

**CDP**

**Climate Change 2015 Information Request**  
**T.SINAI KALKINMA BANKASI A.Ş.**

## **Module: Introduction**

### **Page: Introduction**

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#### **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 the 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 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. TSKB has submitted three sustainability reports. TSKB was the first in Turkish finance sector by receiving A+ level approval from Global Reporting Initiative GRI for its third Sustainability Report.

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 the Board of Directors and two executive vice presidents, all of whom are selected by the Board of Directors. Both executive vice presidents who are members of the Sustainability Committee also serve in the capacity of "sustainability coordinators". Sustainability committee has a sub-committee consisting of 9 members from different 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 for 5 consecutive years, TSKB has proven its success in corporate governance practices with awards granted by the Corporate Governance Association of Turkey.

TSKB provides equal opportunity for all the employees without discrimination by gender. Half of TSKB's employees and 46% of the executive staff are women.

In keeping 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:

- Environment portal [www.cevreciyiz.com](http://www.cevreciyiz.com) (since 2007)
- NGOs & Nature Day (2007)
- Mimar Sinan University Sculpture Competition (2007)
- TSKB Environment Conferences (2008-2009)
- Turkey's environment-themed video portal [www.cevreciyiz.tv](http://www.cevreciyiz.tv) (since 2008)
- Turning Winds book project (2010)
- Energy efficiency portal [www.tskbenerjiverimiligi.com](http://www.tskbenerjiverimiligi.com) (since 2011)
- Sustainability Workshops for university students (since 2011)
- Sustainability Measurement Workshop: university students and business world representatives meet (2013)
- Carbon-Neutral Events (since 2014)

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

- "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

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## 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
Wed 01 Jan 2014 - Wed 31 Dec 2014

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### 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

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### 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(\$)

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### 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](mailto: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>.

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### Further Information

#### Module: Management

#### Page: CC1. Governance

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### 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

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### CC1.1a

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

The highest level of direct responsibility for climate change is Board Members of TSKB.

TSKB Sustainability Committee, that includes two Board Members and two Executive Vice Presidents, is responsible for the Sustainability Management. Committee defines 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).

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

- Developing and managing sustainability strategies

- Internalizing sustainability and improving sustainability capacity
- Integrating sustainability into banking products and services
- Managing internal and external environmental impact and associated social responsibility
- Engaging in sustainability-related communication
- Quantifying and reporting sustainability performance.

The Sub-committee holds regular meetings. In the attached documents, please find the sample committee meeting notes including sustainability activity plans, CDP reporting, corporate governance, preparation of a teaser about sustainability, and Global Compact New York Conference etc. TSKB Sustainability Sub-Committee presents regular reports to the Executive Vice Presidents (who are members of Sustainability Committee) on a monthly basis and prepares annual report which is submitted to the CEO. TSKB uses its sustainability experience in its internal operations and documents both the internal and external results according to “Sustainability Procedure” and “Sustainability Policy” in order to analyze, manage and improve them. Being approved by Board of Directors, Sustainability Policy and its supplementary policies cover the environmental and social dimensions of sustainable development in TSKB. Environmental and social issues in financing activities are detailed 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.

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 purge 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.

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## CC1.2

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

Yes

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## 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
Other: Sustainability Sub-Committee	Monetary reward	Other: Generating business related to climate change services	Sustainability managers 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: ISO14001/ISO14064 working group	Monetary reward	Emissions reduction target	Performance indicator about CO2 emission reduction, energy and natural resources consumptions.
Other: Sustainability Sub-Committee	Monetary reward	Behaviour change related indicator	Ensuring that the concept of sustainability is embraced by all employees and integrated into our business processes and services, developing new products and business opportunities in sustainable banking and increasing the level of sustainability awareness in the banking sector and business community.
All employees	Recognition (non-monetary)	Other: Communicating climate change issues	In 2014, all employees were trained about sustainability issues. More than 30 sessions were conducted and all of the employees were informed about TSKB's work and their ideas and suggestions were discussed as well. Likewise, in order to collect the suggestions, a system is developed and the employees are encouraged to express their ideas and suggestions for the possible sustainability studies to be done in the future.

## Further Information

## Attachments

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_Tskb-Occupational-Health-and-Safety-Policy.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_Tskb-Occupational-Health-and-Safety-Policy.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB\\_anti\\_bribery\\_and\\_anti\\_corruption\\_policy.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB_anti_bribery_and_anti_corruption_policy.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Sustainability-Policy-2.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Sustainability-Policy-2.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-ENVIRONMENTAL-AND-SOCIAL-IMPACT-POLICY.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-ENVIRONMENTAL-AND-SOCIAL-IMPACT-POLICY.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_Tskb-Sustainable-Procurements-Management-Policy.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_Tskb-Sustainable-Procurements-Management-Policy.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Sustainability-Committee-Organization-Chart-1.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-1.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB Sustainability](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB%20Sustainability)

Sub-Committee Meeting NotesI.docx  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Sustainability-Committee-Organization-Chart-2.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-2.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Sustainability-Policy-1.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Sustainability-Policy-1.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_Man\\_Review Protocol.docx](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_Man_ReviewProtocol.docx)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Sustainability-Policy-3.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Sustainability-Policy-3.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Sustainability-Committee-Organization-Chart-3.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Sustainability-Committee-Organization-Chart-3.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB-Human-Rights-Policy.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB-Human-Rights-Policy.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_TSKB Sustainability Sub-Committee Meeting NotesII.docx](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_TSKB_Sustainability-Sub-Committee-Meeting-NotesII.docx)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a\\_Man\\_Review.pptx](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC1.Governance/1.1a_Man_Review.pptx)

**Page: CC2. Strategy**

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**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

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**CC2.1a**

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

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

### CC2.1b

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

TSKB applies its experience in sustainability to its internal operations and documents both the internal and external results according to Sustainability Procedure and Sustainability Policy and Guide which were approved by the Board of Directors in November 30th, 2012. ISO14001 & ISO14064 Management System (Former Sustainability Management System) ensures that the all of the internal and external impacts of TSKB including environmental and social risks, greenhouse gas emissions, client risks, legal requirements, and internal audit are applied via internal processes. GREENHOUSE GAS EMISSIONS (P7): This process defines the evaluation of the greenhouse gas emissions of TSKB. Since 2012, TSKB has been verifying greenhouse gas emissions for the organizational level by a third party. TSKB was audited by BSI. in 2012, 2013 and 2014, and awarded with ISO 14064 Certifications. The external audit has been successfully completed on April 1st, 2014. Related results will be given in the further part of this report. CORRECTIVE & PREVENTIVE ACTION (P9): This process summarizes environmental and GHG emissions related review and corrective action processes for TSKB. The main purpose is to establish a system to initiate, request, implement and review the effectiveness of corrective and/or preventive action. MONITORING AND MEASUREMENT (P1&P11): These processes define the monitoring and measurement process of internal environmental related issues of TSKB such as electricity, natural gas, water, paper and waste disposal. EVALUATION OF CLIENT & PROJECT RISKS (P2): This procedure defines the evaluation of the environmental risks of the clients and their projects related with the lending activities of TSKB.

