirect importance rating	use	Please explain
Sufficient amounts of good quality freshwater available for use		Vital	for operations	Neutral		As an organization active in the banking industry, our operations are not water intensive. However, we are active all over Turkey through number of branches, regional headquarters and service buildings. Therefore, access to freshwater for employee consumption, sanitation and landscaping is important for our operations. In addition to this, some of our clients in our loan portfolio are exposed to water risks. Change in the quality and quantity of water may affect our customers' businesses which would in return have certain impacts on our business.
Sufficient amounts of recycled, brackish and/or produced water available for use		Not important at all		Neutral		We use municipal water sources and a small amount from bottled water for drinking. Recycled water is not currently necessary to run operations in the Bank. However, potential projects and feasibility studies to use recycled water for sanitation use (ie. toilet water) can be examined in the future.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	We obtain all our water needs from municipal networks. Therefore, we are able to closely monitor our direct water withdrawals.
Water withdrawals- volume by sources	76-100	We obtain our water needs from municipal networks. Also following an in-depth study provided by our consulting firm last year we are more knowledgeable about which water sources / river basins our facilities obtain water from.
Water discharges- total volumes	76-100	Water use is primarily linked to employees, guests who come to the branches, and for cleaning activities. There is no productive process within the Bank that requires water consumption (for example, products or crops). As such, water withdrawal is estimated to be the same as water discharge.
Water discharges- volume by destination	76-100	All water discharges from the Bank's facilities are sent to municipal treatment plants. Although it is not currently feasible for us to know specifically which WTPs the Bank's water discharge is sent to, we are aware that across Turkey standards for water discharge to be treated through primary, secondary, and tertiary treatments are applied. To our knowledge, the Bank does not produce waste water that would require heavy treatment (tertiary), rather our waste water is similar to domestic waste water, thus requiring lighter treatment per volume at the WTP.
Water discharges- volume by treatment method	76-100	All water discharges from the Bank's facilities are sent to municipal treatment plants. Although it is not feasible for us to know specifically which WTPs the Bank's water discharge is sent to, we are aware that across Turkey standards for water discharge to be treated through primary, secondary, and tertiary treatments are applied. To our knowledge, the Bank does not produce waste water that would require heavy treatment (tertiary), rather our waste water is similar to domestic waste water, thus requiring lighter treatment per volume at the WTP.
Water discharge quality data- quality by standard effluent parameters	76-100	All water discharges from the Bank's facilities are sent to municipal treatment plants. Although it is not feasible for us to know specifically which WTPs the Bank's water discharge is sent to, we are aware that across Turkey standards for water discharge to be treated through primary, secondary, and tertiary treatments are applied. To our knowledge, the Bank does not produce waste water that would require heavy treatment (tertiary), rather our waste water is similar to domestic waste water, thus requiring lighter treatment per volume at the WTP.
Water consumption- total volume	76-100	We obtain all our water and drinking water needs from municipal networks and bottled water suppliers. Therefore, we are able to closely monitor our direct water withdrawals.
Facilities providing fully-functioning WASH services for all workers	76-100	Şekerbank provides adequate clean water for drinking and cleaning purposes, as well as adequate sanitation facilities for its employees. In order to meet certain hygiene quality standards, all Şekerbank facilities follow an in-house standard. In addition to this, in order to ensure the quality and quantity of fresh water, Şekerbank began a project in 2014 to deploy fresh water reservoirs in all of its facilities for daily use of its employees in the case of a lack of water from local municipal networks.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0.00	Not applicable	NA
Brackish surface water/seawater	0.00	Not applicable	NA
Rainwater	0.00	Not applicable	NA
Groundwater - renewable	0.00	Not applicable	NA

