YAPI VE KREDİ BANKASI A.Ş. - Water 2018

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Yapı Kredi has been sustainably strengthening its positioning in the sector since its establishment in 1944 through a customer-centric approach and focus on innovation. Yapı Kredi is the 4th largest private bank in Turkey with total asset size of TL 320.1 billion as of the end of 2017. Constantly in the pursuit of increasing its contribution to the financing of the Turkish economy, Yapı Kredi increased the volume of its total cash and non-cash loans by 14% in 2017 to TL 278.7 billion. Accordingly, Yapı Kredi maintained its position at 2rd place among private banks.

Yapı Kredi serves 13.3 million active (23.5 million total) customers through a widespread and multi-channel service network. The Bank has 866 branches and 17,944 employees covering all regions of Turkey. Yapı Kredi's Alternative Delivery Channels (ADCs) comprise 4,310 ATMs, innovative internet banking, leading mobile banking, 3 call centers and approximately 532 thousand POS terminals. 95% of the Bank's transactions go through non-branch channels.

Yapı Kredi is a fully integrated financial services group supported by its domestic and international subsidiaries. Yapı Kredi serves its customers through retail banking (comprising of individual banking, Small and Medium Size Enterprises (SME) banking and card payment systems, private banking and wealth management), as well as corporate and commercial banking. The Bank's operations are supported by domestic subsidiaries in asset management, brokerage, leasing and factoring as well as international banking subsidiaries in the Netherlands, Malta and Azerbaijan.

Yapı Kredi has a strong shareholding structure ensuring sustainable and profitable growth. 81.8% of the Bank's shares are owned by Koç Financial Services A.Ş. which is a 50%- 50% joint venture between UniCredit Group and Koç Group. The remaining 18.2% is publicly traded on Istanbul Stock Exchange and Global Depositary Receipts that represent the Bank's shares are quoted on the London Stock Exchange.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2017	December 31 2017

W0.3

(W0.3) Select the countries/regions for which you will be supplying data.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
All branches, subsidiaries, credit cards sales offices, regional headquarters, medical centers, warehouse and foreign regions	The organizational boundaries have been defined by using operational control approach. Based on this approach, all branches, subsidiaries, credit cards sales offices, regional headquarters, medical centers, warehouse and foreign regions have been excluded from water inventory, since sufficient and reliable data with regards to these sources could not be collected. Due to this reason, the verification team preferred to apply the control approach in order to generate accurate results. For the upcoming periods, a data collection system is aimed to be established for obtainment of accurate, consistent, and complete data from these excluded sources as well. After completion of this comprehensive data collection system, the scope of the verification is also aimed to be widened.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Neutral	Neutral	As an organization active in banking sector, water is not its primary input as a direct use but indirectly water quality is important for Yapı Kredi to provide quality services and products. Access to freshwater for employee consumption, sanitation and landscaping is important for our operations. We do not expect to have any chance in water dependencies in the future since we are planning to provide same range of financial services in the next reporting period.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	As an organization active in banking sector, recycled, brackish and/or produced water do not have a significant impact on financial and operational direct and indirect activities. We do not have any available cycled, brackish and/or produced water for use in place. However, we are on feasibility stage a planning to implement reuse and recycling projects in our headquarters in the next reporting periods.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Yapı Kredi uses surface waters, municipal water and groundwater for the boundaries of the organization. Water consumption data are collected monthly at Yapı Kredi, Head Offices and service buildings (Banking Base, Plaza D Block, Bayramoğlu Training Facility, Darıca Archive and Yeniköy Koru). Also, the amount of water consumed in all buildings of Yapı Kredi in Turkey, are recorded by methodology based on the approach using the amount on the bills paid during the year. 2017 Water consumption data of the bank has been verified by a third-party verifier. The term "water consumption" means "water withdrawal", which is defined as "the sum of the withdrawn water". Surface waters, municipal water and groundwater usage are available for organizational boundaries from all sources.
Water withdrawals – volumes from water stressed areas	100%	All of Yapı Kredi Bank's headquarter buildings are located in water stressed areas and 100% of water consumption is monthly measured and monitored. The amount of water consumed in all buildings of Yapı Kredi in Turkey, are recorded by methodology based on the approach account on the bills paid during the year.
Water withdrawals – volumes by source	100%	All facilities use municipal water and the withdrawal is measured and monitored on a monthly basis. Also well water is used at Banking Base facilities. Among the facilities described in W5, the Plaza D Block and the Yeniköy Koru facilities are located in Istanbul. The Istanbul Metropolitan Municipality draws water from the water bodies around İstanbul. It is not practical and feasible to determine the exact source of the supplied water in terms of which dam it is coming from within the dams located in Marmara Basin. Bankacılık Üssü, Darıca Arçiv and Bayramoglu Education facilities are located in

Water aspect	% of sites/facilities/operations	Please explain
		Kocaeli. The water supply of these facilities are provided from Kocaeli Metropolitan Municipality Yuvacık Dam, Sapanca Lake, Local resources, Wells, İhsaniye and Avcıdere Dams, Ballıkaya Dam. However, it is not practical or feasible to determine exactly which dams the water supply of the Yapı Kredi facilities meet.
Produced water associated with your metals & mining sector activities - total volumes	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Water withdrawal quality is monitored by the Municipality and it is given to the network in accordance with the requirements of water quality legislation in Municipality Drinking Water Treatment Plants. However, the municipal water is treated in the water treatment units at Yapı Kredi facilities and given to the system. The quality of the tap water and water dispenser consumed at all locations are analyzed three times in a year.
Water discharges – total volumes	100%	Most of the wastewater discharges of Yapi Kredi facilities are being sent to municipal treatment plants. It is not practical and possible to determine to treatment plants which the wastewater from our facilities goes. 100% is monitored monthly from discharge details in municipality water bills.
Water discharges – volumes by destination	100%	Most of the wastewater discharges of Yapi Kredi facilities are being sent to municipal treatment plants. 100% of Wastewater for the Head Offices and service buildings is discharged to treatment plants. 100% of total water consumption is discharged to the sewage networks and monitored monthly from municipality water bills.
Water discharges – volumes by treatment method	Not relevant	Most of the water discharges of Yapi Kredi facilities are being sent to municipal treatment plants. The municipality carries out treatment with required discharge parameters for the discharge waters. For this reason, It is not practical and possible to determine to treatment plants which the wastewater from our facilities goes.

