

CDP

**CDP 2016 Climate Change 2016 Information Request
T.SINAI KALKINMA BANKASI A.Ş.**

Module: Introduction

Page: Introduction

CC0.1

Introduction

Please give a general description and introduction to your organization.

Founded in 1950 with the mission to finance Turkey's private sector investments, TSKB (Industrial Development Bank of Turkey) is Turkey's first privately-owned development and investment bank. TSKB offers its clients a wide array of products and services in the corporate banking, investment banking and advisory business lines. With its long term funding base secured from supranational financial institutions, accumulated know-how and synergy created with its subsidiaries, TSKB systematically contributes to the continuous development of the Turkish private sector, mainly through investment projects, customer-specific advisory and investment banking services.

TSKB supports investments in various sectors with renewable energy, energy efficiency, resource efficiency, sustainable tourism, environmental and SME loans. With the World Bank actively involved in its foundation, TSKB operates in continuous cooperation with leading participants of global markets. TSKB's international partners include international and supranational institutions such as World Bank, European Investment Bank, Kreditanstalt für Wiederaufbau, Council of Europe Development Bank, International Finance Corporation, Agence Francaise de Developpement, European Bank for Reconstruction and Development, Oesterreichische Entwicklungsbank AG, Japan Bank for International Cooperation and Islamic Development Bank. TSKB is the only private bank that Turkish Treasury gives assurance for the loans TSKB gets from International Financial Institutions.

Within last decade TSKB has covered substantial ground with regards to sustainability. Long before establishment of any environmental legislation in Turkey, TSKB started to include environmental due diligence as a part of its project appraisal activities. TSKB prepared its environmental management system (EMS) and put it into practice towards the end of 2006. Holding the EMS (ISO 14001) and Verification of Greenhouse Gas Emissions (ISO-14064-1) certificates, TSKB is Turkey's first carbon-neutral bank and has been awarded Turkey's first ISO 14001:2015 certificate. TSKB has submitted five sustainability reports. All sustainability-related activities at the bank are coordinated by TSKB Sustainability Committee. Its mission is to integrate sustainability into bank's business processes and services by ensuring that all bank employees understand and identify with them, to develop new products and business opportunities in sustainable banking area, and to increase the level of sustainability awareness throughout the banking industry and the business community. The Sustainability Committee consists of two members of Board of Directors and two Executive Vice Presidents. Sustainability committee has a sub-committee consisting of 15 members from various departments.

TSKB considers corporate governance and full compliance to laws as an important step for responsible banking. Holding its place in the top three companies with

highest corporate governance ratings since having been included in the BIST Corporate Governance Index in 2009, TSKB has proven its success with awards granted by the Corporate Governance Association of Turkey.

TSKB provides equal opportunity for all the employees without discrimination by gender. 56% of TSKB's employees and 55% of the executive staff are women.

In line with its "Sustainable Banking" mission, TSKB constructs its social responsibility projects around the idea of fostering an awareness—especially in the business and academic communities—of climate change, energy and carbon management, and all other environmental issues.

TSKB's CSR project timeline:

- Turkey's most comprehensive sustainability and environment portal www.cevreciyiz.com (since 2007)
- NGOs & Nature Day (2007)
- Mimar Sinan University Sculpture Competition (2007)
- TSKB Environment Conferences (2008-2009)
- Turning Winds book project (2010)
- Energy efficiency portal www.tskbenerjiverimliligi.com (since 2011)
- Sustainability Workshops for university students (since 2011)
- Carbon-Neutral Events (since 2014)
- Resource efficiency portal www.tskbresourceefficiency.com (since 2016)

TSKB's nationally and internationally recognized award winning sustainable banking solutions and strategies:

- Climate Disclosure Leadership, CDP Turkey (2015)
- Highest Corporate Report Transparency rating given to a bank by Transparency International (2015)
- Corporate Governance Association of Turkey (TKYD) – Highest Corporate Governance Rating (2012,2014,2015)
- "Climate Change Leaders" awards – CDP Turkey (2013)
- Ranked among top three in Europe in "Sustainable Banking" category of the Sustainable Finance Awards - Financial Times and IFC (2013)
- 2nd Sustainability Report: "Astrid Awards Bronz" (2012)
- "Sustainable Emerging Markets Bank of the Year" award in Eastern Europe - "Sustainable Banking Awards", Financial Times and IFC (2008, 2009, 2010)
- "Best Local Partner" award - "Awards for Excellence-2004", Euromoney Magazine

CC0.2

Reporting Year

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

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

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

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

Enter Periods that will be disclosed
Thu 01 Jan 2015 - Thu 31 Dec 2015

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Turkey

CC0.4

Currency selection

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

USD(\$)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire. If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net. If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

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

The highest level of direct responsibility for climate change lies with the TSKB Sustainability Committee.

TSKB Sustainability Committee, that includes two Board Members and two Executive Vice Presidents, is responsible for the Sustainability Management in the Bank. Committee sets the Bank's sustainability vision and strategy, formulates applicable action plans, and coordinates associated activities according to the Sustainability Policy and its supplementary policies such as Environmental and Social Impact Policy, Human Rights Policy, Anti-Bribery and Anti-Corruption and Policy, Occupational Health & Safety Policy and Sustainable Procurements Management Policy (please see the attachments for the mentioned policies). Being approved by Board of Directors, Sustainability Policy and its supplementary policies cover the environmental and social dimensions of sustainable development in TSKB. Fundamental principles pertaining to the assessment and management of the environmental and social impact that may result from the activities of the bank are set forth in Environmental and Social Impact Policy. In addition, TSKB's perception and strategy on climate change, human resources, stakeholder engagement and governance are mentioned in the other policies.

In TSKB, there is the Sustainability Sub-Committee reporting directly to the Sustainability Committee, consisting of several members from various departments (please see the attachment for sustainability management organization chart). Main duties of the sub-committee are;

- Developing and managing sustainability strategies
- Internalizing sustainability and capacity development on sustainability
- Integrating sustainability into banking products and services
- Managing internal and external environmental impacts and associated social responsibilities
- Engaging in sustainability-related communication
- Quantifying and reporting sustainability performance.

The Sub-committee holds regular meetings. One of the Sustainability Sub - Committee member is Sustainability Coordination Responsible. She is responsible for coordinating the sustainability activities within the Bank and acting as the secretary of the Sustainability Committee meetings. In the attached documents, please find the sample committee meeting notes including sustainability activity plans, sustainability reporting, BIST Sustainability Index preparations, stakeholder engagement etc.. TSKB Sustainability Sub-Committee presents regular reports to the Executive Vice Presidents (who are members of Sustainability Committee) on a quarterly basis and prepares annual report which is submitted to the CEO.

Reporting to Sub-Committee, there are working groups that are specialized in different tasks.

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, calculate and offset the carbon foot-print of the Bank periodically and conduct the banking operations on a carbon-neutral basis.

In Management Review Meetings that are held once in a year, the responsibilities for climate change issues are discussed at top management level (please see sample meeting notes in the attachment). Our corporate goals include ensuring that the concept of sustainability is embraced by all employees and integrated into our business processes and services, developing new products and business opportunities in sustainable banking and increasing the level of sustainability awareness in the banking sector and business community.

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Recognition (non-monetary)	Other: Sustainability Management System Targets	2 board members and 2 Executive Vice Presidents of the Sustainability Committee are responsible for setting the sustainability strategy of the bank and the relevant targets to achieve this strategy.
All employees	Recognition (non-monetary)	Other: Communicating climate change issues	In previous years, all employees of TSKB were trained about sustainability issues. Hence, in 2015, sustainability trainings were organized only for MT program beginners and specific external sustainability certificate trainings were organized for some members of the Sustainability Sub-Committee. In total 5 such trainings were organized. All employees of TSKB are informed about TSKB's work and strategy on sustainability and they are encouraged to bring new ideas and suggestions for the topic. There exists a suggestions portal in the intranet for such feedback.
Other: Sustainability Sub-Committee	Monetary reward	Behaviour change related indicator Other: Generating business related to climate change services	Sustainability Sub-Committee consists of 14 members from various departments of TSKB. They are responsible for the integration of sustainability concept into all business processes and services, developing new services and opportunities in sustainable banking, increasing the level of sustainability awareness in the banking sector and business community.
Other: ISO 14001/ISO 14064 Working Group	Monetary reward	Emissions reduction target Energy reduction target	Performance indicator about CO2 emission reduction, energy and natural resources consumptions. These data are verified according to ISO 14064 annually.
Other: ISO 14001/ISO 14064 Working Group	Monetary reward	Other: ISO14001 Environmental Management System (EMS) Recertification	This working group is responsible for successful audit and recertification of ISO 14001 EMS.
Other: Sustainability Index Working Group	Monetary reward	Other: To be listed in BIST Sustainability Index	EIRIS assessed TSKB based on the international sustainability criteria. SI Working Group is responsible for providing the required feedback and execute the in-house improvement studies in order to enhance the KPIs that are not scored in the assessments. For the studies with the related departments in the Bank, the briefings to the related departments are conducted and the studies are coordinated. In 2015, TSKB has been listed in the index but the assessment will continue in the following years and the SI Working Group targets will be revised for the KPI score improvements.
Other: Sustainability Reporting Working	Monetary reward	Other: Communicating sustainability performance of the bank	This working group is responsible for preparing the annual sustainability reports of the bank. The group is a part of TSKB's Sustainability Management System and consists of 13 people from various departments.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Group			