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Groundwater - non-renewable	0.00	Not applicable	NA
Produced/process water	0.00	Not applicable	NA
Municipal supply	84.8	Higher	We are supplying all our water needs from municipal sources as our facilities consist of office buildings.
Wastewater from another organization	0.00	Not applicable	NA
Total	84.8	Higher	We are supplying all our water needs from municipal sources as our facilities consist of office buildings.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0.00	Not applicable	No fresh surface water discharge
Brackish surface water/seawater	0.00	Not applicable	No brackish surface water/sea water discharge
Groundwater	0.00	Not applicable	No groundwater discharge
Municipal/industrial wastewater treatment plant	84.8	Higher	The amount of water discharge is estimated to be the same as withdrawal, as explained in W1.2. Water discharge is channelled through the municipality's network and treated in WTPs.
Wastewater for another organization	0.00	Not applicable	No wastewater for another organization.
Total	84.8	Higher	The amount of water discharge is estimated to be the same as withdrawal, as explained in W1.2. Water discharge is channelled through the municipality's network and treated in WTPs.

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
84.8	Higher	We have officially started tracking our water consumption as of last year following our first reporting to CDP Water. In addition, in 2015, we updated our standards for data collection through investments made in IT infrastructure. Beginning in 2016 the database will allow branch operations managers to monthly report on municipal and drinking water usage. As of 2016 we will be able to make more consistent and accurate comparisons between years and facilities. As part of our efforts to reduce water consumption and raise

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
		awareness, the Sustainable Development Banking department led several trainings for employees on sustainability and water issues toward the end of 2015.

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Important but not an immediate business priority	As a bank, our activities are not water intensive. Our main suppliers are service or office equipment providers therefore they also have insignificant water footprints. Hence why Şekerbank has not requested their suppliers to report on their water use up-to-date.

W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
Turkey	Other: Yesilirmak basin; Antalya basin; Aras Basin, Susurluk basin, Kizilirmak basin; Sakarya basin; Marmara basin	Phys-Declining water quality Phys-Flooding Phys-Rationing of municipal water supply	Higher operating costs	8 of our branches located in 7 different river basins had negatively affected from flood in 2015. In addition to this, we purchase drinking water (water cooler bottles) for our facilities as it is not always possible to use water directly provided by the municipality.	Flood: 3 days for each location. Water Quality: Ongoing	Less than 1% of our operating costs	Develop flood emergency plans Infrastructure investment Infrastructure maintenance	In selection of new branch locations, we consider flood risk and try to select low flood risk locations. We also deploy "water alarms" in our branches in order to protect our branch's IT infrastructure and data storage equipment from any flood damage. We are also deploying check-valve systems to our branches' sewage connection points to prevent flood.

Further Information

Indirect water footprint calculations have been made with regards to 2015 performance in parallel to last year. Major water related items have been included in the calculations (energy, paper and water cooler consumptions). We have significantly reduced our consumption of bottled water per employee in 2015 in order to lower environmental impact of employees' water consumption with the reduction of total packaging, plastic and waste.

Attachments

[W1.4a. Sekerbank Indirect Water Footprint 2015.xlsx](#)

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and suppliers	We are assessing our direct risks related to water through different assessment methods such as observations, statistical methods, etc. through our Construction and Environmental Management System (SEMS), which is based on the analysis of environmental and social impacts. SEMS aims at mitigating the negative environmental and social impact of extended loans. The system provides feedback to project owners and hence contributes in raising awareness. We are one of the pioneering banks to implement such a system in Turkey. Every member of the bank's credit committees, from the branch-level to the top, takes into consideration the responsibilities underlined by the SEMS. With regard to suppliers, our Purchasing department aims to give priority to working with suppliers who are sustainable once quality and price evaluations are completed. However, as the topic of water risk and awareness is relatively new in Turkey, it is an issue that we have begun to follow more closely as of last year, and are open in the future to developing mechanisms and feedback tools to better understand our suppliers' water impact and risks.