Water aspect	% of sites/facilities/operations	Please explain
Water discharge quality – by standard effluent parameters	100%	Most of the water discharges of Yapi Kredi facilities are being sent to municipal treatment plants. The municipality carries out treatment with required discharge parameters for the discharge waters.For this reason, It is not practical and possible to determine to treatment plants which the wastewater from our facilities goes. 100% of discharge water to sewage system is monitored monthly based on a location by the municipality and check if it meets required standard effluent parameters level.
Water discharge quality – temperature	Not relevant	Most of the water discharges of Yapi Kredi facilities are being sent to municipal treatment plants. The municipality carries out treatment with required discharge parameters for the discharge waters. There is no water discharge that will adversely affect the temperature quality of the water from Yapı Kredi activities.
Water consumption – total volume	100%	Yapı Kredi does not use water for any production activity, the only water consumption is for irrigation in Bankacılık Üssü.
Water recycled/reused	Not relevant	Yapı Kredi does not use recycled or reused water.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yapı Kred carries out detailed hygiene analysis on drinking water and municipal water three times a year by taking samples from 30 different locations to ensure that all of their facilities provide fully functioning WASH services to all workers.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	151.92	Higher	In 2017, 151920 cubic meters of water were used in the washbasins for cleaning purposes from municipal water. Total withdrawal is equal to water supplied from municipality (145707 cubic meters), water taken with a tanker and used for irrigation (660 cubic meters) and water drawn from the wells for green area irrigation of banking base (5553 cubic meters). Water consumed for irrigation directly is filtered to groundwater, therefore withdrawal from municipal water turns

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
			into wastewater. 151920=145707+6213 (W=D+C) NOTE: The bottled water from our facilities and drinking water taken with the tanker is excluded from reporting scope because reaching the data is not practical. In 2017, number of employees in the locations within the scope is increased %12. Therefore total water withdrawal is higher than 2016. In the future we do not expect any major change in water withdrawal volumes since while we are growing we implement new efficieny project to reduce water withdrawal and consumption.
Total discharges	145.71	Higher	Total discharge in 2017 is 145707 cubic meters which was withdrawn from municipal water. Total withdrawal is equal to water supplied from municipality (145707 cubic meters), water taken with a tanker and used for irrigation (660 cubic meters) and water drawn from the wells for green area irrigation of banking base (5553 cubic meters). Water consumed for irrigation directly is filtered to groundwater, therefore withdrawal from municipal water turns into wastewater. 151920=145707+6213 (W=D+C) In 2017, number of employees in the locations within the scope is increased %14.2. Therefore total water withdrawal is higher than 2016. In the future we do not expect any major change in water discharge volumes since while we are growing we implement new efficieny project to reduce water withdrawal and consumption.
Total consumption	6.21	Lower	The total consumption of using water and well water is 6213 cubic meters. Total withdrawal is equal to water supplied from municipality (145707 cubic meters), water taken with a tanker and used for irrigation (660 cubic meters) and water drawn from the wells for green area irrigation of banking base (5553 cubic meters). Water consumed for irrigation directly is filtered to groundwater, therefore withdrawal from municipal water turns into wastewater. 151920=145707+6213 (W=D+C) In the future we do not expect any major change in water withdrawal volumes since while we are growing we implement new efficieny project to reduce water withdrawal and consumption. In 2017, less water was used in the previous year, due to the transition to the automation system for garden irrigation.