### CC2.1c

#### How do you prioritize the risks and opportunities identified?

INTERNAL CLIMATE CHANGE RISKS AND OPPORTUNITIES: First, activity data of emission sources is collected through work-flows semiannually. GHG emissions from each source are calculated by Carbonmeter which contains appropriate calculation methodologies. Emissions are ranked from bigger emission sources to smaller ones. An investigation is conducted to find proper ways to reduce emissions. If a suitable solution is found, its monetary cost is calculated. Since 2011, TSKB has been reporting Carbonmeter results in comparison with previous year emissions and reporting year targets, deviation identifications and proposal of appropriate countermeasures if needed. ISO14001&ISO14064 Representative presents the results of inventory report, environmental activities of Working Group and shows all the potential GHG reduction strategies to top management annually. After approval of reduction strategies for the next year, SMS team plans and organizes their projects with specific targets and time schedule.



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

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#### 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

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#### CC2.2a

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

Being aware of its role in transition to low carbon economy in Turkey, TSKB shapes its products in sustainable banking aspect by giving priority to financing investments that will make direct contributions to combat climate change. Hence, renewable energy, energy and resource efficiency and environmental investments such as sustainable tourism and municipality services (environmental and infrastructural) loans are main products of TSKB's credit portfolio. The integration of climate change and sustainability into Bank's core businesses can be achieved through the integration of environmental and social considerations into product design, mission policy and strategies. TSKB integrates the environmental criteria into its lending and investment strategy by developing sustainable products. For

energy efficiency (EE), resource efficiency (ResE) and renewable energy (RE), TSKB has enhanced its internal capacity and developed an original marketing strategy that best fits the demands of the Turkish market which strives to be less dependent on foreign energy supply. As of end-2014, TSKB financed 107 RE projects corresponding to 14% of Turkey's total installed RE capacity. With these projects, TSKB's contribution to Turkey's CO2 emission reduction is more than 6,000,000 tons/year. Since 2009, TSKB has financed more than 60 EE and ResE projects of 39 companies from various industries. These projects reduce greenhouse gas emissions by 1.2 million tons of CO2 per year and save a total of 2,000,000 Mcal of energy. This amount of energy saved through the energy efficiency projects is sufficient to meet the annual domestic heating needs of a city of nearly 850,000 people. Reduction of CO2 emissions through the energy efficiency projects financed by the TSKB are equivalent to the carbon footprint of 215,000 people. TSKB concentrated on mainly hydro plants in the previous years. But the trend is changing in Turkey as the environmentally and socially friendly hydro capacity is limited. New concentration seems to be solar energy in addition to biomass and wind. Corporate marketing department began to survey for the investors in this area. As of end-2014, TSKB has financed two solar projects having the capacity of 1.5MW and having an investment cost of 1.6 m €. TSKB created new credit line as sustainable tourism in 2014 and will continue to support energy and resource efficiency projects of private tourism sector. TSKB plans to be one of the most effective players in the area of energy and resource efficiency with the thematic funds that it provides from supranational institutions. The Bank aims to include an increasing number of projects in different areas in its portfolio, such as raw material efficiency, waste management efficiency and efficiency in production processes 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, bio mass power plant, wind power plant, etc.) and for each project. This principle not only decreases the risk but also results in variety in the credit portfolio of the Bank. TSKB's environmental risk management policy constitutes the basis of decision-making processes of credit appraisal process and internal operations. The highest level of direct responsibility for climate change is the Board Members and CEO. Environmental and social risk performance of TSKB's clients is followed up by senior management level and Sustainability Sub-Committee Representative reports directly to CEO. Having the policy of being an environmental socially responsible bank, TSKB continuously conducts internal studies to improve its consumption and become a carbon-free bank. The construction of the strategy according to the climate change for more than 10 years is going to make TSKB prominent in the upcoming years with respect to other financial corporations in Turkey. TSKB is experienced about climate change issues and ready for possible regulations for internal environmental impact and client portfolio impacts. As mentioned in 2.1, internal communications are led by ISO Working Group and audited with ISO14001 and ISO14064 and external database is gathered by ERET in project evaluation. TSKB was awarded by BSI for its environmental sensitive, responsible and sustainable development approach in June 2013. BSI, the international auditing company carrying out ISO14001 audit of our Bank, has awarded "our contribution in improving our corporate responsibility to environment before the stakeholders and customers by meeting the requirements of environmental management system excellently". TSKB is the first company receiving award within the scope of the award project initiated by BSI with the motto "making excellence a habit". TSKB is not a signatory for the Equator Principles because Equator Principles applies to projects with a certain investment amount limit and project itself is collateral, whereas TSKB has its own environmental and social management approach and risk assessment tool for the projects which is applied regardless of the scope, size and loan amount of projects. ERET results are disclosed periodically both in the sustainability reports and TSKB's website. TSKB's environmental methodology is above and beyond the Turkish official environmental and social requirements. As TSKB uses the funds of supranational financial institutions (such as World Bank, European Investment Bank (EIB), Kreditanstalt für Wiederaufbau (KfW), the Council of Europe Development Bank (CEB), the International Finance Corporation (IFC), Agence Francaise de Developpement (AFD), the European Bank for Reconstruction and Development (EBRD) and the Islamic Development Bank (IDB)), 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 64 years' of experience, TSKB is very well-known by these international institutions. This awareness and trust helps TSKB to obtain the 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 the investors by its stakeholders. That is why TSKB has a strategic supremacy with respect to its competitors.

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## CC2.2b

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

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**CC2.2c**

**Does your company use an internal price of carbon?**

No, but we anticipate doing so in the next 2 years

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**CC2.2d**

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

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**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

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**CC2.3a**

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

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Climate finance	Support	TSKB is working closely with parties like Undersecretariat of Treasury of the Republic of Turkey, General Directorate of Renewable Energy, Ministry of Environment and Urbanization (Related legislation is Energy Efficiency Legislation)	Proposed to the Ministry for the establishment of a databank related with climate change and GHG emissions in Turkey. Panel discussion with Treasury, Ministries and foreign representatives about energy efficiency and low carbon economy.

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	In order to reduce the energy intensity of Turkey, TSKB collaborates with the Ministry of Energy and Natural Resources (MENR). (Related legislation is Electricity Market Law)	TSKB participated in the "Strategic Plan Workshop" meetings organized by the MENR in 2014 and plays active role for the determination of 2015-2019 Strategic Plan of the ministry.
Energy efficiency	Support	In order to reduce the energy intensity of Turkey, TSKB collaborates with the Ministry of Energy and Natural Resources (MENR). (Related legislation is Energy Efficiency Legislation)	TSKB presented its activities on financing energy efficiency and renewable energy projects to the Ministry in May 2014, in order to give information about what is and what can be done on this issue in Turkey.

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CC2.3b

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

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CC2.3c

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

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

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CC2.3d

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

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CC2.3e

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

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**CC2.3f**

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

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**CC2.3g**

**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 (please see the print screen in the attachment). This working group aims to establish a common approach to ensure protection of environment during the banks' lending and other services. TSKB also coordinated the releasing of the Sustainability Guide for the Banking Sector (please see the guide in the attachment), as the leader of Financial Sector in Sustainable Growth Working Group.

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). Participation in policy research; In addition to being in the advisory board, TSKB participates to workshops and seminars as participant or leader.