W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Six-monthly or more frequently	River basin	1 to 3 years	Our maintenance and construction departments make water risk assessments for physical risks on an ongoing basis. Whereas our relevant depts make risk assessments for customers on annual basis or more frequently. Last year risk assessments of facilities at river basin level were completed. We determined 17 facilities as exposed to water risks, assessments are being followed up by the Sustainable Development Banking dept in the coming year to develop amelioration projects if found necessary.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 1 year

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Our bank's direct risks related to water are limited and have low impact on our physical growth as a Bank. However, as a risk mitigation measure of our most significant water related risks, we try to find flood resistant locations during new branch location selection and deploy fresh water reservoirs for daily consumption in our branches. Though if a branch is located near a body of water like a stream, or marsh, water insulation in the building's basement level are constructed, and we avoid placing the Bank's IT systems on these floors of the building. On the other hand, Şekerbank is evaluating water related risks in its client portfolio as we are active in renewable energy, industrial and agricultural production sectors which carry certain level of water risks. We design our products in line with anticipated changes in the market including water related changes. As an example of this, we have introduced our product line called "Family Farming Banking" to the market. The aim of this product group is to finance efficiency investments in agriculture including water and energy efficient irrigation systems. Şekerbank funds 100% of modern irrigation systems in agriculture so that farmer families increase their productivity via sustainable farming.

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge	Şekerbank operates in Turkey and it has little activities outside of the country through its subsidiaries. We are trying to collect all the information that we can obtain to assess water risk across our direct operations and client portfolio, for example, at the operational level, last year we developed a comprehensive analysis of our branch network in relation to river basin water risk. With our clients we assess water risk through our Social and Environmental Management System (SEMS). We chose this method because it is specific to our Bank and related to our project methodology, for example, with our EKOlloan projects. At the operational level our aim is to increase internal knowledge that then can be used in strategic risk assessment and amelioration projects of facilities. In addition to this, we encourage and support NGOs to increase awareness and to make academic studies to contribute accumulation of knowledge in the country in this field.

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	We are operating in a low water-intensive industry. However, water availability and quality is critical for the continuation and sustainability of our operations at the local level. In addition to this, we are exposed to certain risks through our financial products offered to customers in agricultural, industrial and energy sectors. In addition, we try to monitor these environmental risks through the Social and Environmental Management Systems manual (SEMS).
Current water regulatory frameworks and tariffs at a local level	Relevant, not yet included	We are operating in a low water-intensive industry. Therefore, changes in regulations and tariffs do not necessarily have a significant impact on our operations. However, we are exposed to certain risks through our financial products offered to agricultural, industry and energy sectors, so we especially follow regulations that can impact these loans and customers. Even though the numbers are few and far between, as part of our renewable energy loans extended to hydroelectric projects we will take into account any changes in related regulations.
Current stakeholder conflicts concerning water resources at a local level	Relevant, not yet included	Although we are operate in a low water-intensive industry we are exposed to certain risks through our financial products offered to agricultural, industrial and energy sectors. Thus, stakeholder and client feedback in relation to both loan products and financing needs, especially those of farmers and individuals when it comes to energy efficiency financing, which also includes water (like modern irrigation systems), are important for us when reaching out to clients and stakeholder groups in the best way possible.
Current implications of water on your key commodities/raw materials	Relevant, not yet included	While the Bank does not produce material goods that are water-intensive, as a bank with hundreds of branches across Turkey good quality and quantity of water that is also consistent is essential to our branch network. Currently, water quality and quantity levels are sufficient, and to deal with shortages we have employed water tanks across our branch network. However, it is an issue that we need to monitor as a significant part of our portfolio is made up of farmers who are directly impacted by water quality, quantity and consistency.

