

## Carbon Disclosure Project

CDP 2013 Investor CDP 2013 Information Request  
T.SINAI KALKINMA BANKASI A.Ş.

### Module: Introduction

#### Page: Introduction

#### 0.1

##### Introduction

Please give a general description and introduction to your organization

Founded on June 2nd, 1950, 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, capital markets brokerage, and portfolio management 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 including investment projects and customer-specific consultancy and brokerage services. TSKB considers the environmental dimension when issuing loans and supports investments in various sectors with renewable energy, energy efficiency, environmental and SME loans through funds which are secured Moreover, TSKB interiorized the environmental and social consciousness by integrating sustainability into its operations and developed 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 analyse, 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 three decades. 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 in the early eighties. 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 submitted two sustainability reports.

As a sustainable bank, TSKB takes into consideration its environmental impacts due to its daily operations, thanks to its environmentally sensitive employees who internalized TSKB's environmental friendly approach. This successful improvements in TSKB's strategy experienced thought 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.

TSKB is one of Turkey's three top companies by corporate rating in 2010, 2011 and 2012. TSKB achieved the second place in the Highest Corporate Governance Note list with the rate of 8,92 in 2010. 2012 is the third year in a row that TSKB was placed in the top 3 of Highest Corporate Governance Note in Turkey. TSKB's third Corporate Governance Rating Report was published on October 18th, 2012. The Bank's corporate governance rating was increased from 9.10 in its 2011 report to 9.11 in the new report. Rating indicators are stated in the light of World Bank's, Organization of Economic Cooperation's and Development and Global Corporate Governance Forum's indicators. TSKB scored on two sustainability indicators, "Stakeholders" and "Public Disclosure and Transparency" 9.79 and 9.73 respectively, becoming the leader of these indicators.

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.

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## 0.2

### 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

Sun 01 Jan 2012 - Mon 31 Dec 2012

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## 0.3

### 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

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0.4

**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(\$)

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0.6

**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 and companies in the information technology and telecommunications 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@cdproject.net](mailto:respond@cdproject.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.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

**Module: Management [Investor]**

**Page: 1. Governance**

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1.1

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

Other Manager/Officer

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1.1a

**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 the CEO of TSKB. TSKB's sustainability management steering committee is 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 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. Therefore, Environmental Management System (EMS) has been updated to Sustainability Management System (SMS) to measure, monitor and improve the sustainability indicators for internal and lending operations on December 2012.

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 realised 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. For key performance indicators (KPI) of carbon footprint and sustainability, two new procedures are prepared to obtain and save these data in the IT data 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, 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. Additionally, 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 ISO 14001 Management Review Meetings, the responsibilities for climate change issues are being held at top management level (once in a year).

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, 2011 and 2012 Management Review presentations together with their meeting notes are attached in the documents given in the "Further" section.

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**1.2**

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

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Environment/Sustainability managers	Monetary reward	Performance indicator about climate change issues.
Other: Sustainability Management Steering (SMS) Committee	Monetary reward	Performance indicator about CO2 emission reduction, energy and natural resources consumptions
All employees	Recognition (non-monetary)	In 2013, Increasing awareness of EMS throughout the organization, employee suggestions about the reduction of energy and paper consumptions will be collected. Additionally, the meeting has been organized in order to inform TSKB employees about how SMS system including climate change management works. The meeting notes dated as of May 13, 2013 are given in the "Further" section.

Further Information

In 2005, 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.

Attachments

- [https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/1.Governance/Sustainability Management Steering \(SMS\) Committee\\_Organization Chart.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/1.Governance/Sustainability%20Management%20Steering%20(SMS)%20Committee_Organization%20Chart.PNG)
- [https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/1.Governance/Management Review\\_2012 Protokol.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/1.Governance/Management%20Review_2012%20Protokol.pdf)
- [https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/1.Governance/Management Review\\_2012.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/1.Governance/Management%20Review_2012.pdf)
- [https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/1.Governance/Management Review\\_2011 Protokol.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/1.Governance/Management%20Review_2011%20Protokol.pdf)

## Page: 2. Strategy

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### 2.1

#### 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

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#### 2.1a

##### Please provide further details

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 Environment Management System (EMS) in 2006, which has an ongoing, systematic structure and is open to international audit. In 2012, this system was 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 are approved by the Board of Directors in 30th of November 2012. SMS ensures that the 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 which are attached in the "Further" section below.

**Greenhouse Gas Emissions (P7):** This process defines the evaluation of the greenhouse gas emissions of TSKB.

TSKB was audited by BSI to have ISO 14064 Greenhouse Gases Emissions Certificate and awarded with the GHG Certificate in 2012. In the 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. TSKB continued to be verified the greenhouse gas emissions in 2013. The external audit has been successfully completed on April 27th. 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.