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

TSKB became a member of Turkish Business Council of Sustainable Development (TBCSD) in 2014 and has been appointed a member of board of directors (please see the print screen in the attachment). TSKB will be in the energy working group of TBCSD in 2015-2016. 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 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 report about its enhancements, but also trying to initiate awareness to 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.

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**CC2.3h**

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

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

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**CC2.3i**

**Please explain why you do not engage with policy makers**

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**CC2.4**

**Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?**

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**CC2.4a**

**Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)**

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**Further Information**

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**Attachments**

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_TBCSD.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_TBCSD.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_ISESI.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_ISESI.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.1b\\_P7.R1.2014 Greenhouse Gas Inventory\\_2014.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.1b_P7.R1.2014%20Greenhouse%20Gas%20Inventory_2014.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_Global Compact-TSKB\\_2.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_Global%20Compact-TSKB_2.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_IDFC membership.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_IDFC%20membership.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_Tusiad-TSKB\\_1.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_Tusiad-TSKB_1.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_TBA\\_1.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_TBA_1.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_TBA\\_2.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_TBA_2.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_LTIC.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_LTIC.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_Tusiad-TSKB\\_2.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_Tusiad-TSKB_2.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_Global Compact-TSKB\\_3.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_Global%20Compact-TSKB_3.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_TBCSD Board.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_TBCSD%20Board.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_Global Compact-TSKB\\_1.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_Global%20Compact-TSKB_1.PNG)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g\\_TBA-surdurulebilirlik-kilavuzu.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/2.3g_TBA-surdurulebilirlik-kilavuzu.pdf)

**Page: CC3. Targets and Initiatives**

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**CC3.1**

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

Absolute target

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**CC3.1a**

**Please provide details of your absolute target**

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 1+2+3	100%	10%	2012	950	2014	TSKB's carbon footprint at end-2010 was 67.88% lower than what it was in 2008. Such a high rate of reduction was achieved through the use of renewable energy. Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. This has 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 for 2013 emissions and achieved 185 ton less greenhouse gas emissions. Therefore, TSKB has decided to continue with 10% reduction target from 2012 for the 2014 reporting period.

### CC3.1b

Please provide details of your intensity target

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



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

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

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

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	100%	TSKB has verified its greenhouse gas emissions according to the ISO 14064-1 in 2015. The external audit has been successfully completed on – 17th- 18th -19th March. TSKB 2014 greenhouse gas inventory report has been certificated with 5% reasonable assurance for Scope-1 and 20% limited assurance for Scope-3. Compared to base year of 2012, 2014 GHG emissions has been reduced from 950 ton CO2e to 813 tons CO2e due to the preventive actions and changes in operating conditions as follows; 1-Maintaining refrigerants pipelines periodically, HFC's leakage was reduced by 51 kg. Fugitive emissions in Scope-1 decreased by 106 ton CO2e. 2-Since average air temperature during the heating period decreased by about 2oC compare to 2012, the emissions from natural gas consumption was abated by 29 ton CO2e. 3-Depending on the banking activities in the operating boundaries, the emissions from business travel and purchased goods and services was decreased by 3 ton CO2e. Therefore, TSKB has successfully reduced its GHG emissions by 14% compare to 2012 base year.

### CC3.1e

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

### CC3.2

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

No

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CC3.2a

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

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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

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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*	3	748
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
Energy efficiency: Building services	In Turkey, electricity is supplied by mixed grid energy production lines. In order to reduce emissions factor of the mixed grid, TSKB has financed renewable energy projects since 2005. Projects portfolio of TSKB begin to change into geothermal, wind and waste from hydroelectric plants. 107 different RE projects (79 hydro, 3 geothermal, 17 wind farms, 6 biomass, 2 solar) are being financed which accounts for 14% 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 582 tonnes of CO2e in the greenhouse gas emissions of 2014.	582	Scope 2	Voluntary	0	0	<1 year		Until the decision is changed by the top management, TSKB will continue to use the green electricity.

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
Behavioral change	Delivering reports in soft format & using both sides of paper while printing in 2010.	5	Scope 3	Voluntary	5000	0	<1 year	16-20 years	
Transportation: use	Sharing of banks cars among managers in 2010.	10	Scope 1	Voluntary	10000	0	<1 year	3-5 years	
Energy efficiency: Building services	Integrating sensors to the light in 2010.	44	Scope 2	Voluntary	8000	5000	<1 year	6-10 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	1-3 years	3-5 years	
Behavioral change	Credit reports in digital format has been started to be delivered among managers with their track change format in 2012.	1	Scope 3	Voluntary	0	0	<1 year	16-20 years	

### CC3.3c

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

Method	Comment
Financial optimization calculations	Semiannually, the activity data of the identified emission sources is collected through work-flows. All related data has to be approved by the manager of data-owner. The GHG emissions from each source are determined by using Carbonmeter which is developed by Escarus (initiative of TSKB) and contains appropriate calculation methodologies. The distribution of emission sources has been analyzed. The emissions have been ranked from bigger emission sources to the smaller ones and an investigation is conducted to find appropriate ways to reduce the emissions. If a suitable solution is found, the monetary cost of the implementation is calculated. TSKB reports these potential improvements in GHG emissions together with all environmental activities performed by SMS team, annually. Since 2011, TSKB has started to publish its GHG Inventory report including that the results of carbonmeter are compared with GHG emissions of previous years and the targets of reporting year, deviations are identified and if needed appropriate countermeasures are proposed, annually. This document is submitted to SMS Representative and published each year. At the end of each year, Sustainability Management System (SMS) Representative presents the results of TSKB GHG inventory report, environmental activities of SMS team and shows the all potential GHG reduction strategies to top management. After the approval of reduction strategies for the next year, SMS team plans and organizes their projects with specific targets and time schedule. Finally, after the implementation, the measurements proceed and a comparison with the old values is done to make sure of the emission reduction. All these steps about data management and calculation methodology for the GHG inventory have been defined by a procedure which is integrated with the Sustainability Management System. On 14th September of 2012, this procedure was published as "P-7: Greenhouse Gas Emissions" together with the first "Greenhouse Gas Emissions Inventory" report which was verified by a third party. The fourth inventory report for 2014 had been published and verified again on 19 th March of 2015. The procedure and greenhouse gas inventory reports are attached in the "Further" section below.

### CC3.3d

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

### Further Information

TSKB has been calculating its carbon footprint since 2006. Since 2008, TSKB has offset its carbon footprint by purchasing 3670 tons of Gold Standard Carbon Credit. By implementing energy efficiency projects, TSKB's reduced its 2010 year carbon emission by 40% compared to 2009. In year 2012, TSKB has decided to verify greenhouse gas assertion for the organizational level by a third party. TSKB has completed the audit on September 7th, 2012. The base year is selected as 2011 and total CO2 emission has been calculated as 1117 MT CO2e. TSKB continued its verification of GHG inventory in 2013, 2014 and 2015. The external audits have been successfully completed. Compared to the base year of 2011, TSKB emissions have been reduced to 950 MT CO2e, 765 MT CO2e and 813 MT CO2e in 2012, 2013 and 2014 respectively. Considering individually, the greenhouse gas emissions per capita was decreased from 2.874 kg to 2.561 kg (Number of employees is 331 and 318 in base year (2012) and 2014, respectively). All TSKB inventory reports between the years 2011 and 2014 received 5% reasonable assurance for Scope-1 and 20% limited assurance for Scope-3. 2011, 2012, 2013 and 2014 greenhouse gas emissions of TSKB were offset by Gold Standard VER Carbon Credits.

