

Module: Introduction**Page: Introduction****CC0.1****Introduction**

Please give a general description and introduction to your organization.

Founded in 1950 with the mission to finance Turkey's private sector investments, TSKB (Industrial Development Bank of Turkey) is Turkey's first privately-owned development and investment bank. A pioneer of sustainability in the Turkish banking industry, TSKB serves a wide array of customers in the areas of corporate lending, project finance and financial leasing, as well as corporate finance services within the scope of investment banking. TSKB systematically contributes to the continuous development of the Turkish economy through long-term resources for the business world, mainly through investment projects and customer-specific consultancy and brokerage services. Having adopted the principle of sustainability with its economic, environmental and social dimensions and implemented a number of initiatives to this end TSKB supports investments in various sectors with renewable energy, energy efficiency, resource efficiency, sustainable tourism, environmental and SME loans. With the World Bank actively involved in its foundation, TSKB operates in continuous cooperation with leading participants of global markets. TSKB's international partners include international and supranational institutions such as World Bank, EIB, KfW, CEB, IFC, EBRD and IDB. TSKB takes environmental and social risk factors just as seriously as economic risk factors and integrates sustainability into its operations and, develops its business strategies in line with the goals of sustainable development. In addition to its banking activities, TSKB uses its sustainability experience in its operations and documents both its internal and external impacts' results in order to analyze, manage and improve them in line with its "Sustainability Procedure" and "Sustainability Policy and Guide".

The beginning of TSKB's journey towards sustainability dates back 1980s. Long before the establishment of any environmental legislation in Turkey, TSKB started to include environmental due diligence as a part of its project appraisal activities. Through integration of sustainability into its business strategy and decision-making processes, TSKB supports environmentally or socially responsible projects, innovative technologies and sustainable enterprises. TSKB is a sustainable bank, and a role model for its competitors in Turkey.

Within the last decade TSKB has covered substantial ground with regards to sustainability. The Bank prepared its environmental management system (EMS) and put it into practice towards the end of 2006. Holding the Environmental Management System (ISO 14001) and Verification of Greenhouse Gas Emissions (ISO-14064-1) certificates, TSKB is Turkey's first carbon-neutral bank and a member of the United Nations Environment Program Finance Initiative (UNEP FI) and United Nations Global Compact. In addition, TSKB is organizational stakeholder of Global Reporting Initiative and has submitted three sustainability reports. In 2012, TSKB became the first bank in its sector to reach the ISO 14064-1 certification standard. Integrating the concept of sustainability into all of its banking services successfully, TSKB has achieved another first in the Turkish finance sector by receiving A+ level approval from the Global Reporting Initiative (GRI) for its third

Sustainability Report.

As a sustainable bank, TSKB takes into consideration its environmental impacts due to its daily operations, thanks to its environmentally conscious employees who have internalized TSKB's environment friendly approach. This successful improvements in TSKB's strategy experienced throughout the years were rewarded by receiving the Financial Times - International Finance Corporation's (IFC) "Sustainable Bank of the Year Award" in the "Eastern Europe" category three years in a row (2008, 2009, and 2010) and short-listing to top 3 in Europe category in 2011 and 2013. Since 2010, TSKB has been reporting to CDP. In 2013 reporting period, TSKB has been awarded as one of top four companies in "Transparency" category and taking place among the top seven companies in "Performance" category.

Corporate governance is an essential element of sustainable banking. In this respect, the Bank considers corporate governance and full compliance to laws as an important step for the execution of responsible banking. Holding its place in the top three companies with highest corporate governance ratings for 4 consecutive years, the bank has proven its success in corporate governance practices with awards granted by the Corporate Governance Association of Turkey. The Corporate Governance Rating (9.11) that has been assigned to TSKB in 2012 was revised up to 9.40 in 2013. With this Corporate Governance Rating, the Bank became the winner of the Highest Corporate Governance Award for the second time in 2014. TSKB is dedicated to carry on its success in corporate governance practices which are monitored by the Board's corporate governance committee.

CC0.2

Reporting Year

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

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Tue 01 Jan 2013 - Tue 31 Dec 2013

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Turkey

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

TSKB's sustainability strategy is grounded on the perspective of supporting Turkey's sustainable development. The Bank has adopted sustainability as an unaltered target, because it sees sustainability as an extremely valuable instrument which can create permanent and long-term value for all of its stakeholders. TSKB acknowledges its responsibilities for a sustainable future, not just for Turkey but for the whole world. Within the framework of the project finance and lending activities which form a major part of its product and service cycle, the Bank continues to contribute to sustainability by extending financial support to those investments that protect the environment and reduce the impacts of climate change. Supporting the low-carbon economy is one of the cornerstones of TSKB's

sustainable banking strategy. TSKB considers common welfare, human resources and social responsibilities in all of its operations. Besides its identity as a preferred employer which respects human rights, encourages personal and professional development and continuously invests in its human resources, TSKB provides an indirect contribution to employment through the investment projects that it supports by allocating funds. TSKB will continue to raise the “sustainable banking” bar in Turkey and builds its contribution to the national economy in the coming period as well.

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The highest level of direct responsibility for climate change is Board Member (CEO) of TSKB.

TSKB's sustainability management steering committee and “TSKB Sustainability Committee” are also responsible for climate change management. TSKB's sustainability management steering committee informs and gives recommendations to the CEO of TSKB via annual meetings. TSKB Sustainability Committee presents regular reports to the Executive Vice Presidents on a monthly basis and prepares annual report which is submitted to the CEO.

TSKB uses its sustainability experience in its internal operations and documents both the internal and external results according to “Sustainability Procedure” and “Sustainability Policy and Guide” in order to analyse, manage and improve them. Being approved by Board of Directors, Sustainability Policy and Guide covers the environmental and social dimensions of sustainable development in TSKB. Environmental and social issues in financing activities are detailed in the guide. In addition, TSKB's perception and strategy on climate change, human resources, stakeholder engagement and governance are mentioned in this document.

The Sustainability Management System of TSKB which includes climate change issues ensures that the organization will be able to continuously improve its sustainability performance, improve the internal and external information flow, better control environmental risks related to TSKB products, comply with all relevant laws and standards, avoid negative consequences from public attention, prepare sustainability reports according to the Global Reporting Initiative (GRI) standards to be presented to the stakeholders of the Bank periodically and encouraging them for sustainability practices, calculate and purge the carbon foot-print of the Bank periodically and conduct the banking operations on a carbon-neutral basis. In SMS, every issue has a responsible person and team members from different departments for measuring and monitoring. Management of climate change issues are realized by SMS team representative. Qualitative aspects of sustainability such as environmental aspects, carbon neutrality, client risk evaluation, legal requirements, internal training, internal/external communication and audit are arranged by relevant teams. Quantitative aspects of sustainability such as carbon emission, GHG inventory, risk categorization of projects, number and percentage of

renewable or energy efficiency projects, human resources statistics are measured and monitored continuously by related teams. Two new procedures are prepared to save key performance indicators (KPI) of carbon footprint and sustainability, through the IT base. The aim is to form a systematic approach for gathering information from the related departments periodically, which are needed in several reports published in scope of “Sustainable Banking” such as Global Reporting Initiative, United Nations Global Compact, and Carbon Disclosure Project. At the end of every fiscal year, GHG inventory report is submitted to the top management to present the changes in TSKB’s total GHG emissions for the organizational level. This inventory includes the recommendations concerning GHG reduction strategies and activities. The recommends and proposals presented by SMS representative are reviewed, discussed and approved by top management. Once they are approved, SMS team is responsible for their execution. In Sustainability Management Review Meetings, the responsibilities for climate change issues are being held at top management level (once in a year).

Our corporate goals include ensuring that the concept of sustainability is embraced by all employees and integrated into our business processes and services, developing new products and business opportunities in sustainable banking and increasing the level of sustainability awareness in the banking sector and business community. To conduct the necessary efforts and provide coordination for the realization of these goals, the “TSKB Sustainability Committee” was established in December 2013. This committee is responsible for ensuring that the concept of sustainability is embraced by all employees, integration of sustainability concept into all business processes and services, developing new services and opportunities in sustainable banking, increasing the level of sustainability awareness in the banking sector and business community in cooperation with NGO’s and other initiatives working on climate change and sustainability. Committee reports to Board Member and CEO of TSKB and Executive Vice Presidents of TSKB. The Committee presents regular reports to the Executive Vice Presidents on a monthly basis. In the monthly reports, ongoing and completed efforts of the committee are described. For these activities, an annual report is prepared and submitted to the CEO to be presented to the Board of Directors. The official letter about the “TSKB Sustainability Committee” is attached below.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Environment/Sustainability managers	Monetary reward	GENERATING BUSINESS RELATED TO CLIMATE CHANGE SERVICES; Performance indicator about climate change issues.
Other: Sustainability Management	Monetary	MEETING EMISSION REDUCTION TARGETS; Performance indicator about CO2 emission reduction,

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Steering (SMS) Committee	reward	energy and natural resources consumptions
Other: Sustainability Committee	Monetary reward	COMMUNICATING CLIMATE CHANGE ISSUES & GENERATING BUSINESS RELATED TO CLIMATE CHANGE SERVICES; Ensuring that the concept of sustainability is embraced by all employees and integrated into our business processes and services, developing new products and business opportunities in sustainable banking and increasing the level of sustainability awareness in the banking sector and business community
All employees	Recognition (non-monetary)	COMMUNICATING CLIMATE CHANGE ISSUES; In 2013, Increasing awareness of SMS throughout the organization, employee suggestions about the reduction of energy and paper consumptions will be collected. Additionally, on 4th of July and 3rd of December, the training sessions have been organized in order to inform TSKB employees about how SMS system including climate change management works.

Further Information

In 2006, TSKB interiorized the environmental and social consciousness by integrating sustainability into its operations and developed its business strategies in line with the goals of supporting sustainable development by establishing the Environmental Management System (EMS). In 2012, this system is upgraded to Sustainable Management System (SMS). TSKB uses its sustainability experience in its internal operations and documents both the internal and external results according to Sustainability Procedure and Sustainability Policy and Guide which were approved by the Board of Directors in 30th of November 2012. The SMS of TSKB ensures that the organization will be able to continuously improve its sustainability performance, to improve the internal and external information flow, to better control environmental risks related to TSKB products, to comply with all relevant laws and standards, to avoid negative consequences from public attention, to prepare sustainability reports according to the Global Reporting Initiative (GRI) standards to be presented to the stakeholders of the Bank periodically and encouraging them for sustainability practices, to calculate and purge the carbon foot-print of the Bank periodically and to conduct the banking operations on a carbon-neutral basis. TSKB's sustainability management steering (SMS) committee consists of 14 members. The organizational chart of this committee and their responsibilities are given in the attached table below. Additionally, 2013 Management Review presentation together with their meeting notes are attached in the documents given in the "Further" section. In order to enhance the coordination of all sustainability-related operations and services of the Bank, "TSKB Sustainability Committee" was established in December 2013. The committee holds regular meeting once each week. In the attached documents, please find the sample committee meeting notes including sustainability activity plans, CDP reporting and CDP score of TSKB, preparations for the sustainability page on TSKB Intranet and etc.

Attachments

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_Official Letter about Sustainability Committee.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_Official%20Letter%20about%20Sustainability%20Committee.pdf)

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_P12_Management Review Protocol_2013.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_P12_Management%20Review%20Protocol_2013.pdf)

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC1.Governance/1.2a_Sustainability Committee Meeting Notes_I.docx](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC1.Governance/1.2a_Sustainability%20Committee%20Meeting%20Notes_I.docx)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC1.Governance/1.2a_Sustainability Committee Meeting Notes_II.docx](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC1.Governance/1.2a_Sustainability%20Committee%20Meeting%20Notes_II.docx)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_Sustainability Management Steering \(SMS\) Committee_Organization Chart.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_Sustainability%20Management%20Steering%20(SMS)%20Committee_Organization%20Chart.PNG)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_P12_Management Review_2013.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC1.Governance/1.1a_P12_Management%20Review_2013.pdf)

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

A specific climate change risk management process

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	- Internal risks arising from operational services are considered. - External risks arising from lending activities are considered within the borders of Turkey.	Up to 1 year	-Six-monthly monitoring for internal risks - Six-monthly or more frequently monitoring for external risks through the credit life of the financed project

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Climate change and sustainability are strongly integrated into TSKB's corporate strategy and business principles. TSKB, being responsible and sensitive to the environment, and seeing it as an integral part of banking, established its EMS in 2006, which has an ongoing, systematic structure and is open to international audit. In 2012, this system was upgraded to SMS. TSKB applies its experience in sustainability to its internal operations and documents both the internal and external results according to Sustainability Procedure and Sustainability Policy and Guide which were approved by the Board of Directors in November 30th, 2012. SMS ensures that all of the internal and external impacts of TSKB including environmental and social risks, greenhouse gas emissions, client risks, legal requirements, and internal audit are applied via internal processes.

GREENHOUSE GAS EMISSIONS (P7): This process defines the evaluation of the greenhouse gas emissions of TSKB.

Since 2012, TSKB has been verifying greenhouse gas emissions for the organizational level by a third party. TSKB was audited by bsi. in 2012, 2013 and 2014, and awarded with ISO 14064 Certifications. The external audit has been successfully completed on April 1st, 2014. Related results will be given in the further part of this report.

CORRECTIVE & PREVENTIVE ACTION (P9): This process summarizes environmental and GHG emissions related review and corrective action processes for TSKB. The main purpose is to establish a system to initiate, request, implement and review the effectiveness of corrective and/or preventive action.

MONITORING AND MEASUREMENT (P1&P11): These processes define the monitoring and measurement process of internal environmental related issues of TSKB such as electricity, natural gas, water, paper and waste disposal.

EVALUATION OF CLIENT & PROJECT RISKS (P2): This procedure defines the evaluation of the environmental risks of the clients and their projects related with the lending activities of TSKB.

CC2.1c

How do you prioritize the risks and opportunities identified?

INTERNAL CLIMATE CHANGE RISKS AND OPPORTUNITIES: Firstly, the activity data of emission sources is collected through work-flows semiannually. The GHG emissions from each source are determined by Carbonmeter which contains appropriate calculation methodologies. The emissions are ranked from bigger emission sources to the smaller ones. An investigation is conducted to find appropriate ways to reduce emissions. If a suitable solution is found, its monetary cost is calculated. Since 2011, TSKB has been reporting the Carbonmeter results comparison with previous year emissions and reporting year targets, deviation identifications and proposal of appropriate countermeasures if needed. Annually, SMS Representative presents the results of inventory report, environmental activities of SMS team and shows the all potential GHG reduction strategies to top management. After the approval of reduction strategies for the next year, SMS team plans and organizes their projects with specific targets and time schedule.

EXTERNAL CLIMATE CHANGE RISKS AND OPPORTUNITIES: In 2005, TSKB developed "Environmental Risk Evaluation Tool" (ERET) which provides a method for rating environmental risk under 35 separate headings. ERET categorizes projects into levels of risk: A (very high), B+ (high), B- (medium), and C (minimum). ERET takes both existing and future aspects, potential environmental impact, legal and financial liabilities into account. In situations where a project's environmental risk is deemed to be above average and/or too high, the Bank works with the customer to formulate a plan whereby the environmental impact may be monitored and mitigated. In 2014, Loan Monitoring Department is established to identify, measure and manage the Bank's lending activities within the scope of the risks, to specify early warning signals and to create monitoring processes. The financed projects are additionally monitored if they are exposed to unexpected weather conditions like

drought,flood,low wind,extreme wind and extreme snow.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

TSKB shapes its products in sustainable banking aspect by giving priority to financing investments that will make direct contributions towards efforts to combat climate change.Hence, renewable energy,energy and resource efficiency,and environmental investments are main products of TSKB's credit placement decisions. The integration of climate change and sustainability into bank's core businesses can be achieved through the integration of environmental and social considerations into product design, mission policy and strategies.TSKB integrates the environmental criteria into its lending and investment strategy by developing sustainable products.

For energy efficiency(EF) and renewable energy(RE),TSKB has enhanced its internal capacity and developed an original marketing strategy that best fits the demands of the Turkish market which strives to be less dependent on foreign energy supply.Since 2009,TKSB has financed 57EF projects of 30clients from various industries.TSKB financed 102RE projects corresponding to 14% of Turkey's total installed RE capacity.These projects reduce greenhouse gas emissions by 1.1million tons of CO2 per year and save a total of 1945000Mcal of energy.This amount of energy saved through the energy efficiency projects is sufficient to meet the annual domestic heating needs of a city of nearly 800000people.Considering that 58 of Turkey's cities have a population of less than 800000,the scale of

potential energy savings that can be achieved through energy efficiency in the industry is clear.Reduction of CO2 emissions through the energy efficiency projects financed by the TSKB are equivalent to the carbon footprint of 200000people.

TSKB concentrated on mainly Hydro Plants in the previous years.But the trend is changing in Turkey as the environmentally and socially friendly hydro capacity is limited. New concentration seems to be solar energy in addition to biomass and wind.Engineering department of TSKB has started to investigate the opportunities in this area with the cooperation of corporate marketing department.The result of the Engineering study consisting of the opportunities and feasibility of the solar energy in Turkey was reported to the top management in the last Management Review Meeting.After the approval of the top management, corporate marketing department began to survey for the investors in this era. At the moment,TSKB has just financed two solar projects having the capacity of 1,5MW in 2013 and having an investment cost of 1,6million€.The related section of the “Management Review” presentations are attached together with their meeting notes below.

TSKB created new credit line as resource efficiency in 2013 and will continue to support energy and resource efficiency projects of private sector.TSKB plans to be one of the most effective players in the area of resource efficiency with the thematic funds that it provides from supranational institutions.The Bank aims to include an increasing number of projects in different areas in its portfolio,such as raw material efficiency,waste management efficiency and efficiency in production processes as well as energy efficiency.

Sustainable tourism is becoming an important issue in the world.In 2012,TSKB began negotiating loan agreements about sustainable tourism, including renovation and energy efficiency investments in touristic facilities.This loan has started to be utilized in 2013.

TSKB manages its loan risk by determining the amounts that can be disbursed to different lines(like hydro power plant, bio mass power plant,wind power plant,etc.) and for each project.This principle not only decreases the risk but also results in variety in the credit portfolio of the Bank.

TSKB's environmental risk management policy constitutes the basis of decision-making processes of credit appraisal process and internal operations.The highest level of direct responsibility for climate change is the CEO.Environmental and social risk performance of TSKB's clients is followed up by senior management level and Sustainability Management System representative reports directly to CEO.Having the policy of being an environmental socially responsible bank, TSKB continuously conducts internal studies to improve its consumption and become a carbon-free bank.

The constructing of the strategy according to the climate change for nearly 10 years is going to make TSKB prominent in the upcoming years with respect to other financial corporations in Turkey.TSKB is experienced about climate change issues and ready for possible regulations for internal environmental impact and client portfolio impacts.As mentioned in 2.1,internal communications are led by SM Steering Committee and audited with ISO14001 and ISO14064 and external database is gathered by ERET in project evaluation.

As it is seen from the attached photo in the Further section, TSKB was awarded by bsi. for its environment sensitive, responsible and sustainable development approach in June 2013.bsi., the international auditing company carrying out ISO14001 audit of our Bank, has awarded “our contribution in improving our corporate responsibility to environment before the stakeholders and customers by meeting the requirements of environmental management system excellently”.TSKB is the first company receiving award within the scope of the award project initiated by bsi. with the motto“making excellence a habit”.

TSKB is not a signatory for the Equator Principles because TSKB has its own environmental and social management approach and risk assessment tool for the projects which is applied regardless of the scope,size,and loan amount of projects.ERET results are disclosed periodically both in the sustainability reports and TSKB's website.

TSKB's environmental methodology is above and beyond the Turkish official environmental and social requirements.As TSKB uses the funds of supranational such as World Bank,KfW,etc.,so environmental screening of the projects are not only done by Turkey's national requirements but also according to TSKB's and these supranational institutions' criteria.

With 63 years' experience, TSKB is very well-known by these international institutions;World Bank,European Investment Bank (EIB), Kreditanstalt für Wiederaufbau(KfW),the Council of Europe Development Bank(CEB),the International Finance Corporation(IFC),Agence Francaise de Developpement(AFD),the European Bank for Reconstruction and Development(EBRD) and the Islamic Development Bank(IDB).This awareness and trust helps TSKB to obtain the supranational credit lines easily and determining the strategy with the cooperation of these institutions.

Environmental consciousness and trust over supranational experience is appreciated by investors.Stakeholders of TSKB know that a project that is financed by TSKB is solid in terms of social, environmental and financial terms.This results in a trust to the investors by its stakeholders.That is why TSKB has a strategic supremacy with respect to its competitors.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: TSKB is working closely with parties like Undersecretariat of Treasury of the Republic of Turkey, General Directorate of Renewable Energy, Ministry of Environment and Urbanization	Support	TSKB is working closely with parties like TOBB and TUSIAD (Please visit http://www.tusiad.org/information-center/press-room/press-releases/un-global-compact-network-turkey-determined-its-board-of-directors/ or see the its print screen in the "Further" section). Participation in policy research; TSKB provides input on climate change related issues to these parties and actively participates in meetings and conferences to transfer its know-how and industry knowledge. Additionally, TSKB gave a conference in TUSIAD activity.	a- Proposed to the Ministry for the establishment of a databank related with climate change and GHG emissions in Turkey. b- Panel discussion with Treasury, Ministries and foreign representatives about energy efficiency and low carbon economy.
Other: Sustainability Index* (see further Section)	Support	TSKB is a member of the Advisory Board of the ISESI project (Please visit http://www.tbcsd.org/Page/25/IMKBSurdurulebilirlikEndeksi(ISESI).aspx . or see the its print screen in the "Further" section). Participation in policy research; In addition to being in the advisory board, TSKB participates to workshops and seminars as participant or leader.	Mentioned the importance of sector specific KPI's for the index.
Other: Global Compact	Support	TSKB will be in the board of directors of the Global Compact Turkey Network in next 3	TSKB encourages other

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Principles		years (Please visit http://www.globalcompactturkiye.org/haberlerduyurular/basin-bulteni-un-global-compact-turkiye-baskani-dr-yilmaz-argudene-kuresel-rol/ or see the its print screen in the "Further" section). TSKB is the only member of banking industry in Turkey having a seat on the board. The aim of the board is to lead the studies in Turkey in order to spread the 10 principles and millennium development goals of Global Compact.	banks to participate Global Compact network.
Other: Volunteer Initiatives' Principles	Support	TSKB is a stakeholder of several volunteer initiatives such as GRI, UNGC, UNEP – FI, CDP, etc. The aim of TSKB by being a member of these organizations is not only submitting report about its enhancements, but also trying to initiate awareness to climate change issues in the sector.	Endorsement of policy proposal; TSKB supports cap and trade legislation and our experts are working on these issues.
Other: Banks Association of Turkey (BAT)	Support	TSKB supports and plays an active role in the activities of the Banks Association of Turkey (BAT). Since 2009, TSKB has been heading the “BAT Workgroup on the Financial Sector’s Role in Sustainable Growth.	TSKB has been leading the Sustainable Banking Guidelines Project of BAT since 2013.
Other: Energy Efficiency	Support	In order to reduce energy intensity of Turkey, TSKB collaborates with the Ministry of Energy and Natural Resources (MENR).	TSKB participates in the “Strategic Plan Workshop” meetings organized by the MENR and plays active role for the determination of 2015-2019 Strategic Plan of the ministry.
Other: Innovative renewables	Support	TSKB is in dialog with the regulatory makers, customers and Financial Institutes about innovative renewables.	TSKB participated in the “Turkey Energy Efficiency Policies” meeting organized by the MENR General Directorate of Renewable Energy on December of 2013. Here, TSKB shared its experience on the renewable energy and energy efficiency financing.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
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CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

All TSKB's direct and indirect activities that influence policy on climate change are coordinated and managed by the Sustainability Committee Manager (who reports directly to the Board Member (CEO) of TSKB). Sustainability Committee Manager is responsible for coordinating engagement activities around climate change to ensure that we have a common approach that is consistent with TSKB's sustainability strategy

CC2.3i

Please explain why you do not engage with policy makers

Further Information

TSKB has been a stakeholder of Global Reporting Initiative since 2009, adopted initiative's principles as its fundamental guide for sustainability reporting and submitted its 3rd report in level A+ level. This report, evaluating the sustainability performance of TSKB in economy, environment and management, is issued for the first time in Global Reporting Initiative (GRI) A+ level. "+" level of the report means that all sustainability related performance realizations of the Bank have been approved by the external audit. The Global Compact's (GC) ten principles pertaining to human rights, worker's rights, environmental issues, and anticorruption are fully embraced, supported and applied in TSKB. Being a stakeholder to GC since 2010, TSKB emphasizes its compliance to these principles by signing volunteer organizations declarations and submitting annual reports. TSKB has been disclosing, reducing and neutralizing its carbon footprint since 2008 and reports to CDP annually. Additionally, TSKB is a member of Water Disclosure Project. In 2009 TSKB became Turkey's first carbon-neutral bank and joined UNEP FI. TSKB has a Sustainability Management Steering Committee assuming the responsibility of SMS progression. The team is coordinated by a TSKB SMS Representative who directly reports to the CEO. All SMS results and future plans are discussed in the Executive Annual Management Review Meeting which is explained in detail in Question 1.1.a. TSKB is working closely with parties like Republic of Turkey Prime Ministry Under Secretariat of Treasury, General Directorate of Renewable Energy, Ministry of Environment and Urbanization, TUSIAD, UNDP Turkey Office, Turkish-German Steering Committee on Environmental Protection, energy efficiency advisory, committees and other related NGO's. TSKB provides input on climate change related issues to these parties and actively participates in meetings and conferences to transfer its know-how and industry knowledge. "Sustainability Index is a project which was initiated in 2012 under the collaboration of Borsa Istanbul, EIRIS and various NGOs. The Project aims to develop an index from listed companies with remarkable sustainability practices and contribute to listed companies' understanding of sustainability. The Sustainability Index, which is also expected to contribute to the development of new investment tools, will be in process by September 2014."

Attachments

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.2a_Management Review_2013_Future Plans_2.png](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.2a_Management%20Review_2013_Future%20Plans_2.png)

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/P2.2a_Management Review_2013 Protocol.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/P2.2a_Management%20Review_2013%20Protocol.pdf)

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global Compact-TSKB_4.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global%20Compact-TSKB_4.PNG)

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Advisory Board of the ISESI Project_1.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Advisory%20Board%20of%20the%20ISESI%20Project_1.PNG)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.2a_Management Review_2013_Future Plans_1.png](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.2a_Management%20Review_2013_Future%20Plans_1.png)
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[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Advisory Board of the ISESI Project_2.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Advisory%20Board%20of%20the%20ISESI%20Project_2.PNG)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_MENR-TSKB_1.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_MENR-TSKB_1.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global Compact-TSKB_5.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global%20Compact-TSKB_5.PNG)
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[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_MENR-TSKB_2.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_MENR-TSKB_2.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.1c_P7_Greenhouse Gas Emissions.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.1c_P7_Greenhouse%20Gas%20Emissions.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.1c_P7.R1.2013 Greenhouse Gas Emissions Inventory_2013.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.1c_P7.R1.2013%20Greenhouse%20Gas%20Emissions%20Inventory_2013.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.2a_Management Review_2012 Protokol.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.2a_Management%20Review_2012%20Protokol.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global Compact-TSKB_1.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global%20Compact-TSKB_1.PNG)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3h_Activity Notes on Strategy.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3h_Activity%20Notes%20on%20Strategy.pdf)
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[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global Compact-TSKB_3.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC2.Strategy/2.3a_Global%20Compact-TSKB_3.PNG)

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2+3	100%	10%	2012	950	2013	TSKB's carbon footprint at end-2010 was 67.88% lower than what it was in 2008. Such a high rate of reduction was achieved through the use of renewable energy. Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. This led to 686 tons of CO2e reduction in the greenhouse gas emissions of 2012. In 2010, sharing of bank cars among managers, integrating sensors to the lights and delivering reports in soft format & using both sides of paper during printing caused to decrease GHG emissions by 59 tons. Due to these improvements in greenhouse gas emissions amount, the emission reduction target of 2012 is given as 0%. This refers that TSKB's emission target for the reporting year is to keep the same value as of 2011. In 2012, refrigerants pipelines were maintained periodically to prevent any leakage from the lines, and credit reports in digital format have been started to be delivered among managers with their track change format. By these behavioral changes, TSKB emissions have been decreased by 93 tons of CO2e. Therefore, TSKB has decided to put a 10% reduction target for 2013 emissions.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
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CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
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CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	100%	TSKB had been verified its greenhouse gas emissions according to the ISO 14064-1 in 2014. The external audit has been successfully completed on 30th March - 01st April - 2nd April -3rd April. TSKB 2013 greenhouse gas inventory report has been certificated with 5% reasonable assurance for Scope-1 and 20% limited assurance for Scope-3. Compared to 2012, 2013 GHG emissions has been reduced from 950 ton CO2e to 765 tons CO2e due to the preventive actions and changes in operating conditions as follows; 1-Maintaining refrigerants pipelines periodically, HFC-22 leakage was reduced by 109 kg. Fugitive emissions in Scope-1 decreased by 157 ton CO2e. 2-Since average air temperature during the heating period decreased by 1oC compare to 2012, the emissions from natural gas consumption was abated by 22 ton CO2e. 3-Depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services was decreased by 7 ton CO2e. Therefore, TSKB has successfully reduced its GHG emissions by 20% compare to 2012 base year.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO₂e savings

Stage of development	Number of projects	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	1	1
Implemented*	2	776
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	In Turkey, electricity is supplied by mixed grid energy production lines. In order to reduce emissions factor of the mixed grid, TSKB has financed renewable energy projects since 2005. Projects portfolio of TSKB begin to change into geothermal, wind and waste from hydroelectric plants. 102 different RE projects are being financed which accounts for 14% of Turkey's total installed RE capacity as well as to 6% of its overall installed capacity. Bereket Energy is the one of these RE projects. Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. By this way, TSKB reduced 559 tonnes of CO2e reduction in the greenhouse gas emissions of 2013	559	0	0	<1 year	1-5 years	
Behavioral change	Delivering reports in soft format & using both sides of paper while printing in 2010.	5	5000	0	<1 year	10-20 years	
Transportation: use	Sharing of banks cars among managers in 2010.	10	10000	0	<1 year	1-5 years	
Energy efficiency: Building services	Integrating sensors to the light in 2010.	44	8000	5000	<1 year	8-10 years	
Fugitive	Refrigerants pipelines are maintained periodically to	157	2300	1800	<1 year	2-3 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
emissions reductions	prevent any leakage from the lines in 2013.						
Behavioral change	Credit reports in digital format has been started to be delivered among managers with theirs track change format in 2012.	1	0	0	<1 year	10-20 years	

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Semiannually, the activity data of the identified emission sources is collected through work-flows. All related data has to be approved by the manager of data-owner. The GHG emissions from each source are determined by using Carbonmeter which is developed by Escarus (initiative of TSKB) and contains appropriate calculation methodologies. The distribution of emission sources has been analyzed. The emissions have been ranked from bigger emission sources to the smaller ones. and an investigation is conducted to find appropriate ways to reduce the emissions. If a suitable solution is found, the monetary cost of the implementation is calculated. TSKB reports these potential improvements in GHG emissions together with all environmental activities performed by SMS team, annually. Since 2011, TSKB has been started to publish its GHG Inventory report including that the results of carbonmeter are compared with GHG emissions of previous years and the targets of reporting year, deviations are identified and if needed appropriate countermeasures are proposed, annually. This document is submitted to SMS Representative and published each year. At the end of each year, Sustainability Management System (SMS) Representative presents the results of TSKB GHG inventory report, environmental activities of SMS team and shows the all potential GHG reduction strategies to top management. After the approval of reduction strategies for the next year, SMS team plans and organizes their projects with specific targets and time schedule. Finally, after the implementation, the measurements proceed and a comparison with the old values is done to make sure of the emission reduction. All these steps about data management and calculation methodology for

Method	Comment
	the GHG inventory have been defined by a procedure which is integrated with the Sustainability Management System. On 14th September of 2012, this procedure was published as "P-7: Greenhouse Gas Emissions" together with the first "Greenhouse Gas Emissions Inventory" report which was verified by a third party. The third inventory report for 2013 had been published and verified again on 03rd April of 2014. The procedure and greenhouse gas inventory reports are attached in the "Further" section below.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

TSKB has been calculating its carbon footprint since 2006. Since 2008, TSKB has offset its carbon footprint by purchasing 3670 tons of Gold Standard Carbon Credit. By implementing energy efficiency projects, TSKB's reduced its 2010 year carbon emission by 40% compared to 2009. In year 2012, TSKB has decided to verify greenhouse gas assertion for the organizational level by a third party. TSKB has completed the audit on September 7th, 2012. The base year is selected as 2011 and total CO2 emission has been calculated as 1117 MT CO2e. TSKB continued its verification of GHG inventory in 2013 and 2014. The external audits have been successfully completed. Compared to the base year of 2011, TSKB emissions have been reduced to 950 MT CO2e in 2012 and have been reduced to 765 MT CO2e in 2013. Considering individually, the greenhouse gas emissions per capita was decreased from 2.874 kg to 2.335 kg (Number of employees is 331 and 328 in 2012 and 2013, respectively). TSKB inventory reports of 2011, 2012 and 2013 received 5% reasonable assurance for Scope-1 and 20% limited assurance for Scope-3. 2011, 2012 and 2013 greenhouse gas emissions of TSKB were offset by Gold Standard VER Carbon Credits.

Attachments

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC3.TargetsandInitiatives/3.3c_P7.R1.2013 Greenhouse Gas Emissions Inventory_2013.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC3.TargetsandInitiatives/3.3c_P7.R1.2013%20Greenhouse%20Gas%20Emissions%20Inventory_2013.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC3.TargetsandInitiatives/3.3c_P7_Greenhouse Gas Emissions.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC3.TargetsandInitiatives/3.3c_P7_Greenhouse%20Gas%20Emissions.pdf)

CC4.1

Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	Pages 5-6, 14-18	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC4.1/4.1_P7.R1.2013 Greenhouse Gas Emissions Inventory_2013.pdf
In voluntary communications (complete)	Section: Sustainability and Environmental Issues (Pages 16-23)	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC4.1/4.1_TSKB_Sustainability Report_2011_2012.pdf
In voluntary communications (complete)	Section 2:Environment (Pages 24-31)	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC4.1/4.1_TSKB COP Report 2013.pdf
In mainstream financial reports (complete)	Pages 6-9,19-34,	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC4.1/4.1_TSKB _2013_Annual report.pdf

Further Information

There are several internal and external reports that TSKB publishes periodically. TSKB has published its 2nd Sustainability Report in 2011 covering the period of mid-2009 and 2010, which was certified by GRI with Level B. As an adjunct to the on-going dialogue that it maintains through ordinary channels, in late 2010, TSKB decided to conduct a comprehensive survey in order to determine how the Bank’s stakeholders perceive TSKB and to solicit their expectations and suggestions with respect to its approaches to sustainable banking, the environment and social responsibility. Report is presented in two different electronic versions including a PDF document and an interactive web report. Additionally, it is disclosed on the GRI Network. The latest version of TSKB Sustainability Report, evaluating the sustainability performance of TSKB in economy, environment and management for the period 2011-2012, was issued for the first time in Global Reporting Initiative (GRI) A+ level. "+" level of the report means that all sustainability related performance realizations of the Bank have successfully passed the external audit. The third TSKB Sustainability Report has been attached below. TSKB is a member of Global Compact and reported its first Communication on Progress report in 2011. 2nd COP report was submitted in August of 2012. This report is a public disclosure to stakeholders on progress made in implementing the ten principles of the UN Global Compact focusing on environment, social issues, human rights and anti-corruption. The activities within the context of EMS, ISO 14001 and ISO 14064-1 certifications are planned annually. The Bank informs its stakeholders and public about the activities regarding EMS in its website by systematically updating it. Annual environmental screening results (environmental impacts and carbon disclosure project) are voluntarily posted on website. Internally, at the end of each year,

TSKB prepares a GHG inventory report including all emission sources, potential GHG emission reduction strategies, comparison between fiscal year and base year emissions and explain the reasons for the differences. Additionally, TSKB continued to perform corporate social responsibility activities under the motto, "The Environment: Our Priority at TSKB". In its social responsibility projects, as in all of its banking activities, TSKB provides continuous support for the Turkish private sector to continue manufacturing without consuming the future. TSKB collaborates with the business world and universities to raise people's awareness on such environmental issues, particularly climate change, which threatens to the future of the world, and also takes measures such as carbon and energy management aimed at tackling such threats. Having conducted a number of projects within the scope of its program entitled "The Environment: Our Priority at TSKB" over the past 7 years, TSKB launched the www.cevreciyiz.com website in 2007 Turkey's most comprehensive environment-related portal. The purpose of the project is: • to turn this platform into an important resource in environmental issues, and • to share environmental issues with the public and raise their environmental awareness, by reaching the broadest masses. The most up-to-date news about the environment can be accessed at cevreciyiz.com, a platform that brings together all stakeholders concerned with the environment. The website primarily aims to raise awareness among all respective segments, particularly the business world, on various issues, such as sustainability, energy efficiency, environment-friendly designs and alternative energy sources. It also contains a wide range of features and interactive sections such as current news; Turkey's and the world environment agenda; essays and research studies by academicians, NGOs, and professionals; special environment files; environment-related laws and regulations; corporate success stories; virtual photography exhibitions of work by famous nature photographers; and tools such as a carbon-meter that allows you to measure carbon footprints. As end of 2013, the portal reached almost 11.000 people as subscribed audience and strengthens its impact through its social media channels (Facebook & Twitter) with its day to day increasing followers.

www.tskbenerjiverimiligi.com is another TSKB project which aims to raise awareness of the importance of energy efficiency, and brings all respective segments together on a joint platform. The website extensively contributes to raising awareness of energy efficiency. TSKB believes that cooperation between universities and the private sector is crucial in terms of sustainable banking. To this end, the Bank has entered collaboration with the number of universities over the last four years. TSKB carried out a number of events in different universities with the participation of the Bank's senior executives in a bid to communicate with the managers of the future and to inform the younger generations of the bank's contributions to the Turkish economy and its efforts in the area of sustainable banking. In this context, the Bank held case presentations and conversations, accepted participants to the TSKB Sustainability Workshop and either sponsored various university clubs or events, or attended as a speaker. In 2013, TSKB collaborated with a total of 7 universities. TSKB implements a sustainability literacy program for university students: The TSKB Sustainability Workshop. The TSKB Sustainability Workshop is held every year focusing on three main topics: Quantification, a multidimensional point of view and teamwork. During the Sustainability Quantification Workshop in 2013, TSKB brought university students together with business representatives for a second time. More than 40 students participated at the TSKB Sustainability Workshop, where 13 private sector representatives and 4 academics supported students in their case studies. TSKB has continued to recruit new graduates in 2013. With the fourth TSKB Career Workshops, which was organized in 2013, 30 university students from third and fourth grades and M.A. students were informed about development and investment banking activities and Sustainable Banking. Furthermore Sustainability and Innovation Workshop was held. Since the second year of the TSKB Career Workshop average of 35 participants every year, the participants are being informed about Sustainable Banking. TSKB believes the importance of sharing of expertise. TSKB shares its expertise on subjects such as corporate loans, sustainable banking, project finance and energy efficiency by supporting various events as a sponsor, coordinator or speaker. These efforts are particularly important in helping TSKB each a wide range of stakeholders and to share its experience in the area of sustainability. Another communication strategy of TSKB with the external clients is to organize site visits and meeting with the clients in order to shape their mind about financial benefits of sustainable projects. In order to integrate sustainable banking into corporate philosophy and to be embraced by all employees, in-house trainings were arranged. Moreover, the employees were informed about the applications held in-house within the context of Sustainability Management System which is an important part of Sustainable Banking, and updated on Emergency Action Plan. Trainings which are either legally compulsory or aiming compliance to regulations were realized in 2013. Pursuant to Occupational Safety and Health Law numbered 6331, basic occupational safety and health trainings have become obligatory for all employees. Accordingly, all employees of the Bank received "first aid", "ergonomics" and "occupational safety" trainings totaling to 8 hours per person. Additionally, internal communication seminars focusing on Natural Events, Permaculture, Sustainable Tourism and Renewable Energy was held. TSKB continuously performs supplementary events such as internal communication seminars, training booklets, CD's and books. (For more info please review our "Sustainability Report" at www.tskb.com.tr)

Module: Risks and Opportunities

CC5.1

Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management

CC5.1b

Please describe your risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean	A considerable portion of our	Other: Difficulties in	Up to 1 year	Indirect (Client)	About as likely as	Low	Unexpected weather	1-Loan Monitoring: Loan	1-The cost of loan monitoring actions

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
(average) temperature	portfolio consists of hydroelectric power plants (HEPP). Changes in precipitation may affect TSKB's credit portfolio. Our clients may have some difficulties in reimbursements.	reimbursement of TSKB's loans			not		conditions may cause underachieving financial projections in our HEPP and WEPP portfolio. This may cause problems by reimbursement of our loans. TSKB aims to reduce its financial risks associated with extreme weather conditions by controlling regularly the electricity production amounts of our energy production portfolio. Total funds committed to renewable energy projects by TSKB amounts to USD 1.9 billion. The nonperforming loan of TSKB can be determined as USD 0.06 billion.	Monitoring Department identifies measures and manages the Bank's lending activities within the scope of the risks, to specify early warning signals and to create monitoring processes for this purpose. The financed projects are additionally monitored if they are exposed to unexpected weather conditions like drought, flood, low wind, extreme wind and extreme snow. In this monitoring related departments investigate how our client is affected from this unexpected weather condition.	consists of labor costs and traveling costs. The estimated annual cost of the additional monitoring activities would be 10.000\$. 2-The ERET causes additional workload during the lending operations of the investment projects. The costs consist of mainly labor cost which occurs during inspections. Very rough annual cost estimation would be 20.000\$. Travel and accommodation expenses are excluded because those expenses are already in our regular lending operations.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>2:Environmental Risk Evaluation Tool: TSKB's environmental risk management policy constitutes the basis of decision-making processes as far as the credit appraisal process is concerned. Its own internal procedure (included in the Evaluation of Client and Project Risks), Environmental Risk Evaluation Tool (ERET), defines the environmental and social impacts of the projects and the companies independent of the investment amounts. ERET provides a method for rating environmental</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>risk under 35 separate headings implemented on a voluntary basis. ERET categorizes projects into levels of risk: A (very high), B+ (high), B- (medium), and C (minimum). ERET takes both existing and future aspects, potential environmental impact, legal and financial liabilities into account. In situations where a project's environmental risk is deemed to be above average and/or too high, the Bank works with the customer to formulate a plan whereby the environmental impact may be monitored and</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								mitigated.	

CC5.1c

Please describe your risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Reputation	Ethics and reputation is very critical for the banks and negative perception of a bank in the market may cause dramatic results for both investor and itself. Failure to address climate change issues will affect the Bank's existing and future client relationships with stakeholders (Multinational Financial	Reduced demand for goods/services	Unknown	Direct	About as likely as not	High	If there is an environmental and social problem in the financed projects of TSKB, financial input will be restricted to the loan amount. But if this problem affects the reputation of the bank in the eye of investors, supranational financial institution, NGO's government and etc., it would affect the	TSKB has an Exclusion List which is approved by the Board of Directors. This list includes carbon intensive sectors in addition to prohibited material using industries. According to the list, none of these sectors are financed by TSKB. In addition to that, all of the projects are analyzed comprehensively by engineering department of TSKB. According to the environmental	The major cost driver is employee cost for these activities. The other important cost item include, collation of sustainability and climate change related data, public disclosure of this information and third party verification and assurance of the performance indicators. Costs also include external stakeholder and

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	Institution, customers, NGO's, etc.) and shareholders						business relations of TSKB.	and social analyses, and its evaluation score, the decision of whether or not to finance is given. After financing the project, engineers are conducting regular site visits in order to see if there are any risky social and environmental issues related to the projects. If there is any, TSKB has the right of dropping the credit and withdraw the previous disbursed amount. This is briefly our management method in the project evaluation part. In terms of our stakeholders, we are publishing annual financial report, sustainability report, and communication on progress report in order to inform our stakeholders about our activities.	employee engagement domestic and global memberships and signatories, e.g. TUSIAD, UNEPFI, Global Compact and others. These costs equate to approximately 90000 USD annually.

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

There are some uncertainties surrounding the national regulation and notification on emission calculation and reporting. This position gives rise to several problems to be faced by the industrial facilities which are in the scope of this regulation which may cause problems in the technics and methodologies. However, since financial institutions are not in the scope of the MRV regulation, this situation doesn't pose any risk for the Bank. On the other hand, changes in regulations cause additional cost in our customer operating costs. Therefore, TSKB is aware of this effect on the cash flows of the financed projects.

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

CC6.1

Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	In July 2011, Republic of Turkey Ministry of Environment and Urbanization published a regulation concerning measurement, verification and reporting of GHG Emissions for some of the energy intense sectors. Then, GHG Monitoring Legislation has been published on May 17th 2014. This legislation will mandate industries to prepare measurements reports which will be submitted to the ministry. TSKB's spin off Escarus	New products/business services	3 to 6 years	Direct	Very likely	Medium-high	Turkey's active participation to international greenhouse gas emission reduction strategies will open the way for renewable energy and energy efficiency projects which will enable new technologies and efficient use of resources. TSKB is aiming to continue on being an absolute exemplary in	Under the "Sustainability Committee" TSKB carries out all activities within the scope of climate change and sustainability and manages its relationships with different stakeholders as follows; The bank engages in dialogue with	The approximate yearly cost for; 1- Membership of voluntary initiatives such as GRI and CDP , 2- ISO14064-1 audit and certification, 3-Capacity building trainings is estimated as 200.000 USD

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>knowhow and experience on these particular subjects create a business opportunities for the companies. Additionally, Kyoto Protocol may impose nationwide greenhouse gas emission reduction targets for Turkey if its full membership negotiation process continues. On the other hand, the lack of accredited bodies (DOEs) in Turkey may bring opportunity for new business services.</p>						<p>sustainability by supporting small,medium and large sized companies in Turkey.Together with its subsidiaries,TSKB has an opportunity to increase its revenue as a result of these legislative regulations.</p>	<p>the international financial institutions in regard to the sustainable investments. The bank carries out research on developing new credit lines and financial solutions through its technical units. The bank spreads on effort to get aligned with government's climate change policies through close relationship and exclusive projects. TSKB continuously informs its customers regarding issues on climate</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								change, along with funding sources. TSKB organizes capacity building trainings in order to conduct all of the aforementioned issues.	
Cap and trade schemes	Turkey is not included on EU-ETS or any other mandatory cap and trade scheme. But there is a volunteer market in Turkey, which is a great opportunity for the companies to prepare themselves to the possible future regulatory enforcements. By the voluntary market, companies can purchase certified carbon credits in order to be announced carbon neutral companies. Being aware and ready for the possible regulations will result in different opportunities for TSKB in financial	New products/business services	>6 years	Direct	Very likely	Medium	Most of the earning of dealing with specialized services to customers, assisting them in managing the climate change impacts and carbon emission calculation of their business is likely to result in the strengthening of the reputation of the bank. Its financial gain will be higher in the future when the cap and trade scheme will be mandatory for the companies such	TSKB calculates and reports its greenhouse gas emissions voluntarily and audited its process and results and gets ISO 14064 certificate. Since the beginning of the calculation, TSKB set targets and decrease its GHG emission	The major cost driver is employee cost for these activities. The other important cost item includes software updates of carbon calculation tool. These costs equal to approximately 20.000 USD annually.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>and reputational terms. Turkey is committed to integrating climate change objectives into its development policies and to contribute to global efforts against climate change within its own capabilities and in line with the UNFCCC principle of “common but differentiated responsibilities.” Turkey’s collaboration with the Preparation for Market Readiness (PMR) will supplement its ongoing domestic GHG mitigation policies that include promoting energy efficiency, increasing the share of renewable and clean energy and developing a voluntary emission market. The country has limited experience with carbon markets and has therefore proposed a number of PMR activities to mitigate climate change. Specifically, Turkey seeks the PMR’s help in realizing its vision for market-based mechanisms to mitigate</p>						as brokerage carbon credit trading services	<p>every year. This means that TSKB is ready for possible mandatory regulations and would be under the GHG limits. By using this expertise on carbon emission, TSKB formed an initiative (Escarus) which gives consultant services in sustainability. One of the contents of the consultation is Carbon Management Taking an action about carbon management in advance gives companies, which operate in both manufacturin</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>GHG. The following steps are envisioned for collaboration:</p> <ul style="list-style-type: none"> • Develop Turkey's NAMA portfolio • Identify key sectors and GHG reduction potential in sectors • Develop legal, technical and institutional arrangements necessary for the development of a national emission trading system (various options for cap & trade (i.e. voluntary but legally binding; sectoral crediting, etc) • Raise awareness about carbon markets in Turkey • Carry out baseline studies at the sectoral level to enhance sectoral capacities for the implementation of market based approaches <p>The PMR will support:</p> <ul style="list-style-type: none"> • Design of key aspects of an installation-level MRV system to be implemented in Turkey's energy and industry sectors and explore other sectors to which the system can be expanded; • Design of a 							<ul style="list-style-type: none"> • g sector and service sector, some benefits of being ready against to the possible risks of climate change and creating added value in the long-term and short-term. With its tools and the certification services, • Analyze their carbon emissions • Reduce carbon emissions internally and externally • Communicate their carbon reduction efforts, and • Manage their Carbon Inventory. <p>Escarus assist its clients managing its</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>GHG data management and registry system to monitor GHG inventories; and • The layout a possible road map for the implementation of a domestic ETS. These recent developments are closely watched by TSKB and they might enable the establishment of a structured and organized GHG market in the medium run.which will create many opportunities.</p>							<p>operations during the period of transition to a low-carbon economy. SifirKarbon "SifirKarbon Principles" are a part of certification system that is developed within the scope of carbon management services of Escarus. SifirKarbon Principles aim to be a broad and comprehensive tool for the companies and the organizations to analyze and report of greenhouse gas emissions at the transition period of low-carbon economy.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Renewable energy regulation	<p>In Turkey, hydroelectric power plants have dominated the clean energy market in the last 10 years. But most of the capacity is being utilized at the moment, which means that renewable energy investments will shift to other sources.</p> <p>Beginning from 2013 regulations is being updated for solar and geothermal power plants. This is a new era for Turkey and Turkey has a great potential for solar power. 2013 is the initial year for the solar investments but it will speed up in the next years. Thinking that Turkey produces its electric mostly from coal and natural gas, increasing solar and geothermal plants will decrease, or at least stabilize the carbon emission of the country.</p>	Investment opportunities	3 to 6 years	Indirect (Client)	Virtually certain	High	Financial output this opportunity is directly related to the amount of the loan which will be distributed to the solar projects. Hence it is hard to calculate the amount.	<p>TSKB has the renewable energy portfolio of the 14% of total renewable energy of Turkey. As having an experienced engineering department, TSKB analyses the renewable industry and updates itself regularly. In addition to the engineering team, TSKB has dedicated marketing and loan development teams for solar and geothermal projects. Loan development teams develop special theme loans with supranational finance</p>	<p>TSKB has marketing, project evaluation and credit departments . These issues are in the job description of these departments . Hence there will be no additional cost for TSKB.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>institutions. For the solar energy, we participated in several trainings and visited banks and plant sites in Germany and got information about their experiences. An internal solar power industry report, including sector analysis and investment cost of different type of solar power plants, was published in 2013. This document will be our guide in project evaluations. These pre-knowledge will be the key issue for selecting the</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								right projects in terms of financially and technically. For the geothermal energy, capacity increase studies began in 2013 and TSKB will intensively concentrate on the subject in 2014.	
Other regulatory drivers	Borsa İstanbul has signed a cooperation agreement with Ethical Investment Research Services Limited (EIRIS) to create BIST Sustainability Index which is based on the performances of the companies on environmental, social and governance issues. In accordance with this agreement, EIRIS will assess the Borsa İstanbul listed companies based on the international sustainability criteria.	Increased stock price (market valuation)	>6 years	Direct	Very likely	High	Firstly, the sustainability index is expected to add value to the visibility of the Bank, therefore helping to access an increased number of clients, financial institutions, global investors and new capital. Secondly, the index may enable the Bank to benchmark itself against peers and further its knowledge	TSKB is quoted on the stock exchange. According to this it is financially audited every quarter both internally and externally. For this responsibility, Investor Relations department and Financial Control departments	With the infrastructure in place, TSKB is capable of dealing with the additional work load that will arise after the launch of the index. The Bank's sustainability index performance will be followed by

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>BIST Sustainability Index is expected to be a platform for institutional investors to demonstrate their commitment to companies managing environmental, social and governance (ESG) issues with high performance. One expected outcome of the Index is the competitive advantage it will provide to Turkish companies which manage their corporate risks and opportunities effectively. The Index will display companies' approach to important sustainability issues including global warming, carbon disclosure, draining of natural resources, health, security and employment, while allowing the independent assessment and in a sense, registration of their operations and decisions regarding these issues. The Index offers companies the opportunity to compare</p>						<p>from the best performers. Although sustainability has been embedded in the culture of TSKB, the index guidelines are likely to have a positive effect on the sustainability performance of the Bank.</p>	<p>are working in TSKB. In terms of sustainability, TSKB has already published 3 sustainability reports, last of them being classified as GRI A+. Both Sustainability Committee, Sustainability Management Team and Engineering Department has several and different responsibilities for sustainability issues such as climate change, carbon disclosure, human rights, legal affairs and etc.</p>	<p>investor relations department, sustainability committee as well as the engineering department. Therefore, being listed on the Sustainability Index is not expected to generate a material additional cost burden for the Bank.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>their sustainability performance on a local and global level. With the Index, Borsa İstanbul provides companies an instrument for evaluating their performance and consequently adopting new targets or furthering their performance while allowing them to develop their risk management abilities for corporate transparency, accountability and sustainability. This, in turn, allows companies gain competitive edge. Inclusion in the Index will add to the visibility and prestige of companies. The Index will help companies to access global clients, capital and lower-cost finance more easily. The project aims to create an instrument which will allow investors to select and invest in companies that adopt principles of sustainability and corporate governance. On the side of asset managers, the</p>								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Index will provide an indicator that will be the underlying asset for various financial products including sustainability funds, exchange traded funds and structured products.</p> <p>Today, responsible investment is preferred mainly by institutional investors. BIST Sustainability Index will encourage the establishment of such funds, while facilitating it for Index-constituent companies to get a larger share from such funds. At the same time, the Index offers a new financial asset category for all investors</p>								

CC6.1b

Please describe the opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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CC6.1c

Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

TSKB is in banking sector. The changes in physical climate parameters are unlikely to generate a substantive change in TSKB's business operations, revenue or expenditure.

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

TSKB is in banking sector. The changes in other climate-related developments are unlikely to generate a substantive change in TSKB's business operations, revenue or expenditure.

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Tue 01 Jan 2013 - Tue 31 Dec 2013	600	0

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
Defra Voluntary Reporting Guidelines
US EPA Climate Leaders: Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

IPCC Fourth Assessment Report (AR4-100 year)

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
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Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	
HFCs	Other: ASHRAE Standard 34 (for refrigerant blends)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: Please see the attached table for emission factors			Please see the attached table below. All references are given in the Parts 7.2 and 7.3.

Further Information

The emission factors that have been used in the TSKB greenhouse gas emission calculations are given in the document attached below. "AD-Unit" in the attached table represents the unit of activity data.

Attachments

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/7.4_TSKB Emission Factors.PNG](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/7.4_TSKB%20Emission%20Factors.PNG)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e

413

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

0

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Water stations using HFC-134a	Emissions are relevant and calculated, but not disclosed	Emissions are not relevant	Since emissions from fugitive gas of HFC- 134A used in water stations are less than 1 % of the total GHG emissions of TSKB, it has been decided that the HFC-134A contribution to total GHG emissions has been considered as an additional uncertainty of Scope-1.
TSKB Sariyer Forest	No emissions from this source	Emissions are not relevant	TSKB has a forest in Sariyer. It has not been included in our disclosure. It is believed that the future addition of this sink does not significantly change the TSKB's footprint.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints	The Scope-1 uncertainty is determined as 3.90% which is caused by; - Natural gas (6.0%) - Company cars (7.1 %) - Generators (%3.5) - Fire extinguishers (%1) Uncertainties are derived from the activity data and emission factors. Therefore, the combined uncertainties of emissions are taken into consideration in this inventory. Uncertainties due to activity data are determined according to the calibration range of natural gas counter, fuel pump flow range for company cars,	More than 2% but less than or equal to 5%	No Sources of Uncertainty	Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. Therefore, uncertainties due to Scope 2 emissions are considered to be 0.

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		and assumption on the amount of yearly leakage from fire extinguishers. On the other hand, uncertainties in emission factors are calculated by using their upper and lower values published by IPCC. Since the coolants used at water stations (HFC-134A) have been omitted from our disclosure, the contribution of HFC-134A to total emission has been considered as an additional uncertainty of Scope-1.			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/8.6b_TSKB ISO 14064 Certificate_Scope1-2.pdf	1/1	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/8.6b_TSKB ISO 14064 Certificate_Scope1-2.pdf	1/1	ISO14064-3	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
No additional data verified	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

558.89

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2013 - 31 Dec 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

No

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By activity

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
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CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
----------	--	----------	-----------

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
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CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Natural gas boiler	128.37
Transportation	84.68
Cooling units (HFCs)	198
Generators	1.95

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)
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Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2013 - 31 Dec 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

No

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
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CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By activity

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
-------------------	--

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
Electricity (Green electricity)	0

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. Therefore, greenhouse gas emissions in Scope 2 are considered to be 0.