Issues	Choose option	Please explain
Current status of ecosystems and habitats at a local level	Relevant, not yet included	While monitoring ecosystems is not a direct part of our operations, as part of our efforts to be exemplary environmental stewards, we do assess and follow up on our customer's potential environmental risks under our Social and Environmental Systems Manual (SEMS). Considerations to add more detailed evaluations of ecosystems and habitats in project risk assessments can be possibly included in the next update of SEMS manual.
Current river basin management plans	Relevant, not yet included	At the basic level, Şekerbank makes sure to open branches that are within the municipal network system so as to have access to water withdrawal and discharge locations. Since last year we have begun to garner more information about our branches in relation water basins considered at risk and/or low risk. At this time, we are still collecting information in our second year and plan to keep track of trends, as we are exposed to certain risks through our financial products offered to agricultural, industrial and energy sectors. After which we can consider plans for river basin management if necessary as any changes in river basin management plans may have impacts on our customers.
Current access to fully-functioning WASH services for all employees	Relevant, included	We continuously make assessments for WASH in line with our in house rules for hygiene at every Bank facility to ensure the health and safety of our employees. In addition to this, we try to evaluate the quantity and quality of water for our employees on a continuous basis.
Estimates of future changes in water availability at a local level	Relevant, included	Our construction and maintenance department follows water availability in each region where our facilities are located. If they experience or estimate to experience any water availability risk they take necessary measure including deployment of water reservoirs and water purification systems.
Estimates of future potential regulatory changes at a local level	Relevant, not yet included	As mentioned above, our construction and maintenance department follows water availability in each region where we are located. In addition to this based on last year's water risk assessment the Küçük Menderes river basin is considered a water risk area, around which many of our branches and agro-business customers are located. Thus in the future if feasible it can be possible to also follow potential regulatory changes at the local level as it can impact both Bank facilities and banking customers.
Estimates of future potential stakeholder conflicts at a local level	Relevant, not yet included	As mentioned above, the Küçük Menderes river basin is considered as a water risk area around which many of our branches and agro-business customers are located. However with increased water stress our current and clients and stakeholders can face potential conflicts. Though we do not have current projects in place, measures or products to mitigate this water risk can be developed if feasibility studies are done in the future. Thus, we will continue to have regular stakeholder engagements to gain feedback.
Estimates of future implications of water on your key commodities/raw materials	Not relevant, included	While the Bank does not produce material goods that are water-intensive, as a bank with hundreds of branches across Turkey good quality and quantity of water that is also consistent is essential to our branch network. However, it is an issue that we need to monitor as a significant part of our portfolio is made up of farmers who are directly impacted by water quality, quantity and consistency.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, not yet included	While monitoring ecosystems is not a direct part of our operations, as part of our efforts to be exemplary environmental stewards, we do assess and follow up on our customer's potential environmental risks under our Social and Environmental Systems Manual (SEMS). Considerations to add more detailed evaluations of ecosystems and habitats in project risk assessments can be possibly included in the next update of SEMS manual.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Not relevant, explanation provided	We are operating in a less water-intensive industry. Therefore, we opted not make such an analysis for our own operations.
Scenario analysis of regulatory and/or tariff changes at a local level	Not relevant, explanation provided	We are operating in a less water-intensive industry. Therefore, we opted not make such an analysis for our own operations.

Issues	Choose option	Please explain
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Not relevant, explanation provided	We are operating in a less water-intensive industry. Therefore, we opted not make such an analysis for our own operations.
Scenario analysis of implications of water on your key commodities/raw materials	Not relevant, explanation provided	We are operating in a less water-intensive industry. Therefore, we opted not make such an analysis for our own operations.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided	We are operating in a less water-intensive industry. Therefore, we opted not make such an analysis for our own operations.
Other		