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	100	Higher	WBCSD Global Water Tool	Yapı Kredi's operations within the scope are located in Marmara Basin which is a water stressed area in Turkey according to WBCSD Global Water Tool. Therefore Yapı Kredi activities provide water from water stressed areas. WBCSD Global Water Tool provides country specific water profile and scarcity map which shows Turkey's water stress level. Althouth this is the first year of Yapı Kredi in CDP Water, historical water accounting data is available for previous reporting years. In 2017, number of employees in the locations within the scope is increased %12. Therefore total water withdrawal is higher than 2016.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	In Yapı Kredi; Fresh surface waters, including rainwater, water from wetlands, rivers and lakes, are not used. We do not expect any change in water withdrawal source since we have access to municipal water source in our buildings. We use groundwater only for irrigation and there is no need for fresh surface water.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	In Yapı Kredi; brackish surface water / sea water is not used. We do not expect any change in water withdrawal source since we have access to municipal water source in our buildings. We use groundwater only for irrigation and there is no need for brackish surface water.
Groundwater – renewable	Relevant	5.55	Lower	Yapı Kredi Bank uses groundwater for irrigation. The water drawn from the wells for green area irrigation of banking base is 5,553 cubic meters. We do not expect any major change in water withdrawal volumes from groundwater-renewable since while we are growing we implement new efficieny project to reduce water withdrawal and consumption. In 2017, less water was used in the previous year, due to the transition to the automation system for garden irrigation.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	In Yapı Kredi; Non-renewable ground well water are not used. We do not expect any change in water withdrawal source since we have access to municipal water source in our buildings. We use groundwater only for irrigation and there is no need for non-renewable groundwater.
Produced water	Not relevant	<Not Applicable>	<Not Applicable>	Yapı Kredi do not uses produced water. We do not expect any change in water withdrawal source since we have access to municipal water source in our buildings. We use groundwater only for irrigation and there is no need for produced water.
Third party sources	Relevant	146.37	Higher	Total withdrawal is equal to water supplied from municipality (145707 cubic meters), water taken with a tanker and used for irrigation (660 cubic meters) and water drawn from the wells for green area irrigation of banking base (5553 cubic meters). Water consumed for irrigation directly is filtered to groundwater, therefore withdrawal from municipal water turns into wastewater. 151920=145707+6213 (W=D+C) In 2017, number of employees in the locations within the scope is increased %14.2. Therefore total water withdrawal is higher than 2016. We do not expect any major change in water withdrawal volumes from third party sources since while we are growing we implement new efficieny project to reduce water withdrawal and consumption.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	In Yapı Kredi; Fresh surface water is not used as a discharge point. All locations have access to third-party discharge destinations.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	In Yapı Kredi; brackish surface water / sea water is not used as a discharge point. All locations have access to third-party discharge destinations.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	In Yapı Kredi; groundwater is not used as a discharge point. All locations have access to third-party discharge destinations.
Third-party destinations	Relevant	145.71	Higher	All locations have access to third-party discharge destinations. Therefore there is not any other discharge point in any Yapı Kredi locations. In 2017, number of employees in the locations within the scope is increased %12. Therefore total water withdrawal is higher than 2016. We do not expect any major change in water discharge volumes to third party sources since while we are growing we implement new efficieny project to reduce water withdrawal and consumption. Water discharge will be change in line with water withdrawal.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25%

% of total procurement spend

1-25

Rationale for this coverage

Within the scope of Yapı Kredi Sustainability studies, the bank demands compliance with the requirements of ISO 14001 in supplier contracts. These suppliers selected according to their priority in the generated income. Companies are ranked based on their audit performance and maintain their business relation with Yapı Kredi for the following years. This encourages supliers to report on their water use as an incentive.

Impact of the engagement and measures of success

At Yapı Kredi, we aim to spread our corporate values and sustainability principles to the entire value chain. To this end, with the Responsible Procurement Policy which we published in 2016, we strive for reducing the environmental and social impacts of purchased products and services throughout the life cycle and we encourage all our suppliers to comply with Yapı Kredi's environmental, social and human rights criteria. In our procurement activities, we prioritize local suppliers, who accounted for 94% of our 1,624 suppliers in 2017. 50% of our suppliers in 2017 were either UNGC signatories themselves, or provided a signed statement of compliance with our environmental and social criteria. Suppliers' compliance is assessed through external audits every two years, and we plan to increase the ratio of compliant suppliers in the years ahead. Companies are ranked based on their audit performance and maintain their business relation with Yapı Kredi for the following years.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Other

Details of engagement

Other, please specify (Educate suppliers about water stewards)

% of suppliers by number

1-25

% of total procurement spend

1-25

Rationale for the coverage of your engagement

In the Yapı Kredi Head Office buildings, subcontracting employees who works in companies which consumes a lot of water such as food production and cleaning were assigned responsibilities for water management and trainings was provided to inform subcontracting employees. In this context, washing with water was decreased in cleaning activities, cleaning with swab and mop has been started. Water consumption was monitored by implementing a water meter to the cafeteria work areas.

Impact of the engagement and measures of success

A new study is planned to take sanctioning measures if there is a deviation of more than 20% in consumption after annual measurement.

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and total financial impact.

Country/Region

Turkey

River basin

Other, please specify (All basins in that country)

Type of impact driver

Physical

Primary impact driver

Flooding

Primary impact

Increased operating costs

Description of impact

Because of the flood additional substantive operational cost has occurred to fix destruction and visual pollution in the place where water enters to the building. This cost is not substantive since Yapı Kredi took actions on the right tme and prevent any significant impact.

Primary response

Develop flood emergency plans

Total financial impact

3711.1

Description of response

As a bank we developed emergency plans, checked all the critical points in terms of any potential disaster and made insulation in order to be ready for any flood. Due to heavy rainfall in Istanbul in July 2017, Water leakage was occurred from manhole in the parking area to Plaza D Block building. The L1 corridor was damaged. We took actions on the right time and prevent any substantive impact in this case. Total cost of 3711,10 TRY was paid for isolation and renovation.

Country/Region
Turkey
River basin
Other, please specify (All basins in that country)
Type of impact driver
Physical
Primary impact driver
Drought
Primary impact
Reduction or disruption in production capacity
Description of impact
Our customers effected from drought in the year of 2017. Production in Hydro Electric Power Plants was considerably lower than the projections and feasibility studies and some of the projetcs were not able to repay their loan by themselves. Group companies has supported these projects and for some of the projects repayment schedules were revised according to their cash generation capacity.
Primary response
Greater due diligence
Total financial impact
Description of response
Due to precautionary approach and the implementation of YKB's ESMS to projects which has a loan amount above USD 20 million and a loan maturity of at least three years, physical impacts are substantially prevented to cause harmful results to Project.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.
Direct operations
Coverage
Full
Risk assessment procedure
Water risks are assessed in an environmental risk assessment
Frequency of assessment
Annually
How far into the future are risks considered?
2 to 5 years
Type of tools and methods used
Tools on the market
Other
Tools and methods used
WBCSD Global Water Tool
Internal company methods
National-specific tools or standards
Comment

"Risks originated from the internal environmental effects of the Bank arising from operational consumption and consumption" are followed by "FR-1 planning risk and opportunity determination form." Environmental risks are determined by the Matrix Method (L-Type Matrix) method.

