

Sustainable Water Management

GRI 103-1, 103-2, 103-3, 303, 303-1, 306, 306-1

We received the B score in the CDP Water Program with Management Level which we have been reporting since 2017.

We work to ensure the efficient use of water, one of the most important natural resources, and to prevent the environmental impacts of wastewater that has emerged resulting from our activities. Accordingly, we monitor our water consumption on a monthly basis in all our business units (stores, Head Office, regional directorates, manufacturing sites, distribution centers), report to the Senior Management and aim to reduce our water consumption by using efficiency providing equipment.

The water that we use in our operations is supplied mainly from the municipal water networks, and only 3.69 percent

is supplied from well water. **There is no water source that is significantly affected by our activities.**

We increase the quality of wastewater by employing grease traps in fish and hot-food sections of our stores. The wastewater of our stores is discharged into sewage system. Wastewater generated at MİGET and Distribution Centers of Gebze, Torbalı, Kemalpaşa and Gölbaşı, which all have treatment plant, is reduced to a pollution load level that is below the legal limits in the treatment plant, and then the wastewater generated at Distribution Centers of Gebze and Torbalı and MİGET is discharged into the sewage system, the wastewater generated at the Distribution Center of Kemalpaşa is discharged into Nif

We provided 16,495 of our employees with the effective water use training.

Stream, while the wastewater generated at the Distribution Center of Gölbaşı, which is located within Sakarya Basin, is discharged into the stream bed with seasonal flow. 99.2 percent of our total water consumption is discharged into the sewage system.

In this context, we do not carry out any activities that causes water pollution, and we ensure that no significant impact occurs on the biodiversity characteristics of the water resources as a result of our operations.

OUR RISK MANAGEMENT

This year, we started to use the WRI Aqueduct tool to assess the water risk that might occur at the facilities where our operations are carried out. By means of such tool, we determine the areas with water stress and the regions that pose any risk of flood and drought, and we share the risks and opportunities, as drawn up specific to water, with our stakeholders.

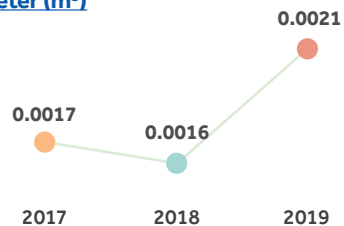
In our calculation, we added our units other than the store formats such as Head Office and distribution center in order to obtain a result covering all our operations. In consequence of the studies as part of our operations in Turkey, we observed that the water consumption of our 1,792 units (stores, warehouses, Head Office etc.), which are located in water-stressed areas, has a share of 91.5 percent in total water consumption. We added the Head Office and distribution centers to 29 stores with the highest annual turnover among the stores with water-risk and revealed the financial aspect of the risk. In addition, by use of WRI Aqueduct Food tool, we evaluate the water risks including especially drought that our suppliers from whom we purchase agricultural products may experience and develop action plans to ensure the continuity of our supply chain.



OUR WATER EFFICIENCY PRACTICES

We measure the amount of water that we consume in all of our operations carried out at the stores, Head Office, regional directorates, distribution centers, fruit and vegetable warehouses, MİGET and Gebze Meat Production Center. Our water consumption is monitored through the cubic meters of water indicated on the water meters of stores and warehouses. In all operational units, we monitor our water consumption on a monthly basis in all operational units and aim to reduce our water consumption by use of equipment that enables efficiency. In order to monitor our consumption in line with the targets of the global retail sector, we monitor our water consumption per square meter of sales area, which constitutes 85 percent of our total water consumption. Since 2017, **we have been reporting to Carbon Disclosure Project (CDP) water management questionnaire in addition to climate**

Daily Water Consumption Amount per Sales Area Square Meter (m³)



change, and our reporting score of B is considered as 'Management' level.

In 2019, our total water consumption arising from all of our operations was 1,282,537 m³. There was an increase of 25.4 percent in our water consumption per sales square meter as compared to 2018, which was our annual target. This is due to two important reasons:

- 1) The transformation of Kipa stores, which we took over in 2017, to Migros stores, was completed in the last quarter of 2018. In the course of this transformation, it was observed that the plumbing systems employed at Kipa stores were not efficient. In addition, data flow problems due to the system differences were solved.
- 2) The systems monitoring the water consumption in all other operations were updated. Up-to-date and accurate data were obtained by integration of renewed system. Thus, we are aiming to increase our data quality for a more accurate calculation of the water consumption of all of our units over the years.

The water consumption shares of 455 stores, which could not be monitored in the course of store transformations and

have low data quality, is 39 percent in total consumption. The increase made by these stores corresponds to 16.5 points of the increase occurred this year in our consumption. In light of these developments, we updated our **target of water reduction as reducing our water consumption per sales square meter by 0.5 percent in 2020, 3.5 percent until 2024 in mid-term, and 10 percent until 2029 in long-term** as compared to 2019 base year.

In 2018, we started to conduct a life cycle assessment on our private label products. In this context, the water footprint of 2 kg kashar cheese among our private label products and 1 kg beef tenderloin with skin packaging among our Expert Butcher (Uzman Kasap) products was measured as 170,985 m³.

We renew the equipment, which we use to prevent the waste oils generated in our stores with fish sections and hot-food production areas from mixing into the sewage system, more functional by new-generation tools. Accordingly, 200 grease trap equipment available in our 185 stores were replaced with new-generation equipment that are easier to clean. The requirement to make available such equipment in case of positioning a fish

section in our new stores has been included in the opening protocol. In addition, the obligation to install a grease oil trap in all service sections or the drains to which the sections are connected is imposed for any store to be opened inside a shopping mall.

In 2019, 12,133 of our employees received in-class training on hygiene and food safety, and 36,870 of employees completed the training by distance learning. In addition, **we delivered training to 16,495 of our employees on water management during Environmental and Waste Management Trainings in 2019.**