Further Information

Attachments

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-1.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-1.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Policy-2.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Policy-2.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Human-Rights-Policy.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Human-Rights-Policy.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Man_Review Protocol.docx](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Man_ReviewProtocol.docx)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Man_Review.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Man_Review.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Policy-1.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Policy-1.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Tskb-Occupational-Health-and-Safety-Policy.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Tskb-Occupational-Health-and-Safety-Policy.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-4.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-4.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-ENVIRONMENTAL-AND-SOCIAL-IMPACT-POLICY.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-ENVIRONMENTAL-AND-SOCIAL-IMPACT-POLICY.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Policy-3.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Policy-3.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Tskb-Sustainable-Procurements-Management-Policy.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_Tskb-Sustainable-Procurements-Management-Policy.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-2.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-2.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB_anti_bribery_and_anti_corruption_policy.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB_anti_bribery_and_anti_corruption_policy.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB Sustainability Sub-Committee Meeting Notes1.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB_Sustainability_Sub-Committee_Meeting_Notes1.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC1.Governance/1.1a_TSKB-Sustainability-)

Page: CC2. Strategy

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Company (internal) level risks arising from operational services and asset level (external) risks arising from lending activities are within the borders of Turkey.	> 6 years	Bi annual monitoring for company level (internal) risks. Bi annual or more frequently monitoring for asset level (external) risks through the credit life of the financed projects. TSKB is an investment and development bank that provides medium/long term loans. Therefore the risks during the maturity period are considered for risk assessment.

CC2.1b

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

TSKB applies its experience in sustainability to its internal operations and documents according to Sustainability Policy approved by Board in 2015. Sustainability Management System(SMS) ensures that company and asset level environmental and social risks&opportunities are managed via SMS's internal processes.

Internal impacts of Bank's activities which have/may have significant impacts are identified by P1 Evaluation of Internal Environmental Performance Procedure. Increasing environmental adverse impacts due to uncontrolled use of natural sources is the risk and managed by P11 Monitoring and Measurement Procedure. These procedures include the environmental dimension list of internal impacts, waste/source specific methodologies and actions taken to decrease impacts. All internal impacts are reported semi-annually.

TSKB calculates its carbon footprint since 2006 by P7 GHG Emissions Procedure. It has been verifying and offsetting GHG for organizational level by a third party since 2012. The Bank has been awarded with ISO14064-1 certificate and is audited annually.

Another procedure is P12 Management Review. Main purpose is to establish a system to ensure continuous compliance and evaluation of SMS performance with regards to SMS objectives, targets, risks and opportunities. Related Meetings are held annually.

At asset level, external environmental and social risks of the clients and their projects related with the lending activities of TSKB is managed by P2 Evaluation of Client & Project Risks Procedure. TSKB developed a tool (ERET) that includes a detailed query to determine the clients' and their projects' risks. It classifies clients' and their projects' risks as A,B,B+ and C, where A is the highest.

The risk category clarifies acceptable limits for risks involved and ensures that the project is in compliance with general lending policies of TSKB. It determines a risk score and offers a proper action plan to minimize and manage environmental risks of projects.

CC2.1c

How do you prioritize the risks and opportunities identified?

TSKB identifies its climate change related risks and opportunities as company (internal) and asset (external) level risks & opportunities. Internal risks and opportunities are prioritized according to their effects on the bank's internal consumptions and carbon footprint which are managed within the ISO 14001 and 14064 Management Systems, as part of TSKB's sustainability strategy.

TSKB's asset level risks and opportunities are prioritized considering the feedback from its stakeholders, its brand value, impacts on TSKB's core business activities, international developments and agreements on climate change and the bank's sustainability policy.

CC2.1d

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

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

Is climate change integrated into your business strategy?

Yes

CC2.2a

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

i) Having created its Environmental & Social Management System in year 2005 and Environmental Policy in year 2006, TSKB has started environmental and social topics' integration into its business processes more than 10 years ago. Based on this policy, Sustainability Policy was created in 2012 and revised in 2015. Sustainability Policy and strategy are set by Sustainability Committee, having 2 Board members and 2 Executive Vice Presidents. Sustainability strategy is set by considering stakeholder analyses, sector assessments, actual developments and discussions regarding climate change, regulatory environment, the Bank's portfolio's exposure to climate change related risks and opportunities, measurement of the Bank's internal impacts and carbon footprint calculated each year. This Committee then provides its recommendations regarding sustainability and climate change related topics to the Board. Sustainability Sub-Committee is responsible for conducting the studies sustainability strategy requires. 5 working groups on ISO14001&14064, Sustainability Reporting, Dialogue with Stakeholders, New Theme Development and Sustainability Index provide detailed studies and data on their assigned topics to the Sustainability Sub-Committee. As an example of closely monitoring the actual developments and discussions regarding climate change, members from Sustainability Sub-Committee attended Paris Climate Conference COP21 in 2015 and had the opportunity of following the most important climate change topics. The information and impressions gathered are provided to Sustainability Committee, to be considered in TSKB's sustainability strategy discussions.

ii) Customers of TSKB are faced with risks and opportunities driven by international agreements, air pollution limits, change in mean temperature, fluctuating socio-economic conditions. TSKB supports its customers by offering products and services that provide low carbon and high efficient solutions. TSKB integrates the environmental criteria into its lending and investment strategy by developing sustainable products. For energy efficiency, resource efficiency and renewable energy, TSKB enhanced its internal capacity and developed an original marketing strategy that best fits the demands of Turkish market which strives to be less dependent on foreign energy supply. Weight of loans provided to investments with sustainability theme in the Bank's total loan portfolio excluding the finance sector reached 50% as of end of 2015. By the end of 2015, 133 clean energy projects with total of 4,177 MW installed capacity, corresponding to approximately 13% of Turkey's renewable energy capacity were financed. 2.8 billion \$ of 7.8 billion \$ total investment amount of these projects is financed by TSKB. Energy saved through more than 100 energy and resource efficiency projects financed by TSKB is equivalent to yearlong heating of a city of 1.5 million people. 0.5 billion \$ of 1.2 billion \$ total

investment amount of these projects is financed by TSKB. With all these renewable energy, energy efficiency and resource efficiency investments, Turkey's annual carbon emissions have been reduced by 8.3 million tons.

iii) As part of its support to Turkey's transition to low carbon economy, TSKB has set targets of financing solar power plants of minimum 50 MW and wind power plants of 100-150 MW capacity in 2015 – 2016 period. In 2015, TSKB financed solar power plant investments of 25 MW and wind power plant investments of 161 MW capacity. Financing 5 new water efficiency projects along with 10 new energy and/or resource efficiency projects in 2015 – 2016 period is another target. In 2015, TSKB financed 7 energy efficiency and 34 resource efficiency projects, 1 of which is a water efficiency project. TSKB plans to be one of the most effective players in the area of energy and resource efficiency with thematic funds it provides from supranational institutions. The Bank aims to include an increasing number of projects in different areas in its portfolio, such as raw material efficiency, waste management efficiency and efficiency in production processes and hotels as well as energy efficiency. TSKB manages its loan risk by determining the amounts that can be disbursed to different lines (like hydro power plant, biomass 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.

iv) One of the tools utilized in assessing the asset level (external) risks and opportunities, is TSKB's own environmental and social management approach and risk assessment tool (ERET) for the projects in its portfolio; applied regardless of scope, size and loan amount of projects. ERET results are disclosed periodically both in sustainability reports and TSKB's website. TSKB's environmental methodology is above and beyond the Turkish official environmental and social requirements. As TSKB uses the funds of supranational financial institutions (such as World Bank, European Investment Bank, Kreditanstalt für Wiederaufbau, Council of Europe Development Bank, International Finance Corporation, Agence Française de Développement, European Bank for Reconstruction and Development and Islamic Development Bank) environmental screening of the projects are not only done by Turkey's national requirements but also according to TSKB's and these supranational institutions' criteria. With 66 years of experience, TSKB is very well-known by these international institutions, which are also TSKB's stakeholders. This awareness and trust helps TSKB to obtain supranational credit lines easily and determine 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 financed by TSKB is solid in regards to social, environmental and financial terms. This results in a trust to investors by its stakeholders.

v) Company level (internal) risks and opportunities are led by ISO Working Group and audited with ISO14001 and ISO14064. ISO 14001 Standard was revised in 2015 and TSKB had a successful audit following the completion of its SMS revisions accordingly. By completing the first audit according to ISO 14001:2015 Standard in Turkey in 2015, TSKB has been awarded Turkey's first ISO 14001:2015 certificate by BSI. TSKB measures its carbon footprint stemming from its operations annually since 2006 and offsets it by purchasing voluntary Gold Standard Carbon Certificate since 2009. TSKB also uses renewable energy in all its service buildings since 2009. Reducing carbon emissions by 2.5% annually until the end of 2016 in comparison to 2012 levels is another target of TSKB. As a result of its internal energy efficient applications since 2005, TSKB consumes 27% less electricity, 42% less natural gas, 48% less paper and 29% less paper today.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

Based on its internal impacts (consumption of natural resources), TSKB calculates its carbon emissions each year. These emissions are verified according to ISO 14064 since 2012 and offset by purchasing voluntary Gold Standard Certificate annually, since 2009.