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**Attachments**

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC3.TargetsandInitiatives/3.3c\\_P7\\_Greenhouse Gas Emissions.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC3.TargetsandInitiatives/3.3c_P7_Greenhouse%20Gas%20Emissions.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC3.TargetsandInitiatives/3.3c\\_P7.R1.2014 Greenhouse Gas Inventory\\_2014.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC3.TargetsandInitiatives/3.3c_P7.R1.2014%20Greenhouse%20Gas%20Inventory_2014.pdf)

**Page: CC4. Communication**

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**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
In voluntary communications	Complete	Pages 5-6, 13-18	<a href="https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/CC4.1/4.1_P7.R1.2014%20Greenhouse%20Gas%20Inventory_2014.pdf">https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC4.1/4.1_P7.R1.2014 Greenhouse Gas Inventory_2014.pdf</a>
In mainstream financial reports but have not used the CDSB Framework	Complete	Pages 6-9, 32-36	<a href="https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/CC4.1/4.1_TSKB%20Annual%20Report%202014.pdf">https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC4.1/4.1_TSKB Annual Report 2014.pdf</a>

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**Further Information****Module: Risks and Opportunities****Page: CC5. Climate Change Risks**

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**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
Other regulatory drivers	After the publication of the regulation concerning measurement, verification and reporting of GHG Emissions for some of the energy intense sectors in Turkey in 2011, in 2014 GHG Monitoring Legislation has been published which mandates energy-intense industries to prepare measurement	Increased operational cost	>6 years	Indirect (Client)	More likely than not	Medium	If the companies are not well prepared for the new legislation, taking into account all the cost increase anticipations, 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	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 sector and specifically for the projects that are at the appraisal stage at TSKB. Every project is analysed in terms of its	The cost of loan monitoring actions consists of labor costs and traveling costs. The estimated annual cost of the additional monitoring activities would be around 10,000\$. The ERET activities cause additional workload during the lending operations of the investment projects. The costs consist of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>reports to be submitted to the Ministry of Environment and Urbanization, starting from 2016. Also before COP21 at the end of this year, Turkey is expected to declare its emission reduction strategy, which is expected to bring additional measures to GHG emissions in the industry. A huge portion of TSKB's loan &amp; client portfolio is composed of energy-intense industries (58%) such as non-renewable electricity production, metal and machinery, chemistry and plastics and construction. Due to the potential increase in the operational and/ or investment costs</p>						<p>implications at the moment.</p>	<p>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. Loan monitoring is performed after the credit is approved.</p>	<p>mainly labor cost which occurs during inspections. Very rough annual cost estimation would be 20,000\$.</p>



Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	for managing & reporting the GHG emissions, the clients of TSKB may be faced with difficulties in loan repayments in the future, increasing TSKB's credit risk.								
Uncertainty surrounding new regulation	As a part of reducing GHG emissions vision for 2 degrees target, countries are expected to update/submit their commitments and publish required regulations. Before COP21 at the end of this year, Turkey is also expected to declare its emission reduction strategy. The uncertainties regarding the details are high at the moment. These commitments are expected to bring necessities to transform from a high-carbon	Increased operational cost	3 to 6 years	Indirect (Client)	Likely	Medium-high	If the companies are not well prepared for soon-to-come requirements of transition to low-carbon economy, the clients of TSKB and hence TSKB may incur financial losses. Considering the uncertainties regarding the issue, it is not possible to quantify the financial implications at the moment.	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-intensive sector and specifically for the projects that are at the appraisal stage at TSKB. Every project is analysed in terms of its environmental and social impacts in detail (via Environmental Risk Evaluation Tool – ERET), taking into	The cost of loan monitoring actions consists of labor costs and traveling costs. The estimated annual cost of the additional monitoring activities would be around 10,000\$. The ERET activities cause additional workload during the lending operations of the investment projects. The costs consist of mainly labor cost which occurs during inspections. Very rough annual cost estimation would

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>economy to low-carbon economy for Turkey. Additional investments will be required to fulfil these requirements from especially energy-intensive industries and this will bring additional financial burden. A huge portion (58%) of TSKB's loan &amp; client portfolio is composed of energy-intensive industries such as electricity production, electricity/gas distribution, metal and machinery, chemistry and plastics and construction. If clients of TSKB cannot manage the additional financial burden, TSKB may be faced with difficulties in loan repayments in the future, increasing</p>							<p>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. Loan monitoring is performed after the credit is approved. In order to support TSKB's clients in their compliance efforts to climate change issues and reduce the risk level of TSKB's loan portfolio, TSKB focuses on renewable energy, energy efficiency and resource efficiency projects (more than 50% of</p>	<p>be 20,000\$.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	TSKB's credit risk.							the loan portfolio is comprised of sustainable investment projects).	

**CC5.1b**

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) precipitation	Biggest portion of renewable energy portfolio of TSKB is comprised of Hydro Electrical Power Plants. Change in precipitation extremes and droughts would directly effect these projects / clients. They may be faced with face difficulties in	Increased operational cost	Up to 1 year	Indirect (Client)	More likely than not	Low	Unexpected weather conditions may cause underachieving financial projections in our HEPP and WEPP portfolio. Although it is difficult to calculate the costs that will be incurred by the clients in case of changes in precipitation extremes and droughts, losses can be expected to	Loan Monitoring is one of the methods used to manage this risk. Loan Monitoring Department identifies measures and manages the Bank's lending activities within the scope of risks, to specify early warning signals and to create monitoring processes for this	The ERET activities cause additional workload during the lending operations of the investment projects. The costs consist of mainly labor cost which occurs during inspections. Very rough annual cost estimation would be 20,000\$.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	loan repayments in the future, increasing TSKB's credit risk.						be incurred by our clients operating in these sectors, increasing TSKB's credit risk. Total funds committed to renewable energy projects by TSKB amounts to 2.7 billion \$. The nonperforming loan of TSKB can be determined as 0.06 billion \$.	purpose. Financed projects are also monitored if they are exposed to unexpected weather conditions like drought, flood, low wind, extreme wind and extreme snow. In this monitoring related departments investigate how our client is affected from this unexpected weather condition. At the end of 2013 and throughout 2014 production values of HEPPs decreased due to drought. Loan monitoring department prepared a detailed report on HEPP production values during this drought time interval and made future estimation analysis based on these values, which consisted a baseline for financing HEPP	Preparation of the annual drought report cost is estimated to be approximately 10,000\$.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>projects process. This report has been prepared twice in 2014 and it will be prepared annually to monitor our portfolio and decrease our credit risks. TSKB also controls regularly electricity production amounts of its energy production portfolio. Another method is to perform Environmental Risk Evaluation. Every project is analysed in terms of its environmental and social impacts in detail (via ERET), taking into consideration both the current and future aspects and financial and legal liabilities, independent of investment amounts. According to the results, TSKB formulates a plan</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								with customer to monitor the environmental impact and mitigate.	
Change in temperature extremes	As a result of the climate change, the changing temperature extremes and weather normals (increased number of hurricanes, extreme rain and snow storms) in Turkey especially in the recent years have started to effect our staff's ability to get to work. Due to heavy snow or heavy rain causing floods in Istanbul, Ankara or Izmir, the transport networks may be interrupted. Our staff in remote parts of the city, who are not able to use subways cannot get to the	Inability to do business	Up to 1 year	Direct	More likely than not	Low	The financial implications are lost work time. Even though in 2014 we have not experienced such a case, in the previous 2 years the cost of lost work time was around 40,000\$ due to heavy rain/snow in Istanbul. Also our staff's site visits in the country are cancelled or delayed due to bad weather conditions.	TSKB tracks closely the weather conditions and warnings, in this sense. In case of any expectation of an extreme weather event, we make sure our personnel to arrive their homes safely, by organizing service boat & buses to leave at a proper time. Our managers and directors are given ipads, enabling them to conduct business anytime, anywhere. Also, a virtual private network (VPN) system has been installed, making it possible for our personnel to be connected even if they are not in the office. In order to reduce the number	Our managers are given ipads at a total cost of about 18,500\$ in case they are out of the office. The Virtual Private Network (VPN) costs 25,000\$ and 5,000\$ is additionally paid annually. High-tech electronic conferencing system costs approximately 15,000\$.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Bank, causing disruption in the business continuity. Also our staff's site visits are cancelled or delayed due to bad weather conditions.							of inter-city travels, high-tech electronic conferencing system has been integrated into a meeting room in our headquarters in Istanbul, which allows meetings to be performed on-line. In the past, every month personnel in our Ankara and Izmir branches were flown to Istanbul to attend the credit appraisal meetings. Thanks to the electronic conferencing system, those monthly business trips are avoided, which leads at the same to the reduction of GHG emissions sourcing from those trips.	