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

2 to 5 years

Type of tools and methods used

Tools on the market

Other

Tools and methods used

WBCSD Global Water Tool

Internal company methods

National-specific tools or standards

Comment

Subcontracting companies that serve the Bank are followed by" FR-1 planning risk and opportunity determination form ", which is based on the internal environmental effects of the cafeteria's operational activities." Environmental risks are determined by the Matrix Method (L-Type Matrix) method.

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

2 to 5 years

Type of tools and methods used
International methodologies
Other
Tools and methods used
Internal company methods
Other, please specify (IFC Performance standards)
Comment
Our ESMS team is evaluating the projects in yearly basis which is inline with the IFC Performance Standards.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Yapı Kredi conducts water assessment at the basin level to assess the present and future. Yapı Kredi operates in an area which is on a basin that is identified as water stressed area. Eventhough the company has not active in a water intensive sector, water availability is an important concern for the quality services. Yapı Kredi assesses the areas that they operate whether the operation area is a water stressed area or not through the national – specific researches and WBCSD Global Water Tool.
Water quality at a basin/catchment level	Relevant, always included	Access to clean water and protecting water quality is crucial for Yapı Kredi in order to prevent the spread of illnesses. Therefore Yapı Kredi assesses the areas that they operate whether the operation area is a water stressed area or not through the national – specific researches and WBCSD Global Water Tool. Yapı Kredi operates in a water stressed area and withdraws from this area. In order not to affect negatively, Yapı Kredi does not discharge its wastewater to the water stress area that they operate. Yapı Kredi discharges to third party destinations.
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, explanation provided	Water issues have not reached critical levels that would cause stakeholder conflicts in Yapı Kredi. During environmental and social monitoring Yapı Kredi takes into account environmental issues including water, however water is not its primary input for Yapı Kredi's operations. Therefore there is not any stakeholder conflict concerning water resources at a basin level. It is not expected to have any change in relevance & inclusion status in the future.
Implications of water on your key commodities/raw materials	Not relevant, explanation provided	Water issues have not reached critical levels for implications of water on the bank's commotities/raw materials. During environmental and social monitoring Yapı Kredi takes into account environmental issues including water, however water is not its primary input for Yapı

	Relevance & inclusion	Please explain
		Kredi's operations. It is not expected to have any change in relevance & inclusion status in the future.
Water-related regulatory frameworks	Relevant, always included	Within the bank, current national -specific standards and regulatory frameworks and any changes in water related regulations are closely monitored. Yapı Kredi internal company risk management system is updated regularly in relation to changes in regulations.
Status of ecosystems and habitats	Relevant, always included	Water issues have not reached critical levels in terms of affecting the status of ecosystems and habitats, however during environmental and social monitoring Yapı Kredi takes into account environmental issues including water and uses to determine whether the operation area is a water stressed area or not through the national – specific researches and WBCSD Global Water Tool. It is not expected to have any change in relevance & inclusion status in the future.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	YKB carries out occupational hygiene audits on all of their facilities with company specific tools and methods on an annual basis which ensure that all of their facilities provide fully functioning WASH services to all workers.
Other contextual issues, please specify	Please select	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We consider our customers in water-related risk assessments since customers are one of our key stakeholders. Yapı Kredi executes an assessment of water related issues and risks within the ESMS implementation of the projects that they finance to its customers which has a loan amount above USD 20 million and a loan maturity of at least three years. We have considered our customers in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep our customers as one of our risk assessment stakeholder in the next periods.
Employees	Relevant, always included	We consider our employees in water-related risk assessments since employees are one of our key stakeholders. It is an important issue and a concern to provide good quality and quantity water to employees. Insufficient access to water is among the important potential effects. Lack of water will cause trouble for sanitary access and eating / drinking for employees. Yapı Kredi gives priority to build capacity and awareness on sustainability issues including water through its employees. Yapı Kredi holds trainings on water and sanitation related issues and internal informing activities to draw attention

	Relevance & inclusion	Please explain
		to importance of water. Employees are key direct water consumers within the bank, therefore ona of the important stakeholders in terms of efforts for minimizing consumption.
Investors	Relevant, always included	Yapı Kredi responds to CDP Water and implement ESMS to provide a better understanding of its water management to the investors. We have considered our investors in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep our investors as one of our risk assessment stakeholder in the next periods.
Local communities	Relevant, always included	Yapı Kredi evaluates company's activities in terms of having negative impacts on local communities and follows whether the company established a community engagement process for affected communities. We have considered local communities in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep local communities as one of our risk assessment stakeholder in the next periods.
NGOs	Relevant, sometimes included	Yapı Kredi is in constant relationship with NGOs and included to its materiality analysis which has been done during sustainability report preparation. Yapı Kredi worked with WWF in 2017 in different kind of sustainability related projects. We have considered NGOs in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep NGOs as one of our risk assessment stakeholder in the next periods.
Other water users at a basin/catchment level	Relevant, always included	With ESMS, Yapı Kredi makes sure that the projects that they finance is not harmful to other water basins and other water users in that basin. We have considered other water users at a basin/catchment level in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep these other water users as one of our risk assessment stakeholder in the next periods.
Regulators	Relevant, always included	Yapı Kredi considers regulators in their risk assessment processes in terms of any regulatory changes that might cause a future risk. The Bank follows closely environmental regulations and legislations, attends seminars and workshops organized by regulatory bodies. We have considered regulators in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep regulators as one of our risk assessment stakeholder in the next periods.
River basin management authorities	Relevant, always included	Yapı Kredi considers river basin management authorities in their risk assessment processes and in communication if needed in their ESMS. Project that they finance are evaluated in terms of their basin, therefore it is important to identify any related risks. We have considered river basin management authorities in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep river basin management authorities as one of our risk assessment stakeholder in the next periods.
Statutory special interest groups at a local level	Not relevant, explanation provided	Statutory special interest groups are not considered in the risk assessment process since we do not identify any statutory special interest groups at a local level We don't expect Statutory special interest groups at a local level to be relevant in the future.