If the renewable energy projects TSKB finance have any plan to obtain voluntary VCS or Gold Standard Certificate to sell in the voluntary carbon market, this revenue is considered in the cash flow.

In the last couple of years, TSKB did not finance any greenfield or significant capacity increase investments of high carbon emitting industry projects. In the following years, TSKB also plans to add carbon price to the investment project assessment studies.

CC2.3

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

Direct engagement with policy makers
Other

CC2.3a

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

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	TSKB collaborates with Ministry of Finance, Ministry of Development, Ministry of Economy, Ministry of Science Industry and Technology, Undersecretariat of Treasury of the Republic of Turkey, General Directorate of Renewable Energy, UNDP, UNIDO on "Increasing Energy Efficiency in	TSKB attended "Improving Energy Efficiency Financial Mechanism for Industry in Turkey" workshop, within the context of "Increasing Energy Efficiency in Industry Project". TSKB played an active role in assessing the existing situation on energy efficiency finance in Turkey and took part in the discussions of how integrated energy efficiency finance

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		Industry Project”.	mechanism could be modeled in Turkey.
Energy efficiency	Support	TSKB is working closely with Small and Medium Business Development and Support Administration (Ministry of Science Industry and Technology) on “Energy Efficiency in SME’s in Turkey Project”.	TSKB participated in the “Energy Efficiency in SMEs in Turkey Project” meeting organized by Small and Medium Business Development and Support Administration. Project outcomes and feedback were discussed.
Energy efficiency	Support	TSKB supports General Directorate of Renewable Energy (Ministry of Energy and Natural Resources – MENR) in preparation of “Energy Efficiency National Action Plan”.	TSKB participated in the “Energy Efficiency National Action Plan Workshop” and was an active participant in the Finance Working Group. Any feedback and additional comments on the action plan draft were shared with the General Directorate of Renewable Energy by the working group.
Climate finance	Support	TSKB collaborates with the Ministry of Energy and Natural Resources (MENR) and Kreditanstalt für Wiederaufbau (KfW) on Turkish – German Environment Executive Committee.	TSKB has attended the Turkish – German Environment Executive Committee chaired by MENR. In support of Turkey’s transition to low carbon economy, TSKB has presented its best practice contributions on climate finance together with specific KPIs like energy efficiency, resource efficiency and renewable energy finance.

CC2.3b

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

CC2.3c

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

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

CC2.3d

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

CC2.3e**Please provide details of the other engagement activities that you undertake**

CEO of TSKB is in the board of The Banks Association of Turkey (TBA). Also TSKB leads the Financial Sector in Sustainable Growth Working Group of TBA since its establishment. This working group aims to establish a common approach to ensure protection of environment during the banks' lending and other services.

TSKB is a member of the Advisory Board of the Istanbul Stock Exchange Sustainability Index (ISESI) project (please see the print screen in the attachment). TSKB participates in policy research and also to workshops and seminars as participant or leader.

TSKB was in the board of directors of the Global Compact Turkey Network in 2015 (please see the print screen in the attachment), being the only member of banking industry in Turkey having a seat on the board. The aim of the board is to lead the studies in Turkey in order to spread the 10 principles and millennium development goals of Global Compact.

TSKB is a member of Turkish Business Council of Sustainable Development (TBCSD) and has been appointed a member of board of directors (please see the print screen in the attachment). TSKB is in the energy and circular economy working groups of TBCSD. TSKB supports sustainable development activities in Turkey by taking active roles in NGOs.

TSKB is a founding member (founded in 2011) of International Development Finance Club (IDFC), which works on a program compiling environmental, climate and social development topics, under the vision of building on climate finance and sustainable development (please see the print screen in the attachment).

TSKB is a member of Long Term Investors Club (LTIC), which is focused on long term vision of finance and economy to get a strong, sustainable and balanced growth in global economy (please see the print screen in the attachment).

TSKB is among the founders of the European Association of Long-Term Investors (ELTI) launched by most influential 16 long-term financial institutions of Europe to foster more sustainable, smart and inclusive European growth (please see the print screen in the attachment).

TSKB is a member of Water Disclosure Project, to address the global water crisis.

TSKB is a member of TUSIAD's Environment and Climate Change Working Group, focusing on climate change issues especially.

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 reports about its enhancements, but also trying to initiate awareness regarding climate change issues in the sector.

Apart from these activities, TSKB actively participates to the questionnaires and official opinion requests of drafts reports of the Ministries and Government regarding environment, energy, climate change, etc.

CC2.3f

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

All TSKB's direct and indirect activities that influence policy on climate change are coordinated and managed by the Sustainability Committee. The Committee consists of two Board Members and two Executive Vice Presidents. Main duties and responsibilities of the Committee are defining the Bank's sustainability vision and strategy, formulating applicable action plans, coordinating associated activities according to the Sustainability Policy, and its supplementary policies such as Environmental and Social Impact Policy, Human Rights Policy, Anti-Bribery and Anti-Corruption Policy, Occupational Health & Safety Policy and Sustainable Procurements Management Policy.

Under Sustainability Committee, there is the Sustainability Sub - Committee, consisting of several members from different departments, reporting directly to the Sustainability Committee. One of the responsibilities of the Sub-Committee is creating action plans to achieve the Sustainability Committee's targets which shows that overall climate change strategy is integrated into all of direct and indirect activities of the Bank by the established SMS.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Attachments

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_LTIC.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_LTIC.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_ISES.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_ISES.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_Global Compact-TSKB_1.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_Global%20Compact-TSKB_1.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_TBCSD.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_TBCSD.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_ELTI.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_ELTI.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_IDFC membership.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_IDFC%20membership.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_TBCSD Board.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_TBCSD%20Board.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.1b_P7.R1.2015 Greenhouse Gas Inventory_2015.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.1b_P7.R1.2015%20Greenhouse%20Gas%20Inventory_2015.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_Global Compact-TSKB_3.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_Global%20Compact-TSKB_3.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_Global Compact-TSKB_2.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/2.3e_Global%20Compact-TSKB_2.PNG)

CC3.1

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

Absolute target
Renewable energy consumption and/or production target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (market-based)+3 (upstream)	100%	10%	2012	950	2016	No, but we anticipate setting one in the next 2 years	The absolute target of the TSKB is to reduce GHG emissions by 10% until the end of 2016. The road map to achieve this target is to decrease our emissions 2,5% for each year compare to base year of 2012. Science Based Targets initiative (SBTI) has not yet fully developed how to properly assess financial institutions' scope 3 emissions against a 2°C trajectory, so the SBTI cannot currently verify our targets (Scope 1, 2 & 3) as fully aligned with the eligibility criteria. Because we have submitted the attached commitment letter (see Further Section) to the Call to Action, SBTI will continue to recognize TSKB as a committed company on the Science Based Targets Initiative, CDP and We Mean Business Coalition websites.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
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CC3.1c

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

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

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2009	692501	53.26%	2021	100%	Since July of 2009, TSKB has been consuming green electricity produced from renewable energy production plants and sourcing 100% electricity from the renewable energy company of Bereket Energy. The official document taken from Bereket Energy is attached in the Further section below. TSKB revise its 5 years strategic plans each year. Based on the 2016's strategic plans, TSKB will continue to use the green electricity until the end of 2021.

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	75%	0%	TSKB's carbon footprint at the end of 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 had led to 686 tons of CO2e reduction in the greenhouse gas emissions of 2012. In 2010, sharing of banks cars among managers, integrating sensors to the lights and delivering reports in soft format & using both sides of paper during printing caused to decrease GHG emissions by 59 tons. Due to these improvements in greenhouse gas emissions amount, the emission reduction target of 2012 is given as 0%. This refers that TSKB's emission target for the reporting year is to keep the same value as of 2011, 1117 ton CO2e. Since 2012, refrigerants pipelines have been maintained periodically to prevent any leakage from the lines, and credit reports in digital format have been delivered among managers with theirs track change format. Compare to base year-2011, TSKB emissions of 2012 have been reduced to 950 ton CO2e Therefore, TSKB has put a 10% reduction target until the end of 2016 compare to 2012. In 2014, the greenhouse gas emissions are 10% less than the target emissions of that year. We are successful to achieve 2014 target value

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
			which is 902.5 ton CO2e. However, in 2015, the fugitive emissions increased by 342 ton CO2e because of the fact that total refrigerant leakages (R-22 and R-407C) were increased by 242.4 kg during the general maintenance activities in chiller units in this reporting period. Additionally, since average air temperature during the heating period decreased by 1.2oC compare to 2014, the emissions from natural gas consumption was increased by 20 ton CO2e. Therefore, TSKB greenhouse gas emissions of 2015 is determined as 1249 ton CO2e and we could not reached to target emissions which equals to 878.75 ton CO2e. Therefore, reporting year emission is 42% higher than target emission for 2015
RE1	58%	100%	Since July 2009, TSKB use green electricity for its all need. This green electricity is produced from renewable energy production plants of Bereket Energy whose portfolio is 100% electricity production from the renewable energy sources.

CC3.1f

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

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

No

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
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CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	6	700
Not to be implemented	0	0

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Low carbon energy purchase	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, solar, wind and waste from hydroelectric plants. 133 different RE projects (79 hydro, 5 geothermal, 20 wind farms, 6 biomass, 23 solar) are being financed which accounts for 13% of Turkey's total installed RE 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 534 tons of CO2e in the greenhouse gas emissions of 2015.	534	Scope 2 (market-based)	Voluntary	8280	0	<1 year	>30 years	Until the decision is changed by the top management, TSKB will continue to use the green electricity.
Behavioral	Delivering reports in soft format	5	Scope 3	Voluntary	5000	0	<1 year	>30 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
change	& using both sides of paper while printing since 2010.								
Transportation: use	Sharing of banks cars among managers since 2010.	10	Scope 1	Voluntary	10000	0	<1 year	3-5 years	
Energy efficiency: Building services	Integrating sensors to the light since 2010.	44	Scope 2 (market-based)	Voluntary	8000	5000	<1 year	>30 years	
Fugitive emissions reductions	Since 2012, refrigerants pipelines have been maintained periodically to prevent any leakage from the lines.	106	Scope 1	Voluntary	2800	4600	<1 year	>30 years	
Behavioral change	Credit reports in digital format has been started to be delivered among managers with theirs track change format since 2012.	1	Scope 3	Voluntary	0	0	<1 year	>30 years	

CC3.3c

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

Method	Comment
Financial optimization calculations	<p>Semiannually, the activity data of identified emission sources is collected through work-flows. All related data has to be approved by manager of data-owner. GHG emissions from each source are determined by using Carbonmeter developed by TSKB and contains appropriate calculation methodologies. Distribution of emission sources has been analyzed. Emissions have been ranked from bigger emission sources to smaller ones and an investigation is conducted to find appropriate ways to reduce emissions. If a suitable solution is found, the monetary cost of implementation is calculated. TSKB reports these potential improvements in GHG emissions together with all environmental activities performed by ISO 14001-14064 Working Group (SMS team), annually. Since 2011, TSKB has started to publish its GHG Inventory report including that the results of carbonmeter are compared with GHG emissions of previous years and targets of reporting year, deviations are identified and if needed appropriate countermeasures are proposed. This document is submitted to ISO 14001&14064 Working Group Responsible, directly reporting to Sustainability Sub-Committee and Sustainability Committee of TSKB, and published each year. At the end of each year, ISO 14001&14064 Working Group Responsible presents results of TSKB GHG inventory report, environmental activities of SMS team and shows the all potential GHG reduction strategies to top management. After approval of reduction strategies for next year, ISO 14001&14064 Working Group 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 GHG inventory have been defined by a procedure which is integrated with 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 verified by a third party. The procedure has been revised according to new SMS Management Structure of TSKB. The fifth inventory report for 2015 had been published and verified again on 24th March of 2016. The latest procedure and greenhouse gas inventory documents are attached in the "Further" section below.</p>

CC3.3d

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

Further Information

Attachments

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/3.3c_P7_Greenhouse Gas Emissions.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/3.3c_P7_Greenhouse%20Gas%20Emissions.pdf)

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/3.1a_Science-Based-Targets-Call-to-Action-Commitment-Letter.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/3.1a_Science-Based-Targets-Call-to-Action-Commitment-Letter.pdf)

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/3.3c_P7.R1.2015 Greenhouse Gas Emissions Inventory_2015.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/3.3c_P7.R1.2015%20Greenhouse%20Gas%20Emissions%20Inventory_2015.pdf)

Page: CC4. Communication

CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	pages 5-6, 13-19	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_p7.r1.2015_TSKB_GHG_Inventory_2015.pdf	
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	pages 12-17, 43-47	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_TSKB_Annual_Report_2015.pdf	
In voluntary communications	Complete	pages 5-71	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC4.1/4.1_TSKB_Sustainability_Report_2015.pdf	

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

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

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

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	Before COP21, Turkey submitted its Intended Nationally Determined Contributions (INDC) on 30 September 2015 in order to declare its emission reduction strategy. According to the Paris agreement that was	Reduction in capital availability	3 to 6 years	Indirect (Client)	About as likely as not	Low	Due to the potential increase in the operational and investment costs, the clients of TSKB and indirectly TSKB may incur financial losses. It is not possible to quantify the financial implications because of the	In order to take into account the impacts of climate-change and climate-change related costs & regulations, TSKB has an in-house technical specialist team, focusing on the potential risks of climate change to the energy-intense sectors and specifically for the projects that are at the appraisal stage at TSKB. Every project is analyzed in terms of its environmental and social impacts in detail (via Environmental Risk Evaluation Tool – ERET), taking into consideration both the current and future aspects and financial and legal liabilities, independent of the investment amounts. According to the results of the evaluation and risk categorization, TSKB formulates a plan with the customer to monitor the environmental impact and mitigate. Moreover loan monitoring is performed after the credit is approved. If any disruptions occur in repayments, TSKB will	The cost of loan monitoring activities consists of labor costs and travel costs. The estimated annual cost of the additional monitoring activities would be around 10,000\$. The ERET activities and preparation and

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	signed by 195 countries including Turkey, all countries committed to realize their INDC's and their progress will be monitored every 5 years. In order for Turkey to achieve its objectives, Turkey will have to make new laws and regulations regarding climate change and these new regulations may force energy intense companies to launch new						uncertainty in the regulations. In that regard, the awareness of the companies is increasing day by day. They might prepare themselves for this process and the new legislation. This awareness and preparation ultimately may reduce the negative impact of this situation.	recover the related amount from warranty letter or mortgaged assets. TSKB have been managing this process for 65 years via its experienced team. TSKB attends to the related international organizations (i.e. COP21) that could contribute to its strategy. Additionally TSKB prepared a detailed report about climate change in order to increase the awareness of all parties and this report takes place in TSKB's social media accounts. TSKB's Climate Change Paris Climate Summit(COP21) Report can be found at the link: http://www.tskb.com.tr/i/content/2963_1_COP-report-2016-son.pdf	presentation of COP21 report cause additional workload during the lending operations of the investment projects. Two people from TSKB attended to the COP21 in Paris in 2015 and a report on the outcomes of COP21 Paris Agreement was prepared. Very rough annual cost estimation for all these activities would be around 36,000\$.

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>investments to comply with these regulations. Furthermore these companies may have to shut down their stranded assets which could not meet the legal requirements and generate their expected economic returns anymore due to new regulations. As a result this may affect the cash flow of TSKB's customers and their repayments to TSKB, increasing</p>								

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	also TSKB's business risk.								
Air pollution limits	<p>Sulphur dioxide (SO₂) and mono-nitrogen oxides (NO_x) has significant negative impacts on the environment and human health like smog, acid rain, respiratory problems, alterations in the lungs' defenses etc. Therefore it is crucial to control SO₂/NO_x emissions within harmless limits. Until 2014, the</p>	Reduction in capital availability	3 to 6 years	Indirect (Client)	Unlikely	Low	<p>If the companies are not well prepared for the new legislation, taking all the cost increase anticipations into account the clients of TSKB and hence TSKB may incur financial losses. As there exists no well-structured and well-defined system yet, it is not possible to quantify the financial implications at the</p> <p>As the pioneer of sustainable banking in Turkey, TSKB seeks to support the country's sustainable growth and development by defining the economic, environmental, and social aspects of sustainability. TSKB assesses each project and company that is given credit separately using its Environmental Risk Evaluation Tool (ERET). The companies in SO₂ emitting industry are graded as "A" or "B+" which means high risk level. Such projects are tracked particularly with regular technical monitoring. Additionally our loan monitoring department also follows the company financially.</p>	<p>Assessing the company with ERET analysis and visiting the companies within the scope of technical monitoring are the main cost factors. Thus the probable cost would be labor and travel costs. The number of the companies that are marked as "A" or "B+" is 18 in 2015 and TSKB incurs a cost of around 14,000\$ annually for such activities.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>average of hourly SO2 emission limit values had been 900 µg/m3 per hour and 400 µg/m3 per day and in 2014 it was decreased to 500 µg/m3 and 250 µg/m3 respectively , in Turkey. However EU limit values are even lower than those which are 350 µg/m3 per hour and 125 µg/m3 per but these values will be valid for Turkey in 2019. During this transition period,</p>						moment.		

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>some of our customers in SO2/NO2 emitting industries will have to rehabilitate their facilities and in the worst case some of them may even have to close up their facilities because of high investments which they cannot afford. Thus they may face problems with loan repayments which might affect TSKB's projections negatively.</p>								

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) precipitation	Water scarcity is considered as one of the most significant risks in the world according to the Global Risk Report prepared for World Economic Forum and also according to Turkey's water risk report prepared by World Wide Fund for Nature (WWF). Studies show that Turkey will confront with serious problems regarding water scarcity by 2050. The precipitation in the Mediterranean reservoir has decreased by 20% during last 25 years. Water supply problem is not only related with precipitation but also related	Increased operational cost	>6 years	Indirect (Client)	Likely	Medium	This potential risk, would also affect TSKB, due to the potential disruption in such companies' loan repayments. Because of the long timeframe and no such precise data availability at the moment, determining the financial cost of this situation is impossible at this stage.	TSKB believes that sustainability of the fresh water is a global source and has a very critical role for the sustainability of life and economy. Believing in the important role played by efforts in energy and resource efficiency in tackling climate change, TSKB has been supporting the energy efficiency projects of many enterprises, with medium and long term loans. In that regard, TSKB finances resource efficiency projects including water efficiency in accordance with its "Sustainability Policy". Up to now 11 companies with	TSKB has an experienced engineering team in order to credit the best resource efficiency investments and also contribute to the investment by providing consultancy to the customer. Moreover TSKB increases the water awareness by visiting customers and informing them about resource efficiency including water supply by verbal communication and giving booklets. Roughly annual cost estimation for such activities would be around 20,000\$.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>with social, economical and ecological factors. Water scarcity would affect human, environment and business world and this would also cause economical, social, governmental and political problems. Especially water intense industries would be affected negatively and there would be challenging competition between the companies that try to obtain the required amount of water. In that regard, obtaining the water in good condition would become tougher and in some regions may be impossible and the value and price of the water would be considerably high. Therefore companies in</p>							<p>40 resources efficiency projects have been financed by TSKB with 231 million \$. Engineering team of TSKB assesses all projects specifically and calculates the gains from the resource savings. As of 2015, 367.000m3 of water savings have been realized annually by financing resource efficiency investments from various industries like cement, steel, tourism, chemical, automotive, plastics, textile etc. TSKB is audited and certified according to ISO 14001 standard and related with this standard's management system and as a part of its sustainability strategy, TSKB defines goals like</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>water intense industries may have to reduce the capacity or even close down their businesses. Almost all of TSKB's customers use water in their processes thus problems related with water scarcity for sure will have its effect on their cash flows. In addition to that, all industries would be influenced like domino effect and consequently making new investments would be harder. TSKB would also be negatively affected because of the investment limitation in the industries.</p>							<p>water consumption reduction. In this scope TSKB decreases its own water consumption by %29 in comparison with the beginning of 2005, until the end of 2015. In addition, TSKB shares its vision and expert opinions for the legal issues related with water consumption via non-governmental organizations and attends to the panels, summits etc. related with water.</p>	
Change in mean (average) temperature	<p>It is clear that Turkey will be at a higher risk of experiencing meteorological droughts. Due to the increase in the</p>	Increased operational cost	Up to 1 year	Direct	Very likely	Low	<p>During last year, TSKB replaced its conventional fluorescent lamps with LED lamps and took</p>	<p>The business world bears tremendous responsibilities for ensuring that the growth and development that it</p>	<p>TSKB plans to invest 45,000\$ in solar power system in order to generate green energy for its internal use and</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>average temperature of the summer months, the air conditioning costs have become higher. TSKB uses electrically powered chiller for air conditioning of the whole bank. This situation leads to an increase in the air conditioning cost and greenhouse gas emissions of the bank.</p>						<p>some precautions to decrease the electricity consumption. Despite these actions, electricity consumption per person in 2015 has increased by 6% compared to 2013.</p>	<p>brings today do not threaten the lives and resources of future generations. Through the trail-blazing sustainability practices that TSKB has integrated into all of its own banking service processes, TSKB also does the required energy efficiency investments for its own buildings, when required. In order to decrease the greenhouse gas emissions TSKB supplies its electricity from an electricity distribution company which produces electricity from renewable energy. Therefore TSKB uses 100% green energy in all its offices. Furthermore TSKB plans to set up solar power system in order to</p>	<p>reduce its carbon emissions. Also, a special team is assigned for the realization of this investment which will cost 12.000\$.</p>

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

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	TSKB committed to have a "Science Based Target" for its emission reduction targets. However the methodology of Science Based Targets is not yet clearly defined for financial sector. It is of significant importance for TSKB to realize its commitment on this issue, although it is not yet known what kind of extra requirements it	Other: Reduced prestige in stakeholders' eye, which are important for TSKB's capital availability. As a result this situation does not comply with the TSKB strategy and philosophy.	3 to 6 years	Direct	More likely than not	Low	Due to lack of data, it is not possible to quantify the financial implications at this stage.	TSKB believes that it should play an important role in increasing the public and sector-wide awareness regarding climate change topics as a pioneer. As TSKB places an utmost importance to climate change related topics, it calculates and gets verified its own carbon emissions (via ISO 14064) annually, with a target to improve	The approximate annual cost is 15.000\$ including employee and ISO 14064 certification costs. Three people from sustainability team work on these topics.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	will bring on top of what TSKB has been doing regarding its own emission reduction target since years. As a carbon-neutral bank, supporting Turkey's transition to low carbon economy, together with its self-evident contribution to achieving limitation of global warming levels, it is also regarded as a reputational issue for TSKB.							each year after the identification of "Science Based Targets" for financial sector, Sustainability Team of TSKB plans to execute a gap analysis and identify and take the required actions in a timely manner.	
Fluctuating socio-economic conditions	Turkey is exposed to seasonal drought in recent years due to climate change and the decrease in green fields is significant. Especially the east, southeast regions and some parts of Central Anatolia seriously confront with that	Reduced demand for goods/services	1 to 3 years	Direct	Likely	Low-medium	Drought would seriously affect the businesses like food-beverage, tourism, logistics and packing industries which consists 17% of the TSKB's credit portfolio. Therefore, any negative impact on such sectors would definitely	TSKB provides credits to companies in the preferential regions for development with proper conditions within the scope of agriculture topic. The amount of financing provided for such investments is 59.2 million \$. Additionally,	Especially marketing team focuses on such investment potentials and performs customer visits periodically. Therefore the management cost can be considered as labor and travel costs related to such activities

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>problem. People living in these regions migrate to bigger cities with milder climate where also industries can only grow and expand in. On the other hand after migration, big part of Turkey's land cannot be used efficiently. This situation leads to the fact that the industry grows only in some specific regions like İstanbul, Kocaeli, Sakarya etc. As a result of decrease also in the diversification of the industry and the limitation of the investment regions, Turkish industry cannot continuously expand. This situation also means the lack of potential new investments in diverse regions of Turkey, which</p>						<p>affect Turkey's economy. TSKB's business would also be affected negatively including the opportunity costs involved.</p>	<p>sustainable tourism investments and eco-friendly terminal investments for logistics sector will be boosted and these projects will become potential for TSKB. With TSKB's experienced marketing and engineering team all projects will be assessed in detail and if considered proper they will be credited.</p>	<p>which are roughly around 60,000\$.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	would also infer an increase in the business volume of TSKB.								

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
International agreements	Due to the goal of limiting the global warming to 1.5-2o C defined in Paris agreement in 2015, it is expected that the number of emission reduction	Investment opportunities	1 to 3 years	Direct	Very likely	Medium	In the context of COP21, it is expected that the number of resource and energy efficiency and renewable energy investments would increase and for 2016 TSKB projects	TSKB supports sustainable investments for a sustainable future and has renewable energy portfolio of the 13% of total renewable energy of Turkey. As having an expert and experienced	TSKB has a marketing, project evaluation, economic research, loans and loan monitoring departments, working on these issues as a part of their job description.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>projects in the industry will increase. Therefore TSKB also expects an increase in such projects' finance, including resource efficiency, energy efficiency and renewable energy projects. According to Turkey's declared INDC, Turkey plans to increase its solar power plant capacity to 10 GW, and wind power plant capacity to 16 GW till 2030. These plans indicate a potential increase also in TSKB's business volume especially in</p>						<p>to finance such investments amounting to approximately 450 million \$. In the following years TSKB also expects an increase in the industry's awareness on these topics and the number of these kinds of investments would boom in order to approach to the target mentioned in Turkey's INDC. Additionally TSKB has issued first ever green bonds out of Turkey, containing a considerable portion of renewable energy investments in 2016.</p>	<p>technical team, TSKB analyses the renewable energy industry and updates itself regularly. With the expertise of the same team, TSKB has a high capability of assessing the renewable energy, energy efficiency and resource efficiency projects and also to perform a detailed environmental risk evaluation. So far, 3.4 billion \$ financing has been provided to such projects, offsetting of CO2 emissions equivalent to the carbon footprint of 228,000 people. In addition to the engineering team, TSKB has dedicated marketing team</p>	<p>Hence there will be no additional cost for TSKB. To give an implication, the cost of the time allocated for these issues of total 66 people in these departments can be given as 309,000\$.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	renewable energy sector.							for solar, wind and geothermal projects. Theme development team develops special theme loans with supranational finance institutions. This experience will be the key issue in focusing on the right projects in terms of financial and technical aspects.	
Air pollution limits	Sulphur dioxide (SO2) and mono-nitrogen oxides (NOx) has significant negative impacts on the environment and human health like smog, acid rain, respiratory problems, alterations in the lungs' defenses etc.	Investment opportunities	1 to 3 years	Direct	Likely	Low-medium	It is expected that the demand for such projects will increase and TSKB might diversify its themed loans. As there exists no well-structured and well-defined system yet, it is not possible to quantify the financial implications at the moment.	TSKB supports the environmental friendly investments within the scope of its sustainability policy. Reducing the releasing of the sulphur dioxide and nitrogen dioxide projects can be assessed in environmental protection and infrastructure	In order to follow up this topic, TSKB attends the related workshops organized by the Ministry of Environment and Urbanization and the other governmental institutions. Therefore the main costs are the labor and travel costs

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Therefore it is crucial to control the SO2/NOx emissions within harmless limits. Until 2014 the average of hourly SO2 emission limit values had been 900 µg/m3 per hour and 400 µg/m3 per day and in 2014 it was decreased to 500 µg/m3 and 250 µg/m3 respectively, in Turkey. However EU limit values are even lower than those which are 350 µg/m3 per hour and 125 µg/m3 per day but these values will be valid for Turkey in 2019. During this transition</p>							<p>investments. And additional to its current environment themed funds, TSKB might be able to create new theme from loan sources.</p>	<p>which occurs during these workshops and the mount of these costs is around 5.000\$.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	period, it is expected that there will be a lot of companies that will require additional investments to comply with the limit values. Therefore such projects could potentially increase TSKB's business volume within the scope of environment protection.								

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean	According to the water risk report	Increased demand for	>6 years	Direct	Very likely	High	Awareness level in Turkey	One of TSKB's objectives is to	TSKB has a marketing and

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
(average) temperature	of Turkey prepared by WWF, Turkey will confront with serious problems regarding water scarcity by 2050. Some regions of Turkey are already faced with drought and water shortages due to the temperature increase. It is predicted that this problem will spread in larger areas of Turkey in the following years. Therefore number of investments decreasing the water consumption and desalination and treatment of sea water are expected to increase. TSKB aims to play a creative and supportive role for such	existing products/services					is currently low therefore it is not possible to quantify the financial implications at the moment. Resource efficiency investments are expected to gain more importance in the near future and TSKB has financed resource efficiency projects amounting to a total of 63 million\$ investment so far.	finance water efficiency projects in order to protect the natural resources. Especially technical team of TSKB specifically studies on these projects. Also employees from various departments attend to water efficiency trainings, panels and summits related to water issues. Furthermore marketing team tries to raise the awareness of the customers during the customer visits.	engineering team working on these issues as a part of their job description. TSKB has been making studies on this subject and looking for the right investments to give credit and the estimated cost is approximately 100.000\$.

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

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	There is a number of recognized sustainability rating agencies which evaluates the companies with respect to international standards. As a Bank believing in continuous progress, TSKB sees those evaluation and assessment results as an opportunity to improve its sustainability approach and systems. In	Increased stock price (market valuation)	1 to 3 years	Direct	Very likely	High	The main benefit of these international assessments is the increasing reputation among the market. The attention of the investors is increasing as being a financially and environmentally and socially strong company in the eyes of them. In the following years, this attention may further ease TSKB's possible Eurobond	Sustainability Index Working Group is responsible for such assessment processes. Working Group is responsible for providing the required feedback and executes the in-house improvement studies in order to enhance the unscored KPIs in the assessments. Sustainability Committee,	With the infrastructure in place, TSKB is capable of dealing with the additional work load of these studies. The Bank's sustainability index performance will be followed by investor relations department, sustainability committee, sustainability sub-committee and the working groups.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	2015 TSKB has been assessed by an independent sustainability assessment company. The assessment company, namely Sustainalytics, is a worldwide company which evaluates companies for their investors and has a large portfolio of sustainability assessments. The assessment is based on environmental, social and governance criteria and companies are scored accordingly and rated.						issuances. As TSKB does not collect individual deposits, having an international reputation is the key issue and opportunity for us to access medium/long term funds.	Sustainability Sub-Committee and Sustainability Working Groups have several and different responsibilities for sustainability issues which correspond to KPIs of climate change, carbon disclosure, human rights, legal affairs and etc.	Therefore, the required studies for these assessments (giving feedbacks, coordinating the relevant departments and execution of the works) are not expected to generate a material additional cost burden for the Bank. But to give an idea, allocating the working time of these personnel to this specific issue cost around 5.000\$ in 2015 and expected to on the same level in the following years.
Other drivers	Due to the global 2 degrees target, the energy-intense	Increased demand for existing products/services	3 to 6 years	Direct	Very likely	Medium	In the context of COP21, it is expected that the number of	TSKB is aware of the importance of collaboration	TSKB has a marketing and engineering team working

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>sectors are pushed both legally and as a result of increasing public pressure to utilize/enter into renewable energy/energy efficiency investments. Transition to low-carbon economy is the only way in this context. In the same manner, TSKB's clients are also interested in more energy efficiency financing. They are requesting more expertise and financing services from our bank for such projects. Also the increase in the awareness of the customers and the increase in the experience level of TSKB team</p>						<p>resource and energy efficiency and renewable energy investments would increase and for 2016 TSKB projects to finance such investments amounting to approximately 450 million \$. In the following years TSKB also expects an increase in the industry's awareness on these topics and the number of these kinds of investments would boom in order to approach to the target mentioned in Turkey's INDC.</p>	<p>with other international organizations to achieve sustainable development targets. As part of COP21, TSKB supports tackling climate change on global level by signing the ELTI and IDFC declarations that will spread the efforts to the financial sector. Through technical consultancy services, TSKB analyzes both a facility's operational and environmental performance and its compliance with environmental laws and regulations; and also identifies and reports any issues that adversely impact</p>	<p>on these issues as a part of their job description. Hence there will be no additional cost for TSKB. To give an implication, the cost of the time allocated for these issues of total 21 people in these departments can be given as 160,000\$.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	bring about more small scale companies like SMEs to make efficiency investments within this scope.							efficiency. TSKB evaluates the investment needed to make any changes that are required and formulate an appropriate cost structure. As having an experienced engineering department, TSKB analyses the renewable energy industry and updates itself regularly. TSKB has an expert and experienced technical team to assess renewable energy, energy efficiency and resource efficiency projects and also to perform environmental risk evaluation. So far, 3.4 billion \$ financing has been provided to such projects, offsetting of	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>CO2 emissions equivalent to the carbon footprint of 228,000 people. In addition to the engineering team, TSKB has dedicated marketing and loan development teams for solar, wind and geothermal projects. Loan development teams develop special theme loans with supranational finance institutions. This experience will be the key for selecting the right projects in terms of financial and technical aspects.</p>	