Apart from these internal processes, some of the business principles related with the risk management that TSKB applies to its internal and external operations are listed below.

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 2nd report in level B and preparing the 3rd in level A.

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.

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## 2.2

### **Is climate change integrated into your business strategy?**

Yes

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### 2.2a

#### **Please describe the process and outcomes**

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 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 (EE) 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, TSKB has financed 55 EE projects of 27 clients from various industries. TSKB financed 97 RE projects corresponding to 17% of Turkey's total installed RE capacity as well as to 6% of its overall installed capacity.

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. This new investment era was firstly mentioned in 2011 "Management Review" presentation, made by SM Steering Committee Representative. 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 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 a 500 kV solar project in April, 2013, having an investment cost of 610.000€. The related section of 2011 and 2012 "Management Review" presentations are attached together with their meeting notes below.

In the reporting period, a new investment decision was taken related to climate change. 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 will start 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, 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. 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.

By constructing 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 2.1a, internal communication 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. bsi., the international auditing company carrying out ISO 14001 audit of our Bank, has awarded "our contribution in improving our corporate sensitivity 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 (ERET) 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 supranational funds 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' criterias.

TSKB's reputation, which is arised with 63 years' experience, is very well-known by these international institutions (World Bank, European Investment Bank, the KfW Bankengruppe, 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. 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.

2.2b

Please explain why not

2.3

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

Direct engagement

2.3a

**On what issues have you been engaging directly?**

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Other: TSKB is working closely with parties like Republic of Turkey Prime Ministry Under secretariat of Treasury, General Directorate of	Support	TSKB is working closely with parties like TOBB and TUSIAD (Please visit <a href="http://www.tusiad.org/information-center/press-room/press-releases/un-global-compact-network-turkey-determined-its-board-of-directors/">http://www.tusiad.org/information-center/press-room/press-releases/un-global-compact-network-turkey-determined-its-board-of-directors/</a> 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	a- Proposed to the Ministry for the establishment of a databank related with climate change and GHG emissions in Turkey. b- Panel discussion with

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Renewable Energy, Ministry of Environment and Urbanization		activity.	Treasury, Ministries and foreign representatives about energy efficiency and low carbon economy.
Other: Sustainability Index	Support	TSKB is a member of the Advisory Board of the ISESI project (Please visit <a href="http://www.tbcsd.org/Page/25/IMKBSurdurulebilirlikEndeksi(ISESI).aspx">http://www.tbcsd.org/Page/25/IMKBSurdurulebilirlikEndeksi(ISESI).aspx</a> . 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 Principles	Support	TSKB will be in the board of directors of the Global Compact Turkey Network in next 3 years (Please visit <a href="http://www.globalcompactturkiye.org/haberlerduyurular/basin-bulteni-un-global-compact-turkiye-baskani-dr-yilmaz-argudene-kuresel-rol/">http://www.globalcompactturkiye.org/haberlerduyurular/basin-bulteni-un-global-compact-turkiye-baskani-dr-yilmaz-argudene-kuresel-rol/</a> 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 millenium development goals of Global Compact.	TSKB encourages other 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 an 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.

2.3b

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

2.3c

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?

2.3d

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

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2.3e

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

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2.3f

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

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2.3g

Please provide details of the other engagement activities that you undertake

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2.3h

**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?**

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 is the chair of the Global Compact Local Network Board for 3 years between 2013 and 2015.

Some of the documents related with the activities mentioned above has been attached below.

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2.3i

Please explain why you do not engage with policy makers

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### Further Information

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.

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### Attachments

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Global Compact-TSKB\\_1.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Global%20Compact-TSKB_1.PNG)  
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[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a\\_P7\\_Greenhouse Gas Emissions.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a_P7_Greenhouse%20Gas%20Emissions.pdf)  
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[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Global Compact-TSKB\\_2.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Global%20Compact-TSKB_2.PNG)  
[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a\\_P2\\_Evaluation of Client and Project Risks.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a_P2_Evaluation%20of%20Client%20and%20Project%20Risks.pdf)  
[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a\\_P9\\_Corrective Preventive Action.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a_P9_Corrective%20Preventive%20Action.pdf)  
[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Global Compact-TSKB\\_5.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Global%20Compact-TSKB_5.PNG)

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Global Compact-TSKB\\_3.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Global%20Compact-TSKB_3.PNG)

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Global Compact-TSKB\\_4.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Global%20Compact-TSKB_4.PNG)

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a\\_P11\\_Monitoring and Measurement.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.1a_P11_Monitoring%20and%20Measurement.pdf)

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Tusiad-TSKB\\_1.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Tusiad-TSKB_1.PNG)

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a\\_Advisory Board of the ISESI Project\\_2.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/2.Strategy/2.3a_Advisory%20Board%20of%20the%20ISESI%20Project_2.PNG)

### Page: 3. Targets and Initiatives

#### 3.1

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

Absolute target

#### 3.1a

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
1	Scope 1+2+3	100%	0%	2011	1117	2012	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 tonnes 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 tonnes. Due to these improvements in greenhouse gas emissions amount, the emission target of 2012 is given as 0%. This refers that TSKB's emission target for

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
							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 tonnes of CO2e. Therefore, TSKB has decided to put a 10% reduction target for 2013 emissions.

### 3.1b

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

### 3.1c

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

### 3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	100%	100%	TSKB had been verified its greenhouse gas emissions according to the ISO 14064-1 in 2013. The external audit has been successfully completed on 24th-25th-26th of April. TSKB 2012 greenhouse gas inventory report has been certificated with 5% reasonable assurance for Scope-1 and 20% limited assurance for Scope-3. Compared to the base year of 2011, 2012 GHG emissions has been reduced from 1117 ton CO2e to 950 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 60 kg. Fugitive emissions in Scope-1 decreased by 92 ton CO2e. 2-Since there have been changes in TSKB building area and personnel number, the emissions from natural gas consumption was abated by 19 ton CO2e. 3-The considerable amount of GHG emissions from company cars was reduced by 23 ton CO2e. This is achieved by the change in the number of company cars used in 2012. 4-Depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services was decreased by 32 ton CO2e.

3.1e

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

3.2

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

No

3.2a

Please provide details (see guidance)

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**3.3**

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

Yes

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**3.3a**

**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 CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	1	1
Implemented*	2	837
Not to be implemented	0	0

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**3.3b**

**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 Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
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Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
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. 97 different RE projects (80 hydro, 2 geothermal, 10 wind farms, 4 biomass, 1 waste) are being financed which accounts for 17% 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 686 tonnes of CO2e reduction in the greenhouse gas emissions of 2012.	686	0	0	<1 year
Behavioral change	Delivering reports in soft format & using both sides of paper while printing in 2010.	5	5000	0	<1 year
Transportation: use	Sharing of banks cars among managers in 2010.	10	10000	0	<1 year
Energy efficiency: Building services	Integrating sensors to the light in 2010.	44	8000	5000	<1 year
Fugitive emissions reduction	Refrigerants pipelines are maintained periodically to prevent any leakage from the lines in 2012.	92	1400	1100	<1 year
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

### 3.3c

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

Method	Comment
Financial	Financial optimization calculations Semiannually, the activity data of the identified emission sources is collected through work-flows. All

Method	Comment
optimization calculations	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 emisisions 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 show 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 the GHG inventory has 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 second inventory report for 2012 had been published and verified again on 22nd April of 2013. The procedure and greenhouse gas inventory reports are attached in the "Further" section below.

3.3d

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 offsetted 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. 2011 greenhouse gas emission of TSKB was offsetted by Gold Standard VER Carbon Credit in January of 2013. TSKB continued its verification of GHG inventory in 2013. The external audit has been successfully completed on April 27th. Compared to the base year of 2011, TSKB emissions have been reduced to 950 MT CO2e. Considering individually, the greenhouse gas emissions per capita was decreased from 3.272 kg to 2.874 kg (Number of employees is 342 and 331 in 2011 and 2012, respectively). TSKB inventory reports of 2011 and 2012 received 5% reasonable

assurance for Scope-1 and 20% limited assurance for Scope-3.

## Attachments

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/3.3c\\_2011 GHG Inventory Report.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/3.3c_2011%20GHG%20Inventory%20Report.pdf)  
[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/3.3c\\_P7\\_Greenhouse Gas Emissions.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/3.3c_P7_Greenhouse%20Gas%20Emissions.pdf)  
[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/3.3c\\_2012 GHG Inventory Report.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/3.TargetsandInitiatives/3.3c_2012%20GHG%20Inventory%20Report.pdf)

## Page: 4. Communication

### 4.1

**Have you published information about your company'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	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/GHG%20Inventory%20Report%202012.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/GHG Inventory Report 2012.pdf</a>
In voluntary communications (underway) – previous year attached	Section: Sustainability and Environmental Issues (Pages 36-53)	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Sustainability%20Report%202nd%20Half%202009%20to%20end%202010.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Sustainability Report 2nd Half 2009 to end 2010.pdf</a>
In voluntary communications (complete)	Section 2:Environment (Pages 26-34)	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/COP%20Report%202012.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/COP Report 2012.pdf</a>
In mainstream financial reports (complete)	Pages 2,3,7,14,15,,27, 34,35	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/TSKB%20Annual%20Report%202012.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/TSKB Annual Report 2012.pdf</a>

## Further Information

There are several internal and external reports that TSKB publishes periodically.

TSKB has reported 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 for 2011 and 2012 has been attached below as a draft copy. This document will be published after the completion of the sections which are Chairman's Message, CEO's Message and TSKB and Stakeholder Engagement.

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 constructs an information network about environmental, social, renewable energy and energy efficiency issues which enables, the integration of sustainability in projects. With the applications of TSKB, not only employees, but also community is informed about the environmental and social issues. According to its social responsibility project, "Environment Is Our Priority", TSKB aims to form a platform to increase the awareness of environmental and social issues.

Turkey's most comprehensive environmental portal [www.cevreciyiz.com](http://www.cevreciyiz.com) launched in 2007 is still online and reaches more than 10.000 people as subscribed audience and strengthens its impact through its social media channels (facebook & twitter) with their day to day increasing followers. [www.cevreciyiz.com](http://www.cevreciyiz.com) 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 The portal will be re-launched on 5th of June with its new design and digital functionalities.

Turkey's most comprehensive environment related video portal, [Cevreciyiz.TV](http://Cevreciyiz.TV), was launched in 2010. [cevreciyiz.TV](http://cevreciyiz.TV), a website which broadcasts videos about many different environment-related topics and which invites everyone to share their videos on different subjects, seeks to be the most comprehensive visual archive that all people can continuously watch . [www.cevreciyiz.com](http://www.cevreciyiz.com) continues to broadcast successfully in order to make a society-wide impact by contributing towards environmental issue-related awareness and knowledge and in line with TSKB's "Environment: Our Priority" mission.

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.

TSKB's another web portal project [www.tskbenerjiverimiligi.com](http://www.tskbenerjiverimiligi.com) has been launched in June 2011 to share real life business information and experience on all aspects of energy efficiency. In this portal, basic knowledge is given for energy efficiency issue, the benefits, applications and sample projects. Additionally, followers can find legislative and regulative articles as well as updated news about Turkey and abroad.

In addition to application on virtual platform, TSKB has organized "Environment Is Our Priority" conferences with the participation of international finance institutions and Turkish business members. Likely, "Opportunities and Expectations on Renewable Energy" conference was organized by TSKB with domestic and international attendees.

For internalization of sustainability among TSKB's team, training programs and conferences are organized. In these organizations, experts from all over the world and also private sector representatives shared their expertise on the subject. These conferences will increasingly continue in 2013.

- In order to increase awareness, Energy Efficiency Training and Conference is hold by TSKB. The key note speakers were Mr. Pierre Langlois, from Econoler, Canada and Dr. Marion Kneeesch from KFW, Germany. Additionally, Ministry of Treasury, Ministry of Energy and Natural Resources have been invited as participants.

- New Sustainability Trends conference by Engineering Department.

Under the "Private Sector and University Cooperation Project" of TSKB, workshops and case studies were carried out with leading universities. In 2012 "Measurement of Sustainability Workshop" was conducted in order to increase awareness about carbon footprint measurement. The second workshop has been delivered in April 2013 on energy efficiency.

Apart from all these events and applications, 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](http://www.tskb.com.tr))

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## Attachments

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/4.Communication/TSKB Sustainability Report Draft Version 2011-2012.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/4.Communication/TSKB%20Sustainability%20Report%20Draft%20Version%202011-2012.pdf)

## Module: Risks and Opportunities [Investor]

### Page: 5. Climate Change Risks

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#### 5.1

**Have you identified any climate change risks (current or future) 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 regulation

Risks driven by changes in physical climate parameters

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#### 5.1a

**Please describe your risks driven by changes in regulation**

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R1	Uncertainty surrounding new regulation	The national regulation and notification on emission calculation and reporting is not clearly defined. This position gives rise to several problems to be faced in the comprehension and implementation of the technics and methodologies.	Other: Difficulties in reimbursement of TSKB's loans	1-5 years	Indirect (Client)	More likely than not	Medium
R2	Uncertainty surrounding new regulation	Turkey's uncertain position on global greenhouse gas emission reduction regulations and its expected but unclear involvement to a cap & trade scheme in the near future (following Post Kyoto phase) will require nationwide regulatory obligations which may impact TSKB'S business indirectly.	Other: Difficulties in reimbursement of TSKB's loans	1-5 years	Indirect (Client)	About as likely as not	Medium
R3	General environmental regulations, including planning	In July 2011, Republic of Turkey Ministry of Environment and Urbanization published National Climate Change Action Plan of Turkey that defines a road map that covers all sectors and identifies Turkey's short, medium and long-term targets for combating climate change including fuel and energy planning issues.	Other: Difficulties in reimbursement of TSKB's loans	1-5 years	Indirect (Client)	About as likely as not	Medium

**5.1b**

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions**

**i. the potential financial implications of the risk/opportunity before taking action**

Related with R1, R2, R3, due to lack of regulation regarding to MRV (Measuring, Reporting and Verifying) application, cap & trade procedures and Turkey's target setting initiative, the financial implications cannot be determined yet.

**ii. the methods you are using to manage this risk/opportunity**

Related with R1, R2, R3, the methodology of TSKB for managing the climate change risks driven by changes in regulation is to follow closely the regulatory

changes. TSKB is regularly auditing its financed projects from an environmental perspective and closely following the Turkey's future stance on combat with climate change. As being a pioneer on renewable energy projects financing in Turkey, TSKB closely follows the regulatory changes. Moreover TSKB also follows the authorities of the sector by attending regularly climate change related activities. . This gives sometimes TSKB the opportunity to predict the regulatory changes even before they take in action. Some of those activities are;

United Nations, COP 18 Meetings, (01.12.2012 to 06.12.2012), Doha.

Ministry of Environment and Urban Planning, MRV (measuring, reporting and verifying) Meeting, (12.06.2012), İstanbul.

GRI, Global Conference on Sustainability and Reporting Meetings, (21.05.2013 to 25.05.2013), Amsterdam

Green Business, Green Business Conferences (19.10.2012 & 19.12.2012), İstanbul.

Ministry of Environment and Urban Planning, 9th Turkish-German Steering Committee on Environmental Protection Meeting (08.05.2012-09.05.2012), Munich.

Ministry of Environment and Urban Planning, Partnership for Market Readiness (PMR) Meeting, (04.10.2012), Ankara.

Ministry of Science, Industry and Technology, Energy Efficiency Strategy Advisory Board Meetings, (09.05.2012 to 11.05.2012), Ankara.

**iii. the costs associated with these actions**

It is very difficult to estimate the cost of attending these activities. The costs consist of labor cost, traveling cost and also for some activities there exist accommodation expenses and participation fees. Besides the expenses these activities are multipurpose activities, which makes almost impossible to share the cost according to this specific purpose. A very rough annual cost estimation would be 60.000 \$, where this cost demonstrates only this specific purpose.

**5.1c**

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R1	Change in precipitation extremes and droughts	A considerable portion of our portfolio consist of hydroelectric power plants (HEPP). Changes in precipitation may affect TSKB's credit portfolio. Our clients may have some difficulties in reimbursements.	Other: Difficulties in reimbursement of TSKB's loans	Current	Indirect (Client)	About as likely as not	Low

5.1d

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions**

**(i) the potential financial implications of the risk before taking action**

It cannot be determined due to the lack of climate change data. Data gathering and modelling is not regionally designed in Turkey. Although the probability of being affected by risks associated with climate change is very low for TSKB, the portfolio of the Bank which is comprised of many HEPP and WEPP projects may create a financial –credit default – risk for various financed projects. Unexpected weather conditions and deviation from expected conditions such as changes in river or wind flow rates and drought may influence electricity production of these power plants which can cause to underachieving financial projections. Moreover, extreme weather events can also affect other industries such as agriculture, tourism and real estate which are also in the TSKB's portfolio.

The risks are mainly having financial implications. Unexpected weather 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.

**(ii) the methods you are using to manage this risk**

TSKB has an additional monitoring process. The financed projects are additionally monitored if they are exposed to unexpected weather conditions like drought, flood, low wind, extreme wind and extreme snow. Though it is not possible to detect every unexpected weather condition, TSKB's internal procedures allows our technical departments to be informed about these physical conditions. Moreover media is also a useful information source for that kind of news. Once our engineering department is informed, the additional monitoring process begins. In this monitoring our engineering department investigates how our client is affected from this unexpected weather condition. Our customer may expose to minor losses like low electricity production for a short time or moderate losses like low/no electricity production for a period of time, or major losses like damaged facility in extreme conditions. The additional monitoring process is actually a regular monitoring which is performed for each project once a year or once in two years. The key point here is the action is taken additionally, if there is an unexpected weather condition.

Social and environmental risk for banking sector arises when the necessary measures are not taken in the financed project which leads to the financial risk of the investor which is either directly or indirectly reflected to the lending bank. Beyond financial risk, "reputation risk" of the Bank, as a result of financing an insensitive investment is much more critical. 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. In 2005, TSKB developed "Environmental Risk Evaluation Tool" (ERET) which provides a method for rating environmental risk under 35 separate headings and 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 mitigated. ERET results are disclosed periodically both in the sustainability reports and website of TSKB. TSKB's environmental methodology is above and beyond the Turkish official environmental and social requirement. Beginning from 2013, ERET, which was an Excel based evaluation tool, is programmed as TSKB specific banking application. By embedding ERET into IT database, its outputs and results become traceable, auditable and comparable in addition to its consolidation to the overall project appraisal process.

**(iii) the costs associated with these actions**

The cost of these monitoring actions consists of labour costs and traveling costs. While its performed only for determining the physical impact of unexpected weather conditions (single purpose activity), it is rather easier to estimate the cost of these activities. The estimated annual cost of these additional monitoring activities would be 10.000 \$.

The ERET causes additional workload during the lending operations of the investment projects. It is very difficult to estimate the cost of that additional workload. The costs consist of mainly labour cost which occurs during inspections. A very rough annual cost estimation would be 20.000 \$, where this cost demonstrates only this specific purpose. Travel and accommodation expenses are excluded from this calculation while those expenses are already in our regular lending operations.

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5.1e

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
----	-------------	-------------	------------------	-----------	------------------	------------	---------------------

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5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

---

5.1g

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

---

5.1h

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

---

5.1i

**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**

TSKB is exposed to the risks driven by changes in regulation and also in physical climate parameters. As a company which has mainly lending activities, we are considering that the other climate change related developments do not significantly affect our operations, revenue or expenditures in a negative manner.

## **Page: 6. Climate Change Opportunities**

---

6.1

**Have you identified any climate change opportunities (current or future) 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

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6.1a

**Please describe your opportunities that are driven by changes in regulation**

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
O1	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.	New products/business services	1-5 years	Direct	Very likely	Medium-high
O2	International agreements	Alternative solutions for Turkey's position on global greenhouse gas emission reduction regulations and its expected involvement to a cap trade scheme in the near future (following Post Kyoto phase) will require nationwide regulatory obligations which may create new opportunities for TSKB.	New products/business services	1-5 years	Direct	Likely	Medium
O3	International agreements	European Union may impose nationwide greenhouse gas emission reduction targets for Turkey if its full membership negotiation process continues.	New products/business services	6-10 years	Direct	About as likely as not	Medium
O4	International agreements	The lack of accredited bodies (DOEs) in Turkey may bring opportunity for new business services.	New products/business services	1-5 years	Direct	More likely than not	Medium-high

## 6.1b

**Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions**

**(i) the potential financial implications of the opportunity**

Related with O1, O2, O3, O4, because of uncertainties in global level it is difficult to forecast financial implications from now. However the banks climate change strategy which is embedded in its funding activities presupposes the financing of environmentally friendly projects having an investigated and forecasted environmental impact on environment.

TSKB sees an opportunity concerning international and national climate change strategy. 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. In the future, TSKB is aiming to continue on being an absolute exemplary in sustainability by supporting small, medium and large sized companies in Turkey.

**(ii) the methods you are using to manage this opportunity**

O1, O2, O3, O4 TSKB plays a proactive role to be prepared for possible adaptations, taking active role in national decision making processes through related associations such as Turkish Bank Associations, TUSIAD, etc. TSKB finds the possibility of enlarging its portfolio through low carbon economy and energy efficiency projects as new regulations permits. TSKB has an environment friendly mission which creates an opportunity to diversify its product and services.

**(iii) the costs associated with these actions**

The measures written in (ii) do not require additional cost in the future.

In the future, TSKB is aiming to continue on being an absolute exemplary in sustainability by following closely the risks and opportunities that may arise from sectors covered by the NCCAP (which are energy, buildings, transportation, industry, waste, agriculture, land use and forestry) and MRV legislation.

Above measures are the changes in directions of developments and do not require significant additional costs.

It is difficult to determine the cost for taking further actions for upcoming years.

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6.1c

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
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6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

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6.1e

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
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6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

---

6.1g

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

---

6.1h

**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.

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6.1i

**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.

## Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

### Page: 7. Emissions Methodology

#### 7.1

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)
Sat 01 Jan 2011 - Sat 31 Dec 2011	735	0

#### 7.2

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

**Please select the published methodologies that you use**

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

**7.2a**

**If you have selected "Other", please provide details below**

IPCC Fourth Assessment Report (AR4-100 year)

**7.3**

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

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

**7.4**

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

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

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### 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.

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### Attachments

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/TSKB Emission Factors.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/TSKB%20Emission%20Factors.PNG)

### Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

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#### 8.1

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

Operational control

---

#### 8.2

**Please provide your gross global Scope 1 emissions figures in metric tonnes CO<sub>2</sub>e**

600

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#### 8.3

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

0

---

8.4

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

Yes

---

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Water stations using HFC-134a	Scope 1	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	Scope 1	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.

---

8.5

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 2.82% which is caused by; - Natural gas (5.6%) - Company cars (6.9%) - Generators (%3) - 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, 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.	Less than or equal to 2%	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.

**8.6**

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

Third party verification or assurance complete

**8.6a**

**Please indicate the proportion of your Scope 1 emissions that are verified/assured**

More than 90% but less than or equal to 100%

---

**8.6b**

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

Type of verification or assurance	Relevant standard	Attach the document
Reasonable assurance	Other: ISO14064-1	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-8.6b-C3-RelevantStatement/TSKB%20GHG%20Verification%20for%20Scope1-Scope2.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/TSKB GHG Verification for Scope1-Scope2.pdf</a>

---

**8.6c**

**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
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**8.7**

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

Third party verification or assurance complete

---

**8.7a**

**Please indicate the proportion of your Scope 2 emissions that are verified/assured**

More than 90% but less than or equal to 100%

---

**8.7b**

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

Type of verification or assurance	Relevant standard	Attach the document
Reasonable assurance	Other: ISO14064-1	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-8.7b-C3-RelevantStatement/TSKB%20GHG%20Verification%20for%20Scope1-Scope2.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-8.7b-C3-RelevantStatement/TSKB GHG Verification for Scope1-Scope2.pdf</a>

---

**8.8**

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

Yes

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**8.8a**

**Please provide the emissions in metric tonnes CO2**

588.16

**Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)**

---

**9.1**

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

No

---

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
----------------	----------------------------

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9.2

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

By activity

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9.2a

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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9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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9.2c

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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9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Natural gas boiler	150.06
Transportation	92.82
Cooling units (HFCs)	354.56
Generators	2.61

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9.2e

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

Legal structure	Scope 1 emissions (metric tonnes CO2e)
-----------------	--

**Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)**

**10.1**

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

No

**10.1a**

Please complete the table below

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 (MWh)
----------------	----------------------------	--	---

**10.2**

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

By activity

**10.2a**

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

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

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10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)
----------	--

---

10.2c

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

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

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10.2d

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

Legal structure	Scope 2 emissions (metric tonnes CO2e)
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**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: 11. Energy**

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**11.1**

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

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

---

**11.2**

**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	1064
Electricity	1076
Heat	745
Steam	0
Cooling	0

---

**11.3**

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

Fuels	MWh
Jet kerosene	272
Diesel/Gas oil	762

Fuels	MWh
Liquefied petroleum gas (LPG)	30

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
Power Purchase Agreements (PPA) not backed by instruments	1076	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. 97 different RE projects (80 hydro, 2 geothermal, 10 wind farms, 4 biomass, 1 waste) are being financed which accounts for 17% 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 686 tonnes of CO2e reduction in the greenhouse gas emissions of 2012.

**Page: 12. Emissions Performance**

12.1

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

Decreased

12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	12.5	Decrease	For the fugitive emissions, it has been decided to maintain refrigerants pipelines periodically to prevent the leakages in the base year. Compare to 2011, the fugitive emissions decreased by 92 ton CO2e because of the fact that HFC-22 leakage was reduced by 60 kg.
Divestment	0		Not relevant
Acquisitions	0		Not relevant
Mergers	0		Not relevant
Change in output	0		Not relevant
Change in methodology	0		Not relevant
Change in boundary	0		Not relevant
Change in physical operating conditions	5.8	Decrease	Since there have been changes in TSKB building area and personnel number, the emissions from natural gas consumption was abated by 19 ton CO2e. Additionally, the considerable amount of GHG emissions from company cars was reduced by 23 ton CO2e. This is achieved by the change in the number of company cars used in 2012.
Unidentified	0		Not relevant
Other			

12.2

Please describe your gross 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
3.48	metric tonnes CO2e	unit total revenue	36	Decrease	Compared to base year of 2011, TSKB GHG emissions in Scope1&2 were reduced from 735 tonnes to 600 tonnes CO2e while TSKB total revenue was increased by 27%. In 2012, GHG emissions from Scope 1&2 has been decreased due to the preventive

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					actions and changes in operating conditions as follows; 1-Maintaining refrigerants pipelines periodically, HFC-22 leakage was reduced with 60 kg. Fugitive emissions in Scope-1 decreased by 92 ton CO2e. 2-Since there have been changes in TSKB building area and personnel number, the emissions from natural gas consumption was abated by 19 ton CO2e. 3-The considerable amount of GHG emissions from company cars was reduced by 23 ton CO2e. This is achieved by the change in the number of company cars used in 2012.

### 12.3

Please describe your gross 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
1.81	metric tonnes CO2e	FTE employee	16	Decrease	Compared to base year of 2011, TSKB GHG emissions in Scope1&2 were reduced from 735 tonnes to 600 tonnes while the TSKB full time equivalent employee was decreased by 3%. In 2012, 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 60 kg. Fugitive emissions in Scope-1 decreased by 92 ton CO2e. 2-Since there have been changes in TSKB building area and personnel number, the emissions from natural gas consumption was abated by 19 ton CO2e. 3-The considerable amount of GHG emissions from company cars was reduced by 23 ton CO2e. This is achieved by the change in the number of company cars used in 2012.

### 12.4

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
0.03	metric tonnes CO2e	square meter	20	Decrease	Compared to base year of 2011, TSKB GHG emissions in Scope1&2 were reduced from 735 tonnes to 600 tonnes while the TSKB building area was increased by 2%. In 2012, 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 60 kg. Fugitive emissions in Scope-1 decreased by 92 ton CO2e. 2-Since there have been changes in TSKB building area and personnel number, the emissions from natural gas consumption was abated by 19 ton CO2e. 3-The considerable amount of GHG emissions from company cars was reduced by 23 ton CO2e. This is achieved by the change in the number of company cars used in 2012.

#### Further Information

In 2011, TSKB greenhouse gas emissions were found as 1117 ton CO2e. Emission estimations had been undergone external auditing by an independent third party (BSI-Turkey) on September 2012. Base year GHG emissions inventory report had received 5% reasonable assurance for Scope-1&2 and 20% limited assurance for Scope-3. In 2012, TSK emissions has been determined as 950 ton CO2e which is verified again by BSI-Turkey. TSKB inventory report has been certificated by 5% reasonable assurance for Scope-1&2 and 20% limited assurance for Scope-3. Compare to base year, 2012 GHG emissions including Scope-3 emissions has been reduced by 15% due to the preventive actions and changes in operating conditions.

#### Page: 13. Emissions Trading

##### 13.1

**Do you participate in any emissions trading schemes?**

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

13.1a

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 CO2e	Details of ownership

13.1b

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

13.2

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

Yes

13.2a

Please complete the table

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 retired	Purpose, e.g. compliance
Credit Purchase	Landfill gas	Mamak Waste Management Project (registered under the VER Standard under the number GS	Gold Standard	1118	1118	Yes	Voluntary Offsetting

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 retired	Purpose, e.g. compliance
		440)					
Credit Purchase	Landfill gas	Mamak Waste Management Project (registered under the VER Standard under the number GS 440)	Gold Standard	950	950	Yes	Voluntary Offsetting

**Page: 14. Scope 3 Emissions**

**14.1**

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	109.8	IPCC 2006, Defra, GHG Protocol, EPA (Please see the "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012 TSKB Greenhouse Gas	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			Inventory" report for all details about the methodology).		
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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Business travel	Relevant, calculated	240.7	IPCC 2006, Defra, GHG Protocol (Please see the "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	GHG Scope-3 emissions due to taxi usage, bus and air travels have been analyzed as emissions from business travels. 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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			TSKB Greenhouse Gas Inventory" report for all details about the methodology).		
Investments	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	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 "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero
End of life treatment of sold products	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero
Downstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			source (Please see the "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).		
Franchises	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2012 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero
Other (upstream)					
Other (downstream)					

#### 14.2

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

Third party verification or assurance complete

#### 14.2a

**Please indicate the proportion of your Scope 3 emissions that are verified/assured**

More than 90% but less than or equal to 100%

#### 14.2b

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

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	Other: ISO14064-1	<a href="https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/Investor-14.2b-C3-RelevantStatementAttached/GHG%20Verification%20for%20Scope3.pdf">https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/Investor-14.2b-C3-RelevantStatementAttached/GHG Verification for Scope3.pdf</a>

14.3

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

Yes

14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in physical operating conditions	7.9	Decrease	Based on the banking activities of 2012, TSKB employees made less business travel by plane compare to 2011.
Business travel	Change in	0.1	Decrease	Based on the banking activities of 2012, TSKB employees made less business travel by

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
	physical operating conditions			bus compare to 2011.
Business travel	Change in physical operating conditions	1	Decrease	Based on the banking activities of 2012, TSKB employees made less business travel by taxi compare to 2011.
Purchased goods & services	Change in physical operating conditions	0.3	Increase	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 2012, TSKB users of service busses has been increased by 3.2% compared to base year which leads to increase in GHG emissions from service busses by 0.3%.
Purchased goods & services	Change in physical operating conditions	0.2	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 2012, TSKB users of ferry increased by 4.5% compare to base year which leads to increase in GHG emissions from ferry by 0.2%.
Purchased goods & services	Change in physical operating conditions	0.2	Increase	Based on the banking activities of 2012, TSKB consumed 10% more paper compared to base year.

#### 14.4

**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

#### 14.4a

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

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**14.4b**

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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**14.4c**

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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**14.4d**

**Please explain why not 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. "

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**Further Information**

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

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**Attachments**

[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/14.Scope3Emissions/GHG Inventory Report 2012.pdf](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/14.Scope3Emissions/GHG%20Inventory%20Report%202012.pdf)  
[https://www.cdproject.net/sites/2013/54/21154/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/14.Scope3Emissions/TSKB Activity Data and Emission Factors\\_2013.PNG](https://www.cdproject.net/sites/2013/54/21154/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/14.Scope3Emissions/TSKB%20Activity%20Data%20and%20Emission%20Factors_2013.PNG)

**Module: Sign Off**

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**Please enter the name of the individual that has signed off (approved) the response and their job title**

Hülya Kurt (Engineering Manager)  
Ece Yilmazer (Engineering Assistant Manager)

**CDP**