	Relevance & inclusion	Please explain
Suppliers	Relevant, always included	Yapı Kredi gives great importance to risk management associated to suppliers since for banking sector water along the value chain is important in terms of financed projects. Within the scope of Yapı Kredi Sustainability studies, the bank demands compliance with the requirements of ISO 14001 in supplier contracts. At Yapı Kredi, we aim to spread our corporate values and sustainability principles to the entire value chain. To this end, with the Responsible Procurement Policy which we published in 2016, we strive for reducing the environmental and social impacts of purchased products and services throughout the life cycle and we encourage all our suppliers to comply with Yapı Kredi's environmental, social and human rights criteria. In our procurement activities, we prioritize local suppliers, who accounted for 94% of our 1,624 suppliers in 2017. 50% of our suppliers in 2017 were either UNGC signatories themselves, or provided a signed statement of compliance with our environmental and social criteria. Suppliers' compliance is assessed through external audits every two years, and we plan to increase the ratio of compliant suppliers in the years ahead. We have considered suppliers in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep suppliers as one of our risk assessment stakeholder in the next periods.
Water utilities at a local level	Relevant, always included	Yapı Kredi considers water utilities at a loca level which they operate in. The Bank follows all decisions and laws to avoid any risks caused by changes in requirements in local level. We have considered water utilities at a local level in terms of any potential risk but there hasn't been identified risk within the reporting year. We will keep water utilities at a local level as one of our risk assessment stakeholder in the next periods.
Other stakeholder, please specify	Please select	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

The assessment includes all of our operations. Yapı Kredi uses company specific internal methods and WBCSD Global Water Tool in its risk assessment processes. Within the scope WBCSD Global Water Tool Yapı Kredi assesses the number of facilities located in water-stressed regions. With this information Environmental and Social Risk Assessment (ESRA) which is an internal company risk assessment method, Yapı Kredi identifies, assesses and responds its risk with the light of water related national specific tools or standards. Environmental and Social Risk Assessment System This year, we launched the Environmental and Social Risk Assessment (ESRA) System, which serves to ensure compliance with the social and environmental standards set by Yapı Kredi for its lending activities. The

system utilizes the ESRA Model in assessing risks, which is based on local legislations and the IFC's Environmental and Social Performance Standards in a short to long timeframe evaluation of their direct operations and other stages of the value chain. Environmental risks are determined by the Matrix Method method. In the risk assessment, the environmental risks are graded by calculating the weight ratios with a 5*5 scoring system. It is decided whethe the measures need to be taken. The actions to be taken and follow-up activities regarding projects are as follows: The investor must complete project documentation as part of the Environmental Impact Assessment (EIA) Regulation and must have obtained all temporary environmental and social permits. The Environmental and Social Consultant/Expert will monitor the investment via field visits to be held at least once a year throughout the investment phase, and once after the investment is completed. The loan contract will include a provision that obligates the investor to comply with the Action and Monitoring plans.
Findings concerning the customer and the facility subject to the loan are followed up in credit review meetings at least once a year.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

In Yapı Kredi, internal environmental impacts arising from operational consumption and consumption are assessed in accordance with the Procurement of Internal Environmental Impact Assessment. Risks originating from environmental effects are followed by "Planning Risk and Opportunity Determination Form". Assessing the need for action for risks that are environmental impacts, Existing risk management activities, Internal and External Elements, Organizational Structure, Activity / Products and Services, Environmental Dimension, Laws and Regulations, Environmental and Social Policy, The subjects such as the actions to be taken, and the owners of the actions are evaluated.
Environmental and Social Risk Assessment System This year, we launched the Environmental and Social Risk Assessment (ESRA) System, which serves to ensure compliance with the social and environmental standards set by Yapı Kredi for its lending activities. The system utilizes the "ESRA Model" in assessing risks, which is based on local legislations and the IFC's Environmental and Social Performance Standards

As part of the system, all credit requests are assessed against the “Environmental and Social Policy”, and its Exclusion List. Accordingly, under no circumstances will Yapı Kredi grant loans for activities included in the Exclusion List.
“Assessment of Environmental and Social Risks of Credit Activities” process involves an environmental and social assessment of all Bank investment and project financing loans with an loan amount above US$ 20 million and a maturity of at least three years with a view to determining project risk categories and informing appropriate action. The Environmental and Social Risk Assessment Model categorizes risks under three groups: high, moderate, and low risk.
Category A: Business activities that have an environmental or social risk and/or impact that is diverse, irreversible or unforeseen, and of significant severity. **Category B:** Business activities that have an environmental or social risk and/or impact that is limited, generally localized to the project area, largely reversible and already subject to mitigation measures. **Category C:** Business activities that have minimal or no environmental or social risk and/ or impact.
The actions to be taken and follow-up activities regarding high- and moderate-risk projects are as follows: • The investor must complete project documentation as part of the Environmental Impact Assessment (EIA) Regulation (EIA Report, Project Presentation File, opinion letters, rulings, etc.) and must have obtained all temporary environmental and social permits. • Throughout the investment, the investor is required to ensure successful implementation of environmental and social measures as defined and approved in the Project Presentation File, and prove consistent implementation of such measures through supporting documents. • An external Environmental and Social Consultant/ Expert will prepare an Environmental and Social Status Assessment / Action Plan and Monitoring Plan that comply with the IFC Performance Standards to ensure that all environmental and social aspects of the investment are monitored and reported regularly. • The Environmental and Social Consultant/Expert will monitor the investment via field visits to be held at least once a year throughout the investment phase, and once after the investment is completed. The loan contract will include a provision that obligates the investor to comply with the Action and Monitoring plans.
For projects in the low-risk category, the investor’s environmental and social permits are checked and temporary permits are followed up. Environmental and social findings (if any) concerning the customer and the facility subject to the loan, are followed up in credit review meetings at least once a year.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	5	100	