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	For the banks ethics and reputation is very critical as the negative perception of a bank in the market may cause dramatic results for both the investors and itself. In the future, together with the raising awareness and sensitivity regarding the climate change issues in the public, like all companies, Banks will have to address climate change issues in their strategies and daily business. Failure to address these issues will affect the Bank's existing and future client relationships with stakeholders	Reduced demand for goods/services	3 to 6 years	Direct	About as likely as not	Medium-high	If there is an environmental and social problem in the financed projects of TSKB, financial input will be restricted to the loan amount. But if this problem affects the reputation of the bank in the eye of investors, supranational financial institutions, NGO's government and etc., it would affect the business relations of TSKB. It is clear that any damage in TSKB's reputation will affect its future profit. Due to the uncertainties involved and lack of data, it is not possible to quantify the	Every safeguard issue (climate change, environmental & social issues, our supply chain, land acquisition, dam safety, etc.) which can adversely affect our reputation is considered in our daily business. TSKB has an Exclusion List (please see the attachment) which is approved by the Board of Directors. This list includes carbon intensive sectors in addition to prohibited material using industries. None of the sectors that are in the list are financed by TSKB. In addition to that, all of the projects are analyzed comprehensively by engineering department of TSKB. According to	The major cost driver is employee cost for these activities. The other important cost item include, collation of sustainability and climate change related data, public disclosure of this information and third party verification and assurance of the performance indicators. Costs also include external stakeholder and employee engagement domestic and global memberships and signatories, e.g. TUSIAD, UNEPFI, Global Compact and others. These costs equate to approximately 100,000\$



Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	(Supranational Financial Institution, customers, NGO's, etc.) and shareholders.						financial implications of this risk.	the environmental and social analyses, and its evaluation score, the decision of whether or not to finance is given. After financing the project, engineers are conducting regular site visits in order to see if there are any risky social and environmental issues related to the projects. If there is any, TSKB has the right of dropping the credit and withdraw the previous disbursed amount. Also, in order to inform our stakeholders about our activities, we publish annual financial report, sustainability report, and communication on progress report. We believe that reputation starts from our employees, hence we train our personnel on these	annually.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	<p>Due to the global 2 degrees target, the energy-intensive 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.</p>	Reduced demand for goods/services	1 to 3 years	Direct	About as likely as not	Medium	<p>As the customer demand moves more towards renewable energy, energy efficiency, resource efficiency and sustainable tourism every day, we need to focus more on these projects and built up the relevant tools and technical expertise. Failure to do so, will imply in lost revenue and marketshare and funds for us, which we are not able to quantify at the moment due to the uncertainties involved.</p>	<p>activities. Currently, more than half of our loan portfolio is comprised of sustainable investments (renewable energy, energy efficiency, resource efficiency). TSKB has provided financing of 2.7 billion \$ so far for these investments, mitigating annual CO2 emission amount of 7.2 million tonnes in Turkey. We are focusing on increasing this value by developing innovative and sustainable themes. We improve our technical expertise to be able to serve in these new areas. Our economic research department publishes sectorial reports to follow-up</p>	<p>In order to build up the technical expertise of our engineering team, in 2014, the training, seminars, panels costs can be summed as 20,000 \$. Although preparation of the sectorial reports is in the job definition of our economic research department, the cost of preparation of sectorial reports can be estimated around 90,000\$, considering a team of 7 people.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the developments and align our focus accordingly.	

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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

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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

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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

## Attachments

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC5.ClimateChangeRisks/5.1c\\_TSKB-List-of-activities-that-are-not-to-be-financed.pdf](https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC5.ClimateChangeRisks/5.1c_TSKB-List-of-activities-that-are-not-to-be-financed.pdf)

## 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
Renewable energy regulation	In Turkey, hydroelectric power plants dominated the clean energy market in the last 10 years. But most of the	Investment opportunities	1 to 3 years	Direct	Very likely	Medium	Financial output of this opportunity is directly related to the amount of the loan which will be distributed to	TSKB has the renewable energy portfolio of the 14% of total renewable energy of Turkey. As having an experienced	TSKB has a marketing, project evaluation, economic research and loans and loan monitoring

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>capacity is being utilized at the moment, which means that renewable energy investments will shift to other sources. Beginning from 2013, regulations are being updated for solar and geothermal power plants. This is a new era for Turkey and Turkey has a great potential for solar and wind power. Recent regulatory updates enabled building unlicensed renewable projects up to 1MW; hence in 2014 solar and wind power plants have experienced a boost, which will continue to increase in the</p>						<p>the solar, wind and geothermal projects. Hence it is hard to calculate the amount. For wind power plants it is difficult to estimate how much more investment will be done in the next years. But for Solar power plants, if Turkish government is assumed to take bids for about 1000 MW annually, TSKB can expect to finance around 5% of these bids, amounting to around 50 million \$.</p>	<p>engineering department, TSKB analyses the renewable 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, 2.7 billion \$ financing has been provided to such projects, offsetting of CO2 emissions equivalent to the carbon footprint of 212,000 people. In addition to the engineering team, TSKB has dedicated marketing and loan development</p>	<p>departments, working 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 75 people in these departments can be given as 295,000\$.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	next years. Thinking that Turkey produces its electric mostly from coal and natural gas, increasing solar, wind and geothermal plants will decrease, or at least stabilize the carbon emission of the country. This situation is also expected to increase the share of sustainable investments in TSKB's loan portfolio.							teams for solar, wind and geothermal projects. Loan development teams develop special theme loans with supranational finance institutions. These pre-knowledge will be the key issue for selecting the right projects in terms of financial and technical aspects.	
Other regulatory drivers	Borsa İstanbul has signed a cooperation agreement with Ethical Investment Research Services Limited (EIRIS) to create BIST Sustainability Index (SI) which	Increased stock price (market valuation)	>6 years	Direct	Very likely	High	First, the sustainability index is expected to add value to the visibility of the Bank, therefore helping to access an increased number of	TSKB is quoted on the stock exchange. According to this, it is financially audited every quarter both internally and externally. For this responsibility,	With the infrastructure in place, TSKB is capable of dealing with the additional work load that will arise after the launch of the index. The Bank's sustainability

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>is based on the performances of the companies on environmental, social and governance issues. In accordance with this agreement, EIRIS will assess the Borsa İstanbul listed companies based on the international sustainability criteria. BIST SI is expected to be a platform for institutional investors to demonstrate their commitment to companies managing environmental, social and governance (ESG) issues with high performance. One expected outcome of the Index is the</p>						<p>clients, financial institutions, global investors and new capital. Second, the index may enable the Bank to benchmark itself against peers and further its knowledge from the best performers. Although sustainability has been embedded in the culture of TSKB, the index guidelines are likely to have a positive effect on the sustainability performance of the Bank.</p>	<p>Investor Relations department and Financial Control departments are working in TSKB. In terms of sustainability, TSKB has already published 3 sustainability reports, last of them being classified as GRI A+. Sustainability Committee, Sustainability Sub-Committee and Sustainability Working Groups have several and different responsibilities for sustainability issues such as climate change, carbon disclosure, human rights, legal affairs and etc. Especially Sustainability Index Working Group works on this issue, being</p>	<p>index performance will be followed by investor relations department, sustainability committee, sustainability sub-committee and the working groups. Therefore, being listed on the Sustainability Index is not expected to generate a material additional cost burden for the Bank. But to give an idea, it costs around 7,500\$ annually to allocate the working time of these personnel to this specific issue.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>competitive advantage it will provide to Turkish companies which manage their corporate risks and opportunities effectively. The Index will display companies' approach to important sustainability issues including global warming, carbon disclosure, draining of natural resources, health, security and employment, while allowing the independent assessment and in a sense, registration of their operations and decisions regarding these issues. The Index offers companies the</p>							<p>responsible from the communication, coordination, identifying the gaps and action plans in this sense. The employees of the Bank are also informed and trained on Sustainability Index.</p>	



Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>opportunity to compare their sustainability performance on a local and global level. With the Index, Borsa İstanbul provides companies an instrument for evaluating their performance and consequently adopting new targets or furthering their performance while allowing them to develop their risk management abilities for corporate transparency, accountability and sustainability. This, in turn, allows companies gain competitive edge. Inclusion in the Index will add to the visibility and</p>								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>prestige of companies. The Index will help companies to access global clients, capital and lower-cost finance more easily. The project aims to create an instrument which will allow investors to select and invest in companies that adopt principles of sustainability and corporate governance. On the side of asset managers, the Index will provide an indicator that will be the underlying asset for various financial products including sustainability funds, exchange traded funds and structured products.</p>								

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Today, responsible investment is preferred mainly by institutional investors. BIST SI will encourage the establishment of such funds, while facilitating it for Index-constituent companies to get a larger share from such funds. At the same time, the Index offers a new financial asset category for all investors.								

**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
Other	As a part of	Increased	1 to 3	Direct	Likely	Medium-	TSKB has	To take into account	The 10 people-

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
physical climate opportunities	reducing GHG emissions vision for 2 degrees target, renewable energy, energy efficiency and resource efficiency are becoming significantly important. They are potential mitigation areas, which TSKB will focus on financing more, in transition to a low-carbon economy in Turkey.	demand for existing products/services	years			high	supported renewable energy, energy efficiency and resource efficiency projects by providing financing amounting to 2.7 billion \$ in Turkey. We expect this amount to grow each year but taking into consideration the uncertainties involved, we are not able to estimate any financial implication at the moment.	the impacts of climate-change and climate-change related costs & regulations, TSKB has an in-house technical specialist team, focusing on potential risks of climate change to energy-intense sectors and specifically for projects that are at appraisal stage at TSKB. This team assesses renewable energy, energy efficiency and resource efficiency projects and performs environmental risk evaluation. The financed sustainable investments so far by TSKB has mitigated CO2 emissions equivalent to the carbon footprint of 212,000 people in Turkey. We also believe that in order to support transition to a low-carbon economy, we must first transform ourselves to be low-carbon. As a	expert team in engineering is a part of our daily business, so constitutes no additional cost. But to mention a quantification, the cost of maintaining this team working on these issues can be given as 48,000\$ annually. The cost of new year's present 17,500\$. In 2014, the cost of carbon-neutral events amounted to 1000\$. The annual operating cost of the portal is 46,000\$. The Sustainability Committee, Sustainability Sub-Committee and working groups' members are comprised of our personnel from different departments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>part of integration of sustainability issues into our way of business-doing, we established a Sustainability Committee, Sustainability Sub-Committee and several working groups addressing different topics. Our sustainability performance is reported in annual reports, including CDP. We offset our carbon footprint voluntarily each year since 2008. This year, as a new year present we have offset carbon footprints of our 828 VIP customers. When organizing an event, we try to perform carbon-neutral events. Also TSKB sponsors a web portal on sustainability; <a href="http://www.cevreciyiz.com">www.cevreciyiz.com</a>. Main focus of this portal and its social media channels is to increase awareness on subjects like climate change, clean</p>	<p>with additional responsibilities. The annual cost of having this committee in place can be given as 30,000\$ annually. The costs of last 4 years' voluntary carbon-offsetting can be stated as follows:2011 Carbon off-setting cost: 5500\$, 2012 Carbon off-setting cost: 6000\$, 2013 Carbon off-setting cost: 4250\$, 2014 Carbon off-setting cost: 3500\$.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								energy, efficiency, innovation and all related environmental issues.	

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	TSKB is one of the first banks in Turkey that has started to follow up and act on climate change issues, developed an environmental risk evaluation tool and done carbon-offsetting. We believe such achievements and milestones and focusing on sustainable finance	Increased demand for existing products/services	Up to 1 year	Direct	Likely	Medium-high	TSKB believes that pioneering sustainability and climate change topics in the finance sector in Turkey, will increase its eligibility for more socially and environmentally responsible funding from our and other potential investors and also we can	TSKB supports Turkey's transition to low-carbon economy since 10 years and it will increasingly continue to do so. We also believe that in order to support transition to a low-carbon economy, we must first transform ourselves to be low-carbon. As a part of integration of sustainability issues into our way of business-doing, we established a Sustainability	The cost of new year's present 17,500\$. In 2014, the cost of carbon-neutral events amounted to 1000\$. The annual operating cost of the portal is 46,000\$. The Sustainability Committee, Sustainability Sub-Committee and working

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	strengthens our reputation. This way, we will be eligible for more socially and environmentally responsible funding from our and other potential investors and also we can expand our business in a more environmental friendly path.						expand our business in a more environmental friendly path. Taking into consideration the uncertainties involved, we are not able to estimate any financial implication at the moment. The amount of funds TSKB obtained regarding sustainable investment in 2013 was 275 million \$ and in 2014 was 550 million \$. We expect these amounts to increase in the next years.	Committee, Sustainability Sub-Committee and several working groups addressing different topics. Our sustainability performance is reported in annual reports, including CDP. We offset our carbon footprint voluntarily each year since 2008. This year, as a new year present we have offset carbon footprints of our 828 VIP customers. When organizing an event, we try to perform carbon-neutral events. Also TSKB sponsors a web portal on sustainability; <a href="http://www.cevreciyiz.com">www.cevreciyiz.com</a> . Main focus of this portal and its social media channels is to increase awareness on subjects like climate change, clean energy, efficiency, innovation and all related environmental	groups' members are comprised of our personnel from different departments with additional responsibilities. The annual cost of having this committee in place can be given as 30,000\$ annually. The costs of last 4 years' voluntary carbon-offsetting can be stated as follows:2011 Carbon off-setting cost: 5500\$, 2012 Carbon off-setting cost: 6000\$, 2013 Carbon off-setting cost: 4250\$, 2014 Carbon off-setting cost: 3500\$.

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

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CC6.1d

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

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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

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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



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**Further Information**

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

**Page: CC7. Emissions Methodology**

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**CC7.1**

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

<b>Scope</b>	<b>Base year</b>	<b>Base year emissions (metric tonnes CO2e)</b>
Scope 1	Sun 01 Jan 2012 - Mon 31 Dec 2012	600
Scope 2	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**

<b>Please select the published methodologies that you use</b>
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)

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

US EPA Climate Leaders: Direct HFC and PFC Emissions from Manufacturing 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	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 factors		Other: Please see the attached table for emission factors	Please see the attached table in the Further section below. All references are given in the Parts 7.2 and 7.3.

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#### Further Information

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

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#### Attachments

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/7.4\\_TSKB Emission Factors.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/7.4_TSKB%20Emission%20Factors.PNG)

#### Page: CC8. Emissions Data - (1 Jan 2014 - 31 Dec 2014)

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#### 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

440

**CC8.3**

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

0

**CC8.4**

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

Yes

**CC8.4a**

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

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Water stations using HFC-134a	Emissions are relevant and calculated, but not disclosed	Emissions are not relevant	Since emissions from fugitive gas of HFC- 134A used in water stations are less than 1 % of the total GHG emissions of TSKB, it has been decided that the HFC-134A contribution to total GHG emissions has been considered as an additional uncertainty of Scope-1.

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
TSKB Sariyer Forest	No emissions from this source	Emissions are not relevant	TSKB has a forest in Sariyer. It has not been included in our disclosure. It is believed that the future addition of this sink does not significantly change the TSKB's footprint.

**CC8.5**

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

Scope	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 3.29% which is caused by; - Natural gas (6.0%) - Company cars (6.4 %) - 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 of Scope-1
Scope 2	Less than or equal to 2%	No Sources of Uncertainty	Since July of 2009, TSKB has been using green electricity from renewable energy production plants of Bereket Energy. Therefore, uncertainties due to Scope 2 emissions are considered to be 0.

**CC8.6**

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

Third party verification or assurance complete

---

**CC8.6a**

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

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	<a href="https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC8.6a/8.6a_TSKB ISO 14064 Certificate_Scope1.pdf">https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC8.6a/8.6a_TSKB ISO 14064 Certificate_Scope1.pdf</a>	1/1	ISO14064-3	100

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**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
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**CC8.7**

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

Third party verification or assurance complete

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**CC8.7a**

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Reasonable assurance	<a href="https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/CC8.7a/8.7a_TSKB%20ISO%2014064%20Certificate_Scope2.pdf">https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC8.7a/8.7a_TSKB ISO 14064 Certificate_Scope2.pdf</a>	1/1	ISO14064-3	100

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**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
Other: No additional data verified	No additional data verified

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**CC8.9**

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

Yes

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**CC8.9a**

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

557.15

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**Further Information**

**Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)**

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**CC9.1**

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

No

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**CC9.1a**

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

Country/Region	Scope 1 metric tonnes CO2e

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**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)

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**CC9.2b**

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

---

**CC9.2c**

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	190
CH4	0.5
N2O	1.1
HFCs	248.4

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**CC9.2d**

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Natural gas boiler	121.61
Transportation	69.44
Cooling units (HFCs)	248.39
Generators	0

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**CC9.2e**

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

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

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**CC10.1**

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

No

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**CC10.1a**

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

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

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

By activity

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**CC10.2a**

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

Business division	Scope 2 emissions (metric tonnes CO2e)
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**CC10.2b**

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

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

**CC10.2d**

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

Legal structure	Scope 2 emissions (metric tonnes CO2e)
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**Further Information**

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

**Page: CC11. Energy**

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**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%

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**CC11.2**

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

Energy type	MWh
Fuel	1006
Electricity	1074
Heat	598
Steam	0
Cooling	0

---

**CC11.3**

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

Fuels	MWh
Jet kerosene	318
Diesel/Gas oil	659
Liquefied petroleum gas (LPG)	30

#### CC11.4

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

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Power Purchase Agreements (PPA) not backed by instruments	1074	In Turkey, electricity is supplied by mixed grid energy production lines. In order to reduce emissions factor of the mixed grid, TSKB has financed renewable energy projects since 2005. Projects portfolio of TSKB has begun to change into geothermal, wind and waste from hydroelectric plants. 107 different RE projects (79 hydro, 3 geothermal, 17 wind farms, 6 biomass, 2 solar) are being financed which accounts for 14% 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 582 tonnes of CO2e reduction in the greenhouse gas emissions of 2014.

#### Further Information

**Page: CC12. Emissions Performance**

#### CC12.1

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

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	Comment
Emissions reduction activities	12.2	Increase	In the reporting period, due to the periodical maintenance activities, there wasn't any refrigerant gas loss from pipelines. However, we have unrepairable leakage from one of our air conditioner in the system control room. This equipment has been renewed to prevent the leakage which caused to increase Scope-1 & Scope-2 emissions by 50 tons CO <sub>2</sub> e. However, compare to base year (2012), GHG emissions from refrigerants have been still decreased by 106.2 tons CO <sub>2</sub> e.
Divestment	0	No change	Not relevant
Acquisitions	0	No change	Not relevant
Mergers	0	No change	Not relevant
Change in output	0	No change	Not relevant
Change in methodology	0	No change	Not relevant
Change in boundary	0	No change	Not relevant
Change in physical operating conditions	5.8	Decrease	Since average air temperature during the heating period decreased by 1oC compare to 2013, the emissions from natural gas consumption was abated by 7 ton CO <sub>2</sub> e. Additionally, depending on the banking activities in the operating boundaries, the emissions from business travels were decreased by 17.2 ton CO <sub>2</sub> e. Compare to base year (2012), GHG emissions due to natural gas consumption and business travels reduced by 29 tons and 26 tons, respectively.
Unidentified	0	No change	Not relevant
Other	0	No change	Not relevant

**CC12.2**

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
2.75	metric tonnes CO2e	unit total revenue	2.3	Increase	Compared to 2013, TSKB GHG emissions in Scope1&2 were increased from 413 tonnes to 440 tonnes CO2e while TSKB total revenue was increased by 4.2%. In 2014, GHG emissions from Scope 1&2 have been increased mainly due to the refrigerant gas leakage from an air conditioner in the system control room. However, compare to base year (2012), GHG emissions of Scope1&2 have been decreased by 27% due to the following actions; 1-Maintaining refrigerants pipelines periodically, HFC's leakage was reduced by 51 kg. Fugitive emissions in Scope-1 decreased by 106 ton CO2e. 2-Since average air temperature during the heating period decreased by about 2oC compare to 2012, the emissions from natural gas consumption was abated by 29 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travels were decreased by 26 ton CO2e.

CC12.3

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
1.39	metric	FTE	10	Increase	Compared to 2013, TSKB GHG emissions in Scope1&2 were increased from 413 tonnes



Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	tonnes CO2e	employee			to 440 tonnes while the TSKB full time equivalent employee was decreased by 3%. In 2014, GHG emissions from Scope 1&2 have been increased mainly due to the refrigerant gas leakage from an air conditioner in the system control room. However, compare to base year (2012), GHG emissions of Scope1&2 have been decreased by 27% due to the following actions; 1-Maintaining refrigerants pipelines periodically, HFC's leakage was reduced by 51 kg. Fugitive emissions in Scope-1 decreased by 106 ton CO2e. 2-Since average air temperature during the heating period decreased by about 2oC compare to 2012, the emissions from natural gas consumption was abated by 29 ton CO2e. 3- Depending on the banking activities in the operating boundaries, the emissions from business travels were decreased by 26 ton CO2e.

#### CC12.4

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.03	metric tonnes CO2e	square meter	9	Increase	Compared to 2013, TSKB GHG emissions in Scope1&2 were increased from 413 tonnes to 440 tonnes while the TSKB building area was decreased by 3%. In 2014, GHG emissions from Scope 1&2 have been increased mainly due to the refrigerant gas leakage from an air conditioner in the system control room. However, compare to base year (2012), GHG emissions of Scope1&2 have been decreased by 27% due to the following actions; 1-Maintaining refrigerants pipelines periodically, HFC's leakage was reduced by 51 kg. Fugitive emissions in Scope-1 decreased by 106 ton CO2e. 2-Since average air

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					temperature during the heating period decreased by about 2oC compare to 2012, the emissions from natural gas consumption was abated by 29 ton CO2e. 3-Depending on the banking activities in the operating boundaries, the emissions from business travels were decreased by 26 ton CO2e.

#### Further Information

In 2012 and 2014, TSKB greenhouse gas emissions were determined as 950 ton CO2e and 813 ton CO2e, respectively. 2014 emission estimations had been also undergone external auditing by an independent third party (BSI-Turkey) on March 2014. 2014GHG emissions inventory report had received 5% reasonable assurance for Scope-1&2 and 20% limited assurance for Scope-3. Compared to base year (2012), 2014 GHG emissions including Scope-3 emissions has been reduced by 14% due to the preventive actions and changes in operating conditions.

#### Page: CC13. Emissions Trading

##### CC13.1

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

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

##### CC13.1a

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

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes 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?

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**CC13.2**

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

Yes

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**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 2012)	Gold Standard	813	813	No	Voluntary Offsetting

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**Further Information****Attachments**

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC13.EmissionsTrading/13.2a\\_Gold Standart VER Certificate-2.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC13.EmissionsTrading/13.2a_Gold%20Standart%20VER%20Certificate-2.PNG)

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC13.EmissionsTrading/13.2a\\_Gold Standart VER Certificate-1.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC13.EmissionsTrading/13.2a_Gold%20Standart%20VER%20Certificate-1.PNG)

**Page: CC14. Scope 3 Emissions**

**CC14.1**

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	107	IPCC 2006, Defra, GHG Protocol, EPA (Please see the "2014 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 "2014 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Fuel-and-energy-related activities (not included in	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2014	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
Scope 1 or 2)			TSKB Greenhouse Gas Inventory" report for all details about the methodology).		
Upstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2014 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 "2014 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	266	IPCC 2006, Defra, GHG Protocol (Please see the "2013 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 "2014 TSKB Greenhouse Gas Inventory" report for all details about the methodology).	100.00%	This source is not one of the TSKB emission sources in Scope-3. Therefore, it equals to zero.
Upstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2014 TSKB Greenhouse Gas Inventory" report for all details	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
			about the methodology).		
Downstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2014 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 "2014 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 "2014 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 "2014 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 source (Please see the "2014 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
Franchises	Not relevant, calculated	0	There is no specific methodology used for this source (Please see the "2014 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 "2014 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 "2014 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 "2014 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.

#### CC14.2

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

Third party verification or assurance complete

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**CC14.2a**

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	<a href="https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC14.2a/14.2a_TSKB ISO14064 Certificate_Scope3.pdf">https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/CC14.2a/14.2a_TSKB ISO14064 Certificate_Scope3.pdf</a>	1/1	ISO14064-3	100

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**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

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**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	7.3	Increase	Based on the banking activities of 2014, TSKB employees made more business travel by plane compare to 2013.
Business travel	Change in physical operating conditions	0.08	Increase	Based on the banking activities of 2014, TSKB employees made more business travel by bus compare to 2013.
Business travel	Change in physical operating conditions	0.6	Decrease	Based on the banking activities of 2013, TSKB employees made less business travel by taxi compare to 2012.
Purchased goods & services	Change in physical operating conditions	0.2	Decrease	Personnel service busses have been used by both TSKB and its sister companies. Therefore, GHG emissions have been determined based on the equity share method. In 2014, TSKB users of service busses has been decreased from 146 to 131 while total annual kilometers achieved have been also decreased by 1.1% compared to last year which leads to decrease in GHG emissions from service busses by 0.2%.
Purchased goods & services	Change in physical operating conditions	0.2	Decrease	Personnel ferry travelling from Kabataş to Üsküdar has been used by both TSKB and its sister companies. Therefore, GHG emissions have been determined based on the equity share method. In 2014, TSKB users of ferry decreased by 15% compare to base year which leads to decrease in GHG emissions from ferry by 0.2%.
Purchased goods & services	Change in physical operating conditions	0.1	Decrease	Based on the banking activities of 2014, TSKB consumed 6.1% less paper compared to base year.

#### CC14.4

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

No, we do not engage

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**CC14.4a**

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

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**CC14.4b**

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

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

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

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

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

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

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

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**Further Information****Attachments**

[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC14.Scope3Emissions/14.1\\_P7.R1.2014 Greenhouse Gas Emissions Inventory\\_2014.pdf](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC14.Scope3Emissions/14.1_P7.R1.2014%20Greenhouse%20Gas%20Emissions%20Inventory_2014.pdf)  
[https://www.cdp.net/sites/2015/54/21154/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC14.Scope3Emissions/14.1\\_TSKB Activity Data and Emission Factors\\_2014.PNG](https://www.cdp.net/sites/2015/54/21154/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC14.Scope3Emissions/14.1_TSKB%20Activity%20Data%20and%20Emission%20Factors_2014.PNG)

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

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**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 Coordinator

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**Further Information****CDP**