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

CC6.1e

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

CC6.1f

Please explain why you do not consider your company to be exposed to inherent 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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Sun 01 Jan 2012 - Mon 31 Dec 2012	600
Scope 2 (location-based)	Sun 01 Jan 2012 - Mon 31 Dec 2012	0
Scope 2 (market-based)	Sun 01 Jan 2012 - Mon 31 Dec 2012	0

CC7.2

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

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

CC7.2a

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

IPCC Fifth Assessment Report (AR5 – 100 year)

CC7.3

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

Gas	Reference
CO2	IPCC Fifth Assessment Report (AR5 - 100 year)
CH4	IPCC Fifth Assessment Report (AR5 - 100 year)
N2O	IPCC Fifth Assessment Report (AR5 - 100 year)
HFCs	Other: ASHRAE Standard 34 (for refrigerant blends)
HFCs	Other: IPCC Fifth Assessment Report (AR5 - 100 year)

CC7.4

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

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

Further Information

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

Attachments

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/7.4_TSKB Emission Factors.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/7.4_TSKB%20Emission%20Factors.PNG)

Page: CC8. Emissions Data - (1 Jan 2015 - 31 Dec 2015)

CC8.1

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

Operational control

CC8.2

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

807

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

Yes

CC8.3a

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
0	0	TSKB purchase electricity from renewable energy power plants of Bereket Energy. Therefore, TSKB does not have any indirect emissions to report under Scope-2 since July 2009. The official document taken from Bereket Energy is attached in the Further section below.

CC8.4

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

Yes

CC8.4a

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

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Water stations using HFC-134a	Emissions are relevant and calculated, but not disclosed	Emissions are not relevant	Emissions are not relevant	Since emissions from fugitive gas of HFC- 134A used in water stations are less than 1 % of the total GHG emissions of TSKB, it has been decided that the HFC-134A contribution to total GHG emissions has been considered as an additional uncertainty of Scope-1 (0.207%)
TSKB Sarıyer Forest	No emissions from this source	Emissions are not relevant	Emissions are not relevant	TSKB has a forest in Sarıyer. It has not been included in our disclosure. It is believed that the future addition of this sink does not significantly change the TSKB's footprint

CC8.5

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints	The Scope-1 uncertainty is determined as 1.94% which is caused by; - Natural gas (6.0%) - Company cars (5,94 %) - Generators (%0) - 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. Generator uncertainty is zero because, we didn't consume fuel for the generators for this reporting year. 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 (0,207%) of Scope-1.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 2 (location-based)	Less than or equal to 2%	No Sources of Uncertainty	TSKB has been sourcing green electricity from Bereket Energy. Bereket Energy was established in 1995 in order to produce electricity 100% from renewable energy sources. The energy portfolio of Bereket consists of carbon free hydroelectric resources which are Bereket 1-2, Dalaman 1-2-3-4-5, Feslek, Gökyar, Mentaş, Koyulhisar, Toros, Göktaş Hydroelectric Power Plants. Since July 2009, TSKB has been using green electricity from these hydroelectric power plants of Bereket Energy. Therefore, TSKB does not have any greenhouse gas emissions caused by electricity consumption and uncertainties due to Scope 2 (location-based) emissions are considered to be 0.
Scope 2 (market-based)	Less than or equal to 2%	No Sources of Uncertainty	TSKB has been sourcing green electricity from Bereket Energy. Bereket Energy was established in 1995 in order to produce electricity 100% from renewable energy sources. The energy portfolio of Bereket consists of carbon free hydroelectric resources which are Bereket 1-2, Dalaman 1-2-3-4-5, Feslek, Gökyar, Mentaş, Koyulhisar, Toros, Göktaş Hydroelectric Power Plants. Since July 2009, TSKB has been using green electricity from these hydroelectric power plants of Bereket Energy. Therefore, TSKB does not have any greenhouse gas emissions caused by electricity consumption and uncertainties due to Scope 2 (market-based) emissions are considered to be 0.

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC8.6a/8.6a_TSKB ISO 14064 Certificate_Scope1-2.pdf	1/1	ISO14064-3	100

CC8.6b

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

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

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Market-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC8.7a/8.6a_TSKB ISO 14064 Certificate_Scope1-2.pdf	1/1	ISO14064-3	100
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC8.7a/8.6a_TSKB ISO 14064 Certificate_Scope1-2.pdf	1/1	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

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

Yes

CC8.9a

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

651.80

Further Information

Attachments

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC8.EmissionsData\(1Jan2015-31Dec2015\)/8.3a_Bereket Energy Official Letter to TSKB.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC8.EmissionsData(1Jan2015-31Dec2015)/8.3a_Bereket%20Energy%20Official%20Letter%20to%20TSKB.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC8.EmissionsData\(1Jan2015-31Dec2015\)/8.6a_TSKB ISO 14064 Certificate_Scope1-2.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC8.EmissionsData(1Jan2015-31Dec2015)/8.6a_TSKB%20ISO%2014064%20Certificate_Scope1-2.pdf)

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC9.1

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

No

CC9.1a

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

Country/Region	Scope 1 metric tonnes CO2e

CC9.2

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

By GHG type
By activity

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)

CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	215.2
CH4	0.5
N2O	1.2
HFCs	590.1

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Natural gas boiler	142
Transportation	75
Cooling units	590
Generators	0

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)

CC10.1

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

No

CC10.1a

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

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
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CC10.2

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

By activity

CC10.2a

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

Business division	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
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CC10.2b

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

Facility	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
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CC10.2c

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

Activity	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Electricity (Green electricity)	0	0

Further Information

TSKB has been sourcing green electricity from Bereket Energy. Bereket Energy was established in 1995 in order to produce electricity 100% from renewable energy sources. The energy portfolio of Bereket consists of carbon free hydroelectric resources which are Bereket 1-2, Dalaman 1-2-3-4-5, Feslek, Gökyar, Mentaş, Koyulhisar, Toros, Göктаş Hydroelectric Power Plants. Since July 2009, TSKB has been using green electricity from these hydroelectric power plants of Bereket Energy. Therefore, TSKB GHG emissions in both Scope-2 (location based) and Scope-2 (market based) are considered to be 0. The official document taken from Bereket Energy is attached below.

Attachments

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	Energy purchased and consumed (MWh)
Heat	705
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

1109

CC11.3a

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

Fuels	MWh
Jet kerosene	399
Diesel/Gas oil	675
Liquefied petroleum gas (LPG)	35

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
Direct procurement contract with a gridconnected generator or Power Purchase Agreement (PPA), where electricity attribute certificates do not exist or are not required for a usage claim	1034.88	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, solar, wind and waste from hydroelectric plants. 133 different RE projects (79 hydro, 5 geothermal, 20 wind farms, 6 biomass, 23 solar) are being financed which accounts for 13% of Turkey's total installed RE capacity. Bereket Energy is the one of these RE projects. TSKB has been sourcing green electricity (market-based) from Bereket Energy. Bereket Energy was established in 1995 in order to produce electricity 100% from renewable energy sources. The energy portfolio of Bereket consists of carbon free hydroelectric resources which are Bereket 1-2, Dalaman 1-2-3-4-5, Feslek, Gökyar, Mentaş, Koyulhisar, Toros, Gökteş Hydroelectric Power Plants. Since July 2009, TSKB has been using green electricity from these hydroelectric power plants of Bereket Energy. Since July of 2009, TSKB has been using green electricity (market-based) from renewable energy production plants of Bereket Energy. By this way, TSKB reduced 534 tonnes of CO2e reduction in the greenhouse gas emissions of 2015. The official document taken from Bereket Energy is attached in the Further section below.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
1034.88	1034.88	0	0	0	Since July of 2009, all electricity need of TSKB has been purchased from Bereket Energy.