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive impact on your business, and what is the potential business impact associated with those facilities?

Country/Region

Turkey

River basin

Other, please specify (Marmara Basin)

Number of facilities exposed to water risk

5

% company-wide facilities this represents

100%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

100%

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Region
Turkey

River basin
Other, please specify (Marmara Basin)

Type of risk
Physical

Primary risk driver
Pollution incident

Primary potential impact
Increased operating costs

Company-specific description
The risks of 5 facilities of Yapı Kredi in Marmara Basin were evaluated. Due to drought, increased water stress and water scarcity, inadequate access to clean water is among the major potential effects (eg. water shortage will cause problems for sanitation and drinking / drinking, on the other hand there will be a decrease in water quality and drought). * It is predicted that there may be flooding due to severe weather events caused by climate change. * It is foreseen that the areas where the locations are located are at risk of returning to the wastewater due to inadequate infrastructure after severe weather events.

Timeframe
4 - 6 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Potential financial impact
98156.78

Explanation of financial impact
* Due to limited access to clean water, a 5% increase in water costs is anticipated, which will increase the current water withdrawal costs by 5% .It is estimated that water costs of 5 plants for clean water access will increase by 72,156.78 TRY. * The cost of maintenance and renovation for prevention of material damages in the facilities after the flooding is estimated to be approximately 10.000 TRY * Estimated cost for cleaning the wastewater from infrastructure facilities is 6,000 TRY.

Primary response to risk
Adopt water efficiency, water re-use, recycling and conservation practices
Description of response
* In the Marmara Basin, due to inadequate access to water, water quality will decrease, water shortage will occur and water stress potential for this region will increase. * Regular water analysis to follow the water quality and the use of water treatment units and gray water applications will be the subject. * Maintenance / repair / isolation works to be carried out periodically against the risk of flooding due to substructure maintenance and insufficient infrastructure will be done. * Awareness raising trainings are planned on the use of water resources in natural resource utilization.
Cost of response
831612.01
Explanation of cost of response
* Approximately 600,000TRY Cost of the application of sensor water battery * Investment cost for gray water treatment units 150,000TRY * The cost of water quality analysis is 2,605TRY * Wastewater analysis cost of oil trap outlet water is 1,947TRY. The cost of bacterial anaysis application is 26,380TRY. * Cost for maintenance/repair/isolation 20,000TRY * 30,680 TRY for an oil retaining device for the refinement of the wastewater of the cafeteria at Bayramoğlu facility. These costs are one-off

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W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.
Country/Region
Turkey
River basin
Other, please specify (Marmara Basin)
Stage of value chain
Supply chain
Type of risk
Physical
Primary risk driver
Declining water quality
Primary potential impact

Other, please specify (Decrease in access to water)

Company-specific description

Risks originating from the subcontracting activities of the five facilities of Yapı Kredi in the Marmara Basin were assessed, and due to drought, increased water stress and water scarcity, inadequate access to clean water is among the major potential effects (eg water shortages, sanitation access and eating / drinking will cause problems for hygiene, on the other side there will be a decrease in water quality and drought.

Timeframe

4 - 6 years

Magnitude of potential financial impact

Medium-high

Likelihood

Likely

Potential financial impact

Explanation of financial impact

It is predicted that water costs will increase by 5% due to limited access to clean water. It is foreseen that the services of catering companies and cafés will increase by 5% due to this increase.

Primary response to risk

Increase investment in new technology

Description of response

* Regular water analysis to follow the water quality and the use of water treatment units and gray water applications will be the subject. * Planning of awareness raising trainings to the subcontracting company personnel about the use of water saving in natural resource utilization.

Cost of response

2605

Explanation of cost of response

* It is anticipated that there will be no cost for subcontracting awareness trainings. * The cost of quality analysis in drinking and using waters used in facilities such as food preparation, tea-coffee etc., cleaning works which are in use of sub-contractor (network water WC usage) and for subcontracting is estimated to be about 2.605 TRY.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Increasing credit volume of Yapı Kredi for water efficiency enhancing technologies is the transformation of water risks into opportunities for the bank.

Estimated timeframe for realization

>6 years

Magnitude of potential financial impact

Medium

Potential financial impact

0

Explanation of financial impact

Potential financial impact for measurement of need can not be determined.

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

Bank’s ESMS implementation serves to prevent potential climate change impacts of the projects in terms of water-related issues.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Potential financial impact

Explanation of financial impact

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, total water accounting data and comparisons with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Country/Region

Turkey

River basin

Other, please specify (Marmara Basin)

Latitude

41

Longitude

29

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

151.92

Comparison of withdrawals with previous reporting year

Higher

Total water discharges at this facility (megaliters/year)

145.71

Comparison of discharges with previous reporting year
Higher
Total water consumption at this facility (megaliters/year)
6.21
Comparison of consumption with previous reporting year
Lower
Please explain
This is YKB's first year in CDP Water Security but the bank has historical data to compare water withdrawals, discharges and consumptions.