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	We are exposed to certain water risks through our customers. We have financial products offered to customers active in agriculture, energy and industry. Water related risks may have negative or positive effects on these customers' businesses which in return may have effect on our business. For example water scarcity may negatively affect our loans to agricultural or renewable energy sectors in the short run. In the longer run, water scarcity may negatively affect some of our industrial clients through increased input costs or tighter regulations.
Employees	Relevant, included	We are responsible to provide water to our employees with enough quality and quantity for employee use, sanitation and cleaning purposes. Therefore, we always assess the water scarcity risk and try to manage as we have deployed small size water reservoirs in some of our self-managed buildings and branches across Turkey in different basins with different water risks. In addition to this, we supply bottled drinking water to most of our facilities due to low municipal water quality.
Investors	Relevant, included	As a part of our general risk management policy which is also regulated by the banking authority, we share our risk evaluations with our investors annually. Although water risks are not classified under a separate title it can be considered as part of the risk evaluation process.
Local communities	Relevant, included	Our activities are not water intensive. However, we are following our customers' exposures through our risk assessment procedures.
NGOs	Relevant, included	NGOs are one of the determinant stakeholders while also increase the benefit of the efforts put forth for sustainable development. However, we try to cooperate with some NGOs to increase awareness. For example, we are an active member of "Association of Sustainable Development" (SKD) in Turkey. We try to support sustainable development of Turkey through increased awareness and supporting scientific studies on this topic. Şekerbank is an active member of "Sustainable Agriculture Committee" and "Sustainable Finance Committee" at SKD.
Other water users at a local level	Relevant, included	Our activities are not water intensive. However, we are following our customers' exposures through our risk assessment procedures.
Regulators	Relevant, included	Our activities are not water intensive. However, we are following our customers' exposures through our risk assessment procedures.
River basin management authorities	Relevant, included	Our activities are not water intensive. However, we are following our customers' exposures through our risk assessment procedures.
Statutory special interest groups at a local level	Not relevant, included	We have researched statutory special interest groups in Turkey, however, such groups do not seem to exist at the local level in Turkey yet. If such groups come into being, and affect water issues at the local level, which in return affects our business and customers, then consideration to engaging with these groups as part of stakeholder feedback can be considered.

Stakeholder	Choose option	Please explain
Suppliers	Relevant, not yet included	With regard to suppliers, our Purchasing department, aims to give priority to working with suppliers who are sustainable once quality and price evaluations are completed. However, as the topic of water risk and awareness is relatively new in Turkey, it is an issue that we have begun to follow more closely as of last year, and are open in the future to developing mechanisms and feedback tools to better understand our suppliers' water impact and risks.
Water utilities/suppliers at a local level	Not relevant, explanation provided	Our activities are not water intensive.
Other		

Further Information

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations only

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

We assess our water risks from two different aspects: 1- Risks to our physical operations 2- Risks transferred to us through our customer portfolio. We think that the first group of risks is limited and manageable. However, second group of risks may have more important effects on our long-term business. Therefore, we try to follow and manage these risks through our "risk management" tools developed in-house. Water related risks may force us to change our product portfolio and customer profile to a certain extent to include new products to mitigate or adapt to water risks, such as our modern irrigation systems for farmers under EKO kredi which helps in create water efficiency us for farmers. It is also important to note that Şekerbank is one of the leading privately owned domestic bank that is active in agriculture with its 11.5 % of total loan dedicated to agriculture which is highly sensitive to water risks.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
Turkey	Other: Gediz	11	1-5	As a local bank active all over the country, we have operations in all water basins of Turkey. These river basins have different index values with respect to Falkenmark Indicators and have different problems with respect to water including water availability, water contamination etc. Among these river basins, Gediz, Buyuk Menderes and Konya Kapali river basin carries the highest water risk which affects the Bank in terms of client potential. Our agricultural loan portfolio can be negatively affected extended to agriculture and industry in this region.. (Turkey Water Risks Report, 2014)

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
Turkey	Other: Buyuk Menderes Havzasi	11	1-5	As a local bank active all over the country, we have operations in all water basins of Turkey. These river basins have different index values with respect to Falkenmark Indicators and have different problems with respect to water including water availability, water contamination etc. Among these river basins, Gediz, Buyuk Menderes and Konya Kapali river basin carries the highest water risk which affects the Bank in terms of client potential. Our agricultural loan portfolio can be negatively affected extended to agriculture and industry in this region.. (Turkey Water Risks Report, 2014)
Turkey	Other: Konya Kapali Havzasi	9	1-5	As a local bank active all over the country, we have operations in all water basins of Turkey. These river basins have different index values with respect to Falkenmark Indicators and have different problems with respect to water including water availability, water contamination etc. Among these river basins, Gediz, Buyuk Menderes and Konya Kapali river basin carries the highest water risk which affects the Bank in terms of client potential. Our agricultural loan portfolio can be negatively affected extended to agriculture and industry in this region.. (Turkey Water Risks Report, 2014)

W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
Turkey	Other: Gediz	Other: Loans	1-5	Our physical activities may be hampered due to water scarcity in this region. As a mitigation measure we are deploying water reservoirs for our employee's daily usage. On the other hand our loan portfolio can be negatively affected extended to agriculture and industry in this region. We closely monitor our customers carrying water risks in this river basin.
Turkey	Other: Buyuk Menderes Havzasi	Other: Loans	1-5	Our physical activities may be hampered due to water scarcity in this region. As a mitigation measure we are deploying water reservoirs for our employee's daily usage. On the other hand our loan portfolio can be negatively affected extended to agriculture and industry in this region. We closely monitor our customers carrying water risks in this river basin.
Turkey	Other: Konya Kapali Havzasi	Other: Loans	1-5	Our physical activities may be hampered due to water scarcity in this region. As a mitigation measure we are deploying water reservoirs for our employee's daily usage. On the other hand our loan portfolio can be negatively affected extended to agriculture and industry in this region. We closely monitor our customers carrying water risks in this river basin.

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Turkey	Other: Gediz basin; Antalya basin; Aras Basin,Susurluk basin, İç Anadolu basin; Sakarya basin; Marmara basin	Physical-Declining water quality Physical-Drought Physical-Flooding Physical-Inadequate infrastructure Physical-Increased water scarcity Physical-Increased water stress Physical-Projected water scarcity Physical-Projected water stress Physical-Rationing of municipal water supply	Higher operating costs	We need to provide sufficient amount of water with a certain quality to our employees for their daily use (drinking, sanitation and cleaning). In addition to this, our facilities are exposed to flood risk at just a few of our locations.	Unknown	Probable	Low	Develop flood emergency plans Infrastructure investment Infrastructure maintenance Increased investment in new technology	We have invested around 2% of our CAPEX in 2015 to mitigate our water risks.	Any change in water availability or quality for the consumption of our employees or any severe flooding activities may force us to invest more in our facilities' infrastructure. For example in order to ensure water availability for daily use, we have been deploying fresh water reservoirs to our facilities. In addition to this, we started constructing check valve systems to municipal sewage connection points to prevent flood in our branches. We are also investing in "water alarm" systems to protect our IT infrastructure in our facilities. On the other hand in many of our Bank facilities we also replaced taps with more efficient ones and installed photocell managed sanitation systems to use water more efficiently.

W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
Evaluation in progress	As a service company we do not estimate any major risks from our suppliers. On the other hand, we started calculating our indirect water footprint beginning from 2014. We have included energy, paper and bottled water in the calculation. We have a plan to complete all our indirect water footprint in 3 years. With our biggest suppliers being paper, ink/toner, and bottled water suppliers, our Purchasing department aims to give priority to working with suppliers who are sustainable once quality and price evaluations are completed. However, as the topic of water risk and awareness is relatively new in Turkey, it is an issue that we have begun to follow more closely as of last year, and are open in the future to developing mechanisms and feedback tools to better understand our suppliers' water impact and risks.

Further Information

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Company-wide	Climate change adaptation Increased brand value Sales of new products/services	We have provided our customers in all segments with our EKOcredi loans, which finances energy efficiency investments, especially in agriculture We have a credit line called, EKOcredi Agriculture since 2009. The aim of this product is to introduce the idea of "efficiency" among farmers in the fields of energy and water through introduction of modern irrigation systems, solar panel systems, and organic greenhouses. To this end, we have provided different financial services and products to individual consumers as well as to more than 80 thousand people in all segments totaling in USD 243.5 million loans. Şekerbank funds 100% of modern irrigation systems in agriculture so that farming families increase their productivity via sustainable farming.	1-3 years	Through this strategy and the EKOcredi loan we have the opportunity to grow our business, broaden our line of products that finance and encourage environmental and water related awareness, and be a role model in the sector on issues related to sustainability. Thus, supporting and reaffirming our vision as a Bank that supports sustainable development.

Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	Turkey	Other: Gediz Havzası	Group of Şekerbank Branches and Other Buildings in Gediz River Basin (11)	1.72	Higher	No change.
Facility 2	Turkey	Other: Buyuk Menderes Havzası	Group of Şekerbank Branches and Other Buildings in Buyuk Menderes River Basin (11)	1.07	Lower	No change.

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 3	Turkey	Other: Konya Kapalı Havzası	Group of Şekerbank Branches and Other Buildings in Konya Kapalı River Basin (9)	1.43	Lower	No change.

Further Information

Please note that numbers in paranthesis in "Facility Name" column refer to number of facilities (branches, service buildings or regional headquarters) in that specific basin. You can find a summary of our analysis about Şekerbank's water consumption in the attached file.

Attachments

[W5.1. Şekerbank Water Consumption 2015.xlsx](#)

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0.00	0.00	0.00	0.00	0.00	0.00	1.72	0.00	
Facility 2	0.00	0.00	0.00	0.00	0.00	0.00	1.07	0.00	
Facility 3	0.00	0.00	0.00	0.00	0.00	0.00	1.43	0.00	

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	1.72	Higher	No change.
Facility 2	1.07	Lower	No change.
Facility 3	1.43	Lower	No change.

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0.00	1.72	0.00	0.00	0.00	The amount of water discharge is estimated to be the same as withdrawal, as explained in W1.2. Water discharge is channelled through the municipality's network and treated in WTPs.

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 2	0.00	1.07	0.00	0.00	0.00	The amount of water discharge is estimated to be the same as withdrawal, as explained in W1.2. Water discharge is channelled through the municipality's network and treated in WTPs.
Facility 3	0.00	1.43	0.00	0.00	0.00	The amount of water discharge is estimated to be the same as withdrawal, as explained in W1.2. Water discharge is channelled through the municipality's network and treated in WTPs.

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	1.72	Lower	No change
Facility 2	1.07	Lower	No change
Facility 3	1.43	Lower	No change

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	Considered for future.
Water withdrawals- volume by sources	Not verified	Considered for future.
Water discharges- total volumes	Not verified	Considered for future.
Water discharges- volume by destination	Not verified	Considered for future.
Water discharges- volume by treatment method	Not verified	Considered for future.
Water discharge quality data- quality by standard effluent parameters	Not verified	Considered for future.
Water consumption- total volume	Not verified	Considered for future.

Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled-annual	The Executive Vice President of Strategy and Corporate Communications coordinates water risk management throughout the year in collaboration with the Sustainable Development Banking Department and with cooperation from other departments such as Project Finance, FI. The EVP then reports the process to the CEO and Executive Chairman regularly.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Greater due diligence	We are giving higher importance in risk assessments of our branches that carry water related risks near basins with water stress and water scarcity. We are also trying to improve our abilities in understanding water related risks of run-off-river hydro power plant technologies and making water availability analyses in these projects. In addition to this, due to our special focus in agriculture, we closely monitor our loans to agriculture with a water risk perspective, and we also encourage our farmers to take advantage of EKO kredi loans to build modern irrigation systems and organic greenhouses, as well as solar panels, which will help to protect against the affects of climate and water stress and increase their efficiency, productivity and yields. Similarly, as we continue to collect more internal knowledge about our facilities water risk and water networks, we can design better trainings to raise further awareness on this issue. New trainings can complement the CDP water and water footprint trainings that we have designed for 2016.
Water resource considerations are factored into new product development	We design our new products to certain market segments like agriculture in line with water. For example, some of our loan products to farmers are specifically designed for water efficiency in irrigations systems. This is in line with our strategy to further sustainability issues in our bank and to be the leading bank in this field. Our latest initiative regarding water efficiency in agriculture is the product group called "Family Farming Banking". In this product group, Şekerbank provides loans with favorable terms (longer repayment, 100% financing of the investment , and repayment in harvest periods) to farmers investing in modern and efficient irrigation systems.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
Other: Water shortages and poor water quality	Water shortages and poor water quality in some areas where our branches are located have caused our employees distress and affected the hygiene and quality of our office environments, and as a result affected customers who visit the branch. To reduce the impact of shortages and improve water quality and availability we have invested and placed water reservoirs in all our branches. In this way we have been able to serve our customers and provide our employees with standard WASH services at all times. In addition we have increased our monitoring of local water problems that can affect our business.