Further Information**Attachments**

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC11.Energy/11.4_Bereket Energy Official Letter to TSKB.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC11.Energy/11.4_Bereket%20Energy%20Official%20Letter%20to%20TSKB.pdf)

Page: CC12. Emissions Performance

CC12.1

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

Increased

CC12.1a

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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	0	No change	As an emission reduction activity, TSKB has been decided to maintain refrigerant pipelines regularly in order to prevent leakages from pipes. In the reporting period, there wasn't any refrigerant gas loss from pipelines.
Divestment	0	No change	Not relevant
Acquisitions	0	No change	Not relevant
Mergers	0	No change	Not relevant
Change in output	0	No change	Not relevant
Change in methodology	0	No change	Not relevant
Change in boundary	0	No change	Not relevant
Change in physical operating conditions	83.4	Increase	Compare to previous year, TSKB GHG emissions increased by 83.4% due to the following reasons; 1-In the reporting period, TSKB had to performed a comprehensive maintenance activities for the two chiller units, which are under operation since 1988 and up to now, could not be taken to maintenance. During the maintenance activities, 242.4 kg refrigerant leakages (R-22 and R-407C) were occurred. This caused to increase the fugitive emissions by 342 ton CO2e (77.7% increase) compare to 2014. However, compare to base year (2012), GHG emissions from refrigerants have been increased by 236 tons CO2e (39.3% increase). 2-Since average air temperature during the heating period decreased by 1.2oC compare to 2014, the emissions from natural gas consumption was increased by 20 ton CO2e (4.6% increase). However, compare to base year (2012), GHG emissions due to natural gas consumption reduced by 8.2 ton CO2e (1.4% decrease). 3-Depending on the banking activities in the operating boundaries, the emissions from business travels by TSKB owned cars were increased by 4.9 ton CO2e (1.1% increase). However, compare to base year (2012), GHG emissions due to TSKB owned cars decreased by 18.5 ton CO2e (3.0% decrease). 4-For the reporting period, there was not any diesel consumption in generators. However, compare to base year (2012), GHG emissions due to diesel consumption of generators decreased by 2.6 ton CO2e (0.4% decrease).
Unidentified	0	No	Not relevant

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
		change	
Other	0	No change	Not relevant

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000005742382626	metric tonnes CO2e	140534000	Market-based	109	Increase	Compared to 2014, TSKB GHG emissions in Scope1&2 were increased from 440 tons to 807 tons CO2e while TSKB total revenue was decreased by 12.3 %. The main reason of decrease in annual revenue of TSKB is the loss of value in the

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
						<p>Turkish Liras (TL) from 2014 to the end of 2015. In the reporting period, GHG emissions from Scope 1&2 have been increased by 83.4% (367 ton CO2e) due to the following changes; 1-The main reason behind this increase is the refrigerant gas leakage during the comprehensive maintenance activities of the old two chiller units which have been under operation since 1988 and up to now, could not be taken to maintenance. During the maintenance activities, 242.4 kg refrigerant leakages (R-22 and R-407C) were occurred. This caused to increase the fugitive emissions by 342 ton CO2e compare to 2014. 2- Since average air temperature during the heating period decreased by 1.2oC compare to 2014, the emissions from natural gas consumption was increased by 20 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travels by TSKB owned cars were increased by 4.9 ton CO2e. However, compare to base year (2012), GHG emissions of Scope1&2 have been increased by 34.5% (207 ton CO2e) only.</p>

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
2.4869	metric tonnes CO2e	full time equivalent (FTE) employee	325	Market-based	79.5	Increase	Compared to 2014, TSKB GHG emissions in Scope1&2 were increased from 440 tons to 807 tons while the TSKB full time equivalent employee was decreased by 2%. In the reporting period, GHG emissions from Scope 1&2 have increased by 83.4% (367 ton CO2e) due to the following changes; 1-The main reason behind this increase is the refrigerant gas leakage during the comprehensive maintenance activities of the old two chiller units which have been under operation since 1988 and up to now, could not be taken to maintenance. During the maintenance activities, 242.4 kg refrigerant leakages (R-22 and R-407C) were occurred. This caused to increase the fugitive emissions by 342 ton CO2e compare to 2014. 2- Since average air temperature during the heating period decreased by 1.2oC compare to 2014, the emissions from natural gas consumption was increased by 20 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travels by TSKB owned cars were increased by 4.9 ton CO2e. However, compare to base year (2012), GHG emissions of Scope1&2 have been increased by 34.5% (207 ton CO2e) only.
0.0468	metric tonnes CO2e	square meter	17236	Market-based	83.4	Increase	Compared to 2014, TSKB GHG emissions in Scope1&2 were increased from 440 tons to 807 tons while the TSKB building area did not changed. In the reporting period, GHG emissions from Scope 1&2 have been increased by 83.4% (367 ton CO2e) due to the following changes; 1-The main reason behind this increase is the refrigerant gas leakage during the comprehensive maintenance activities of the old two chiller units which have been under operation since 1988 and up to now, could not be taken to maintenance. During the maintenance activities, 242.4 kg refrigerant leakages (R-

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
							<p>22 and R-407C) were occurred. This caused to increase the fugitive emissions by 342 ton CO₂e compare to 2014. 2- Since average air temperature during the heating period decreased by 1.2oC compare to 2014, the emissions from natural gas consumption was increased by 20 ton CO₂e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travels by TSKB owned cars were increased by 4.9 ton CO₂e. However, compare to base year (2012), GHG emissions of Scope1&2 have been increased by 34.5% (207 ton CO₂e) only.</p>

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

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

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
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CC13.1b

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

CC13.2

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

Yes

CC13.2a

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

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit purchase	Wind	Alize-Keltepe Rüzgar Enerji Santrali – 20,7 MW Alize-Keltepe Wind Farm Project, Turkey (Vintage 2009)	Gold Standard	1249	1249	No	Voluntary Offsetting

Further Information

Attachments

https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC13.EmissionsTrading/13.2a_Gold Standart VER Certificate.pdf

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	105	IPCC 2006, Defra, GHG Protocol, EPA (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	GHG Scope-3 emissions from personnel service busses, personnel ferry travelling from Üsküdar to Kabataş and paper consumption have been categorized as emissions of purchased goods and services. IPCC, Defra and GHG protocol has been used for the calculation of emissions from personnel service busses, and personnel ferry. Emission due to paper consumption has been determined according to the methodology given in EPA.
Capital goods	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas	100.00%	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	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	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 "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Upstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Waste generated in operations	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Business travel	Relevant, calculated	337	IPCC 2006, Defra, GHG Protocol (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	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 "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Upstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Downstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Processing of sold products	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Use of sold products	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
End of life treatment of sold products	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Downstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this	100.00%	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	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			source (Please see the "2015 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 "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Investments	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Other (upstream)	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Other (downstream)	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2015 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.

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

Third party verification or assurance process in place

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/CC14.2a/14.2a_TSKB ISO14064 Certificate_Scope3.pdf	1/1	ISO14064-3	100

CC14.3

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

Yes

CC14.3a

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

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in physical operating conditions	18.4	Increase	Based on the banking activities of 2015, TSKB employees made more business travel by plane compare to 2014.
Business travel	Change in physical operating conditions	0.01	Increase	Based on the banking activities of 2015, TSKB employees made slightly more business travel by bus compare to 2014. The GHG emissions from bus increased by 0.006% (due tot the decimal place limit it is reported as 0.01%) compare to previous year.
Business travel	Change in physical operating conditions	0.7	Increase	Based on the banking activities of 2015, TSKB employees made more business travel by taxi compare to 2014.
Purchased goods & services	Change in physical operating conditions	0.4	Decrease	Personnel service busses have been used by both TSKB and its sister companies. Therefore, GHG emissions have been determined based on the equity share method. Compare to previous year, TSKB users of service busses did not changed while service users from sister companies increased by 2% in 2015. Therefore total annual kilometers achieved have decreased by 3% compared to last year which leads to decrease in GHG emissions from service busses by 0.4%.
Purchased goods & services	Change in physical operating conditions	0.01	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. Compare to previous year, TSKB users of ferry increased by 4% while Üsküdar ferry users from sister companies increased by 4% in 2015. Therefore total annual fuel consumption of ferry has increased by 0.03% compare to last year which leads to slight increase in GHG emissions from ferry by 0.004% (due tot the decimal place limit it is reported as 0.01%).
Purchased goods & services	Change in physical operating conditions	0.2	Decrease	Based on the banking activities of 2015, TSKB consumed 14% less paper compared to base year.

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

No, we do not engage

CC14.4a

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

CC14.4b

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

Number of suppliers	% of total spend (direct and indirect)	Comment
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CC14.4c

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

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

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

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

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

Further Information

Attachments

[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/14.1_TSKB Activity Data and Emission Factors_2015.PNG](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/14.1_TSKB%20Activity%20Data%20and%20Emission%20Factors_2015.PNG)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/14.2a_TSKB ISO14064 Certificate_Scope3.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/14.2a_TSKB%20ISO14064%20Certificate_Scope3.pdf)
[https://www.cdp.net/sites/2016/54/21154/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/14.1_P7.R1.2015 Greenhouse Gas Emissions Inventory_2015.pdf](https://www.cdp.net/sites/2016/54/21154/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/14.1_P7.R1.2015%20Greenhouse%20Gas%20Emissions%20Inventory_2015.pdf)

Module: Sign Off

Page: CC15. Sign Off

CC15.1

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

Name	Job title	Corresponding job category
Çiğdem İçel	Executive Vice President	Other: Sustainability Committee Member

Further Information

This report will be prepared by; Engin Saitoğlu Evrim Yangın Gül Ece Yılmaz
CDP 2016 Climate Change 2016 Information Request