W5.1a

(W5.1a) For each facility referenced in W5.1, provide withdrawal data by water source.
Facility reference number
Facility 1
Facility name
Fresh surface water, including rainwater, water from wetlands, rivers and lakes
0
Brackish surface water/seawater
0
Groundwater - renewable
5.55
Groundwater - non-renewable
0
Produced water
0
Third party sources
146.37
Comment

W5.1b

(W5.1b) For each facility referenced in W5.1, provide discharge data by destination.
Facility reference number
Facility 1
Facility name
Fresh surface water
0
Brackish surface water/Seawater
0
Groundwater
0
Third party destinations
145.71
Comment

W5.1c

(W5.1c) For each facility referenced in W5.1, provide the proportion of your total water use that is recycled or reused, and give the comparison with the previous reporting year.
Facility reference number
Facility 1
Facility name
% recycled or reused
None
Comparison with previous reporting year
Please select
Please explain

W5.1d

(W5.1d) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?
Water withdrawals – total volumes
% verified

76-100

What standard and methodology was used?

YKB environmental data including water withdrawal was audited in 2017 in accordance with ISAE3000 (Revised).

Water withdrawals – volume by source

% verified

76-100

What standard and methodology was used?

YKB environmental data including water withdrawal was audited in 2017 in accordance with ISAE3000 (Revised).

Water withdrawals – quality

% verified

Not verified

What standard and methodology was used?

We do not verify our water withdrawal quality since we supply treated water from the municipality and natural water from groundwater.

Water discharges – total volumes

% verified

Not verified

What standard and methodology was used?

As our data collection system evolves, we may consider verifying our water discharge data in the future.

Water discharges – volume by destination

% verified

Not verified

What standard and methodology was used?

As our data collection system evolves, we may consider verifying our water discharge data in the future.

Water discharges – volume by treatment method

% verified

Not verified

What standard and methodology was used?

We do not verify our water discharge volume by treatment method since we discharge our water to third party systems.

Water discharge quality – quality by standard effluent parameters

% verified

Not verified

What standard and methodology was used?

We do not verify our water discharge quality since we discharge our water to third party systems.

Water discharge quality – temperature

% verified

Not verified

What standard and methodology was used?

We do not verify our water discharge quality since we discharge our water to third party systems.

Water consumption – total volume

% verified

76-100

What standard and methodology was used?

As a company in banking sector, we do not have a production process. The only water consumption is irrigation in Bankacılık Base. Yapı Kredi environmental data including water withdrawal was audited in 2017 in accordance with ISAE3000 (Revised).

Water recycled/reused

% verified

Not verified

What standard and methodology was used?

We do not use recycled/reused water within the bank.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business	Yapı Kredi has water policy within the scope of Environmental Policy which indicates business dependency on water, impact on water and targets and goals to draw attention to water issues and raise

	Scope	Content	Please explain
		dependency on water Description of business impact on water Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to stakeholder awareness and education	awareness within all value chain. In addition to these Yapı Kredi mentions international standards and initiatives in the policy. Our water policy can be seen in the link below: https://www.yapikredi.com.tr/en/sustainability/environmental-management/

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Other, please specify (Member of Board)	Yapı Kredi's environmental activities are sustainability Committee’s responsibility which is headed by the Board Member. In the Sustainability Committee created in 2014, there are also COO, CFO, CRO, CSO and CPO, who are Managing Directors, as well as the GMYs of relevant departments.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy	Yapı Kredi's environmental activities are sustainability Committee's responsibility which is headed by the Board Member. In the Sustainability Committee created in 2014, there are also COO, CFO, CRO, CSO and CPO, who are Managing Directors, as well as the GMYs of relevant departments. Climate change is one of the most important global problems affecting all humanity. The banking sector has an important position to combat climate change due to the size of employment and the leverage effect of its activities. Climate change affects many sectors including agriculture, transportation, real estate and IT and causes significant changes in the business manner of these sectors. Financial products and services, which we offer to our customers, are also affected by these changes and we take into consideration the effects of climate change on our financial products and services. We carefully monitor the risks created by the climate change and design innovative products and services to transform those risks into opportunities. For this reason, we strategically manage the risks and opportunities that arise from climate change by integrating them into our business processes and decision-making mechanisms.

W6.3

(W6.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.

Name of the position(s) and/or committee(s)

Sustainability committee

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

Yapı Kredi Sustainability Committee was established to formulate Yapı Kredi's sustainability strategy and policies in economic, social and environmental areas, integrate this strategy and these policies into company operations, and monitor its sustainability performance. Representing various management units, the committee also includes a Board Member among its members. The committee is co-chaired by the Board Member and the Director of Corporate Communications Management. Meeting twice a year to monitor and guide developments in sustainability, the Sustainability Committee reports to the Executive Committee and to the Board of Directors annually. Water-related issues are also on the agenda of the committee.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Fully aware that the world's water resources are limited, we approach the issue of water shortage through a holistic approach. This includes monitoring our own water consumption as part of our efforts to ensure efficient use of natural resources and consistency of our monitoring and management processes with our policy and commitments.

We constantly monitor the environmental impact of our direct operations as well as our indirect operations with our Environmental and Social Risk

Assessment System (ESRA) to manage multiple water-related engagement activities across different business devisions.

In a case of any inconsistency we reconsider our processes and direct and indirect activities.