W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Company-wide Performance standards for direct operations Commitment to customer education Incorporated within group environmental, sustainability or EHS policy Acknowledges the human right to water, sanitation and hygiene	Financing agriculture and rural development is a founding mission of Şekerbank. We aim at being a leading bank in financing sustainable development through expanding awareness on energy efficiency not only in metropolitan societies but also in rural and unbanked communities, which are estimated to be 30% of the bankable population in Turkey. We stand out with our broad-based loan portfolio in off-center areas especially in micro&small businesses and agriculture. Therefore all sustainability issues including water are an important part of our business strategy. We have taken into consideration how renewable energy projects and water intensive industries affect the environment through our loan processes. As a part of our risk management policy we need to closely monitor all major risk classes of our loan portfolio. Therefore, we monitor our clients' water risks as well. On the other hand, we also feel responsible to educate our customers about ways to mitigate their risks. For example, we have so far visited more than 13,000 villages and 320,000 farmers since 2009 with an attempt to introduce our products and in the meantime the efficiency concept. Until now we have introduced efficiency loans to 6,552 farmers and provided almost USD 18.6 million in financing in this field under its EKO kredi Agriculture product as of end of 2015. On the other hand, Şekerbank also cares about its employees health and hygiene and tries to meet highest standards at its facilities.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
+0.0	+9	Municipality water unit price has increased 9% in 2015.

Further Information

Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

Further Information

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Increased access to water, sanitation and hygiene	Brand value protection	Our target is to continue deploying fresh water reservoirs in all facilities located in water stressed regions.	Other: % branches having reservoir	2013	2015	90%
Improvement in monitoring of water use	Cost savings	As part of our initiative to better monitor our carbon and water footprints we have developed a comprehensive database to monitor and track consumption in these areas. The project design phase has began in 2015 and been planned to be completed in June 2016 with a goal to decrease water consumption per employee by 2% in the following 5 years period.	% reduction per employee	2014	2019	0%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Educate customers to help them minimize product impacts	Sales of new products/services	Şekerbank has an ongoing program where we are visiting villages located in rural areas. We have so far visited 13,000 villages and contacted more than 320,000 farmers since 2009. We are planning to give information about climate change, water problem and mitigations/adaptation methods to farmers in these visits in order to increase awareness in these fields. The progress target is based on number of villages, and will be reconsidered and updated according to future trend of village populations.	20%
Sustainable agriculture	Increased revenue	We are the one of the leading domestic privately owned bank that is active in financing agriculture in Turkey having one of the widest exposures to agriculture with the broad-based branch network. We aim to sustain this leadership in upcoming years with a further focus on sustainable agriculture.	Ongoing
Other: Increase internal knowledge		We developed a 3 year plan where we will be calculating our entire water footprint including our indirect water consumption. To this end we calculated our water footprint due to paper, bottled water and energy consumptions this year. Since 2015, we have began to reduce our office consumables like bottled water, office stationery and invested in a database system to monitor our water footprint.	33%

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Climate Change	Linkage	Our financial product called EKO kredi aims to target increasing efficiency in farming practices in Turkey. Our product also helps combating against climate change through increased energy efficiency in agriculture. We have calculated that the emission reduction achieved through our all EKO kredi products is around 5 million tones CO2 as of end of 2015.
Carbon Management	Trade-off	All our facilities use air conditioning units to maintain the temperature of the office environment and our IT systems rooms. However, to maintain these temperatures across all banking branches as well as the head and regional offices requires a lot of energy consumption and indirect (more water consumption per employee / customer because of high temperatures water use by the air conditioning units.) Last year, in order to reduce energy consumption and thereby indirect water use, we have upgraded 421 AC units to models that are more energy efficient (A+ and A++ models).

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Aybala Şimşek	Executive Vice President of Strategy and Corporate Communications	Other: Executive Vice President

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.
Yes

Further Information

CDP: [X][-,][P2]