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 95% but less than or equal to 100%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	1047
Electricity	1031
Heat	633
Steam	0
Cooling	0

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Jet kerosene	279
Diesel/Gas oil	733
Liquefied petroleum gas (LPG)	34

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Power Purchase Agreements (PPA) not backed by instruments	1031	In Turkey, electricity is supplied by mixed grid energy production lines. In order to reduce emissions factor of the mixed grid, TSKB has financed renewable energy projects since 2005. Projects portfolio of TSKB has begun to change into geothermal, wind and waste from hydroelectric plants. 102 different RE projects are being financed which accounts for 14% of Turkey's total installed RE capacity as well as to 6% of its overall installed capacity. Bereket Energy is the one of these RE projects. Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. By this way, TSKB reduced 559 tonnes of CO2e reduction in the greenhouse gas emissions of 2013.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	26.1	Decrease	In order to prevent the leakages, periodically maintenance activities for refrigerant pipelines have been performed. Compare to 2012, the fugitive emissions decreased by 157 tonnes of CO2e because of the fact that HFC-22 leakage was reduced by 109 kg.
Divestment	0	No change	Not relevant
Acquisitions	0	No change	Not relevant
Mergers	0	No change	Not relevant
Change in output	0	No change	Not relevant
Change in methodology	0	No change	Not relevant
Change in boundary	0	No change	Not relevant
Change in physical operating conditions	5.0	Decrease	Since average air temperature during the heating period decreased by 1oC compare to 2012, the emissions from natural gas consumption was abated by 22 ton CO2e. Additionally, depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services were decreased by 7 ton CO2e.
Unidentified	0	No change	Not relevant
Other			

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
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Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
2.52	metric tonnes CO2e	unit total revenue	28	Decrease	Compared to 2012, TSKB GHG emissions in Scope1&2 were reduced from 600 tonnes to 413 tonnes CO2e while TSKB total revenue was increased by 5%. In 2013, GHG emissions from Scope 1&2 has been decreased due to the preventive actions and changes in operating conditions as follows; 1-Maintaining refrigerants pipelines periodically, HFC-22 leakage was reduced with 109 kg. Fugitive emissions in Scope-1 decreased by 157 ton CO2e. 2-. Since average air temperature during the heating period decreased by 1oC compare to 2012, the emissions from natural gas consumption was abated by 22 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services was decreased by 7 ton CO2e.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
1.26	metric tonnes CO2e	FTE employee	31	Decrease	Compared to 2012, TSKB GHG emissions in Scope1&2 were reduced from 600 tonnes to 413 tonnes while the TSKB full time equivalent employee was decreased by 1%. In 2013, GHG emissions from Scope 1&2 has been decreased due to the preventive actions and changes in operating conditions as follows; 1-Maintaining refrigerants pipelines periodically, HFC-22 leakage was reduced with 109 kg. Fugitive emissions in Scope-1 decreased by 157 ton CO2e. 2-. Since average air temperature during the

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					heating period decreased by 1oC compare to 2012, the emissions from natural gas consumption was abated by 22 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services was decreased by 7 ton CO2e.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.02	metric tonnes CO2e	square meter	31	Decrease	Compared to 2012, TSKB GHG emissions in Scope1&2 were reduced from 600 tonnes to 413 tonnes while the TSKB building area was increased by 0.5%. In 2013, GHG emissions from Scope 1&2 has been decreased due to the preventive actions and changes in operating conditions as follows; 1-Maintaining refrigerants pipelines periodically, HFC-22 leakage was reduced with 109 kg. Fugitive emissions in Scope-1 decreased by 157 ton CO2e. 2-. Since average air temperature during the heating period decreased by 1oC compare to 2012, the emissions from natural gas consumption was abated by 22 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services was decreased by 7 ton CO2e

Further Information

In 2011 and 2012, TSKB greenhouse gas emissions were determined as 1117 ton CO₂e and 950 ton CO₂e, respectively. Similar to 2011 and 2012, emission estimations had been undergone external auditing by an independent third party (BSI-Turkey) on April 2013. 2013GHG emissions inventory report had received 5% reasonable assurance for Scope-1&2 and 20% limited assurance for Scope-3. Compare to last year, 2013 GHG emissions including Scope-3 emissions has been reduced by 20% due to the preventive actions and changes in operating conditions.

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO ₂ e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Wind	Anemon İntepe Rüzgar Enerji Santrali – 30.4 MW Anemon İntepe Wind Farm, Turkey (ID: 103000000002564)	Gold Standard	765	765	No	Voluntary Offsetting

Further Information

Please see the attached document for the Anemon Gold Standart VER Certification.

Attachments

https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC13.EmissionsTrading/13.2a_Gold Standart VER Certificate.PNG

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	110	IPCC 2006, Defra, GHG Protocol, EPA (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	GHG Scope-3 emissions from personnel service busses , personnel ferry travelling from Üsküdar to Kabataş and paper consumption have been categorized as emissions of purchased goods and services. IPCC, Defra and GHG protocol has been used for the calculation of emissions from personnel service busses, and personnel ferry. Emission due to paper consumption has been determined according to the methodology given in EPA.
Capital goods	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Upstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Waste generated in operations	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Business travel	Relevant, calculated	242	IPCC 2006, Defra, GHG Protocol (Please see the "2013	100.00%	GHG Scope-3 emissions due to taxi usage, bus and air travels have been analyzed as emissions from business travels.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			TSKB Greenhouse Gas Inventory" report for all details about the methodology).		Defra has been the reference for the determination of emissions from air travels. Based on the methodology of IPPCC and GHG Protocol, emissions from business travels have been determined.
Employee commuting	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Upstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Downstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Processing of sold products	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Use of sold products	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
End of life	Not relevant,	0	There is no specific	100.00%	This source is not one of the TSKB emission sources in

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
treatment of sold products	calculated		methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).		Scope-3. Therefore, it equals to zero.
Downstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Franchises	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Investments	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2013 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/14.2a_TSKB ISO14064 Certificate_Scope3.pdf	1/1	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in physical operating conditions	0.2	Decrease	Based on the banking activities of 2013, TSKB employees made less business travel by plane compare to 2012.
Business travel	Change in physical operating conditions	0.05	Decrease	Based on the banking activities of 2013, TSKB employees made less business travel by bus compare to 2012.
Business travel	Change in physical operating conditions	0.6	Increase	Based on the banking activities of 2013, TSKB employees made more business travel by taxi compare to 2012.
Purchased goods & services	Change in physical operating conditions	0.1	Decrease	Personnel service busses have been used by both TSKB and its sister companies. Therefore, GHG emissions have been determined based on the equity share method. In 2013, TSKB users of service busses has been increased from 144 to 146% while total annual kilometers achieved have been decreased by 0.3% compared to last year which leads to decrease in GHG emissions from service busses by 0.1%.
Purchased goods & services	Change in physical operating conditions	0.3	Increase	Personnel ferry travelling from Kabataş to Üsküdar has been used by both TSKB and its sister companies. Therefore, GHG emissions have been determined based on the equity share method. In 2013, TSKB users of ferry increased by 5.4% compare to base year which leads to increase in GHG emissions from ferry by 0.3%.
Purchased goods & services	Change in physical operating conditions	0.2	Decrease	Based on the banking activities of 2013, TSKB consumed 6.4% more paper compared to base year.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

No, we do not engage

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
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CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
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CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

We do not engage with our suppliers, with our customers or with other partners in our value chain on GNG emissions and climate change strategies yet.

Till now we do not see an opportunity to create a positive value on financial or climate change issues. In the future, if we have an engagement opportunity, we can assess this partnership and if we believe in this engagement we can develop an engagement strategy in the future.

Further Information

For Part 14.1, "TSKB Greenhouse Gas Inventory" report is attached together with all activity data and its emission factors table below.

Attachments

[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC14.Scope3Emissions/14.2a_TSKB ISO14064 Certificate_Scope3.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC14.Scope3Emissions/14.2a_TSKB%20ISO14064%20Certificate_Scope3.pdf)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC14.Scope3Emissions/14.1_TSKB Activity Data and Emission Factors_2013.png](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC14.Scope3Emissions/14.1_TSKB%20Activity%20Data%20and%20Emission%20Factors_2013.png)
[https://www.cdp.net/sites/2014/54/21154/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC14.Scope3Emissions/14.1_P7.R1.2013 Greenhouse Gas Emissions Inventory_2013.pdf](https://www.cdp.net/sites/2014/54/21154/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC14.Scope3Emissions/14.1_P7.R1.2013%20Greenhouse%20Gas%20Emissions%20Inventory_2013.pdf)

Module: Sign Off**Page: CC15. Sign Off**

CC15.1

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

Name	Job title	Corresponding job category
Orhan Beşkök	Executive Vice President	Other:

Further Information

CDP 2014 Investor CDP 2014 Information Request