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	An annual reduction target of 1% per capita has been set. Long-term targets include reducing the water consumption at head office buildings by 4% in 2020 compared to 2015.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	An annual reduction target of 1% per capita has been set. Long-term targets include reducing the water consumption at head office buildings by 4% in 2020 compared to 2015. To reach the targets; 5 trainings are being planned for the transition to gradual sensor water batteries at the General Directorate, monitoring of water consumption in operations and subcontracting work areas, prevention of possible fugitives, awareness of personnel and subcontracting employees.
Financial planning	Yes, water-related issues are integrated	5-10	* Approximately 600,000 TL, the cost of the application of sensor water battery for 5 plants is predicted (the application of water battery with sensor at Plaza D Block was started by 2017. Cost: 127,696.25 TL). * Investment cost of approximately 150,000 TL Water-Gray water treatment units is foreseen. * Our plants are estimated to cost about 20,000 TL for the maintenance / repair / isolation requirements periodically against the risk of flooding.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

	Water-related CAPEX (+/- % change)	Anticipated forward trend for CAPEX (+/- % change)	Water-related OPEX (+/- % change)	Anticipated forward trend for OPEX (+/- % change)	Please explain
Row 1					

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenario(s)	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	Nationally determined contributions (NDCs)	We consider Turkey's NDC in our direct operations as a climate-related scenario. This scenario is a 21% decrease from the business as usual scenario by 2030. As a developing economy, Turkey has plans to grow, and as part of a growing economy, Yapı Kredi aims to emerge responsively. We are committed to reduce our GHG emissions in line with Turkey's scenario by 2030. Emission reduction activities may cause change in water consumption directly or indirectly. Water-related outcomes caused by climate change such as floods, drought and inadequate access to clean water as we detailed in W4.2.	We consider Turkey's NDC in our direct operations as a climate-related scenario. This scenario is a 21% decrease from the business as usual scenario by 2030. As a developing economy, Turkey has plans to grow, and as part of a growing economy, Yapı Kredi aims to emerge responsively. We are committed to reduce our GHG emissions in line with Turkey's scenario by 2030. Emission reduction activities may cause change in water consumption directly or indirectly. Following our water consumption also means us lower operational costs in addition to the provided efficiency. This is an additional motivation for us to integrate water related issues to our strategic plans.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We are aware of water is becoming increasingly scarce and contested and we anticipate using an internal price on water within the next two years.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Activity level specific targets and/or goals Brand/product specific targets and/or goals	Targets are monitored at the corporate level. Goals are monitored at the corporate level	We define the ecosystem that allows the life in our planet as our natural capital. We regularly monitor and reduce the environmental impacts of our operations with a view to continuously improve our performance in environmental sustainability. We manage our environmental impact under “Environmental Impacts of Our Operations” and “Opportunities Arising from Climate Change” categories. We take steps to reduce energy consumption, greenhouse gas emissions, waste generation and water usage in our operations. We carry out activities to raise awareness in our value chain about climate change. We meet the needs of our customers with sustainable products and services, and we develop a sustainable product portfolio.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Level

Site/facility

Primary motivation

Climate change adaptation and mitigation strategiess

Description of target

Our long-term goals include reducing the water consumption at head office buildings by 4% in 2020 compared to 2015, and we have achieved a reduction of 2.15%.

Quantitative metric

% reduction in total water withdrawals

Baseline year

2015

Start year

2015

Target year

2020

% achieved

53.7

Please explain

Fully aware that the world's water resources are limited, we approach the issue of water shortage through a holistic approach. This includes monitoring our own water consumption as part of our efforts to ensure efficient use of natural resources. We obtain data from our Head Office buildings, which informs necessary improvements for water savings. In 2017, faucets used in the bathrooms of the Head Office at Plaza D Block were replaced with faucets with photocells. The monitoring of water consumption at the subcontracted working spaces of Plaza D Block and the Banking Base was initiated with the installation of water meters.

Target reference number
Target 2
Category of target
Water withdrawals
Level
Site/facility
Primary motivation
Climate change adaptation and mitigation strategiess
Description of target
Reduce water consumption by 1%: We have exceeded the target by achieving a reduction of 4%.
Quantitative metric
% reduction in total water withdrawals
Baseline year
2016
Start year
2017
Target year
2017
% achieved
100
Please explain
Reduce water consumption by 1%: We have exceeded the target by achieving a reduction of 4%.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.
Goal
Other, please specify (Awareness raising activities)
Level
Site/facility
Motivation
Climate change adaptation and mitigation strategies

Description of goal
Providing awareness raising trainings to Plaza D Blok and Banking Base employees and subcontractor firms about the importance of water, prevention of water pollution, water conservation.
Baseline year
2016
Start year
2017
End year
2018
Progress
We started to monitor headquarters building's direct water consumption on a monthly basis. 3.87% increase in water consumption with increasing internal information amount in a year. From 2016 onwards, we plan to invest in data systems to reduce water consumption and to monitor our water consumption.

W9. Linkages and trade-offs

W9.1

(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?
No

W9.1b

(W9.1b) Why has your organization not identified any linkages or tradeoffs between water and other environmental issues?

	Primary reason	Please explain
Row 1	Not considered, but we have plans to do so in the next 2 years	We have not considered linkages and trade offs but bu have plans to do so in a short to medium timescale such as next 2 years.

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

Yes

YKB Assurance Report 2017 - ENG.PDF
Reporting Guidance - YKB.pdf

W10.1a

(W10.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1. Current state	Water withdrawal by source	ISAE3000	Our limited assurance procedures included: • Making enquiries of relevant management of the Bank and reviewing a sample of relevant management information. • Evaluating the design and implementation of the key processes and controls for managing and reporting the Selected Information. • Limited testing, on a selective basis, of the preparation and collation of the Selected Information prepared by the Bank. • Undertaking analytical procedures over the reported data.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

W11.2

(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes