

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

Please give a general description and introduction to your organization.

Vakıfbank has been established in 1954 with a cooperation of several Turkish Foundations as an incorporation company and has become one of Turkey's leading banks. The Bank's founding mission was to manage and use the assets of foundations in the most efficient manner, to contribute to Turkey's savings rate based on modern banking principles, and to channel the deposits collected toward the country's economic development. Vakıfbank offers corporate, commercial and small business banking products and services as well as individual and private banking, specializing in all financial areas.

In addition to basic banking products and services, Vakıfbank has investment banking and capital market activities, where Vakıfbank has been playing a leading role in domestic and foreign trade financing. It also offers insurance through financial subsidiaries of leasing and factoring services to its customers located up a wide range of financial products with high technology required age.

Vakıfbank offers its services to individual and corporate customers with its 917 branches spread over the country, as well as with the alternative distribution channels supported by advanced technology. Vakıfbank has several branches abroad such as the New York branch in US, Erbil branch in Northern Iraq as well as a banking branch in Bahrain coast. Also, Vakıfbank has three subsidiary banks abroad including Vakıfbank International AG in Austria (Vienna branch and branches in Germany, Frankfurt am Main and Cologne), TRNC (Northern Cyprus) World Vakıf UBB. Ltd. and Vakıflar Bankası Cyprus. Ltd. Vakıfbank's other subsidiaries are Sun Insurance, Vakıf Retirement Inc., Vakıf Financial Factoring Services Inc., Vakıflar Leasing, Vakıflar Real Estate Investment Trust, Vakıf B-Type Securities Investment Trust Inc., Vakıf Asset Management, Vakıflar Securities Investment Trust Inc. Vakıf Marketing Ind. and Trade Co., Taksim Hotels Inc., Vakıflar Energy and Mining Inc. and Vakıf Real Estate Appraisal Inc.

25% of Vakıfbank's share is available in stock exchange market. Borsa İstanbul (BIST) has signed a cooperation agreement with Ethical Investment Research Services Limited (EIRIS) to create BIST Sustainability Index. In accordance with this agreement, EIRIS assesses Borsa İstanbul listed companies based on the international sustainability criteria. The assessment is based upon only publicly available information and assessment costs of companies are covered by Borsa İstanbul. Vakıfbank has been one of the first four banks that satisfied the Sustainability Criteria (attached) developed for the Sustainability index. In 2015, there were only 6 Banks that satisfy the criteria of the Sustainability Index, and Vakıfbank has been one of them.

VakıfBank, previously honored with the "Award for Excellence in Sustainable Energy Financing" by the EBRD, repeated its success in this area in 2013 and

became the first bank that placed a loan from TURSEFF-II ( Turkey Sustainable Energy Financing Facility (TurSEFF) of the European Bank for Reconstruction and Development (EBRD).

Vakıfbank puts the best effort to “sustainability” with the value contributed to its customers, shareholders, employees and society for the economic and social responsibility. Vakıfbank is conscious of its responsibility for contributing to global and national efforts to mitigate climate change. Therefore, the Bank adopts the aim of decreasing its carbon footprint in line with its environmental responsibility. Within this framework, the following policies are implemented in Vakıfbank in 2015:

-Supporting the policies and national development plans that will be determined to decrease GHG emissions, through contribution to national draft policies and plans.

-Fullfilling not only the Bank's global and national responsibilities, but also being a role model in the Turkish Banking Sector for Environmental Sustainability at several platforms such as Istanbul Stock Exchange Sustainability Index, CDP, MidSEFF, TurSeff and other initiatives.

-Contiuous monitoring, transparent reporting and improving GHG emission reduction performance since 2013.

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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**

Thu 01 Jan 2015 - Thu 31 Dec 2015

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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.

TRY

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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-questions.aspx>.

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#### Further Information

Vakıfbank is among the few banks in Turkey which satisfy the Sustainability Index Criteria, attached in the file.

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#### Attachments

## **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**

"Sustainability Committee" coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee". The Sustainability committee is composed of 6 people, including 2 members from Board of Directors, 2 Executive Presidents responsible from "International Banking and Investor Relations" Directorate and "Support Services" Directorate and their 2 Vice Presidents.

The Sustainability Sub-Committee is the main body that executes the decisions taken by the Sustainability committee, in cooperation with all relevant departments of Vakıfbank. The sustainability sub-committee is composed of the following representatives:

- Manager of Investor Relations Dept.
- Manager of Project Development and Investment Credits Dept.
- Manager of Project Appraisal Dept.
- Manager of Commercial Marketing Dept.
- Manager of Corporate Marketing Dept.
- Manager of SME Banking Dept.
- Manager of Construction Dept.
- Manager of Strategy Development Dept.
- Manager of Legal Compliance Dept.
- Manager of Internal Audit Dept.
- Manager of Training Dept.
- Manager of Human Resources Dept.

Under the Sustainability Sub-Committee, two Management Services has been established, which are responsible from different aspects of sustainability issues: "Environmental Management Service" and "Sustainability Service". The Environmental Management Service is composed of 8 people who coordinate their work with the environmental representatives in each 917 branch together with Administrative Bodies of Vakıfbank.(1237 Enviroment representative)

The Environmental Management Service is directly responsible from developing environmental strategies, policies and projects, as well as developing, updating environmental targets and indicators and implementing projects. All Climate Change related efforts are under the responsibility of the Environmental Management Service. The Service

- monitors and reports GHG inventory of Vakıfbank office and branches in Turkey, and prepares corporate GHG management and action plans
- develops guidelines for the environmental representatives in each 917 branch in order to help them with data collection,
- develops and coordinates the implementation of projects for reducing the environmental and carbon footprint of Vakıfbank
- developes projects for low carbon office behaviour, raises awareness among the employees regarding climate change
- identifies and shares Vakıfbank's corporate risks, opportunities and targets due to climate change within the framework of Carbon Disclosure Project
- integrates Vakıfbank to international environmental standards such as ISO 14001, EMAS, etc.
- represent Vakıfbank in national and international events and meetings for climate change related issues.

The Environmental Management Service has the authority to assess the branch offices for environmental indicators including GHG emissions, and has the power to send official notification in case of increased energy intensity. In case of continuous decrease in environmental performance, the Environmental Management Service reports to the Sustainability Sub-Committee. Environmental Management Service cooperates with Sustainability Service on GRI reporting especially regarding environmental impacts.

Sustainability Sub-Committee and Environmental Management Service also prepare and amend the risk and opportunity categories that may occur due to climate change, and shares this information with credit departments, information department and Project Analysis department in order to integrate them into the risk analysis procedures.

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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: Environmental representatives in Branch Offices	Recognition (non-monetary)	Emissions reduction project Energy reduction project Efficiency project Behaviour change related indicator Other: Reduced energy intensity in each branch office	Environmental representatives in Branch Offices which provide reduced energy intensity with responsible behaviour (including awareness raising among other employees on energy efficient office behaviour) receive appreciation message from General Director of Vakıfbank for being a good role model for all employees. The employees that are considered for acknowledgement are determined by the Environmental Management Service after monthly audits, which include several parameters including energy consumption data. There are plans to integrate a monetary reward for the branches that increase their energy efficiency performance.
Other: Branch Offices	Recognition (non-monetary)	Emissions reduction project Energy reduction project Efficiency project Behaviour change related indicator Other: provision of accurate and complete environmental data	The internal audits that are conducted by Sustainability Sub-Committee assesses the accuracy, transparency and completeness of the environmental data (energy consumption, waste generation, water use, etc.). The branch offices that provide the most accurate and complete data in due time receive appreciation message from Environmental Management Service. There are plans to integrate a monetary reward for the branches that increase their energy efficiency performance.
Environment/Sustainability managers	Recognition (non-monetary)	Emissions reduction target Efficiency target	Environmental Management Service has emission reduction and energy intensity reduction target that include all Vakıfbank branches combined, which is determined internally within the Service. Therefore, in case of significant energy intensity and emission reduction of Vakıfbank as a whole, the Environmental Management Service team gets recognition by the Sustainability Committee and by the Board of Director in the form of an appreciation letter.

**Further Information**

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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**

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/sub-set of the Board or committee appointed by the Board	Risk Management Procedures of Vakıfbank (both asset level and company level) cover Vakıfbank's operations in Turkey.	3 to 6 years	There are two levels of risk management procedures - asset level risk management which concerns loan portfolio -company level risk management which concerns physical infrastructure, human resources, etc.

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**CC2.1b**

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

i) Company level assessment processes:

Sustainability Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. Examples of company wide risks identified in relation to climate change are reputational risk, operational risk and credit risk.

ii) Asset level processes:

Several departments in Vakıfbank are responsible from determining asset levels risks for Vakıfbank due to climate change. Once a credit application is made, "Information Department" collects data regarding the applicant and possible risks due to the specific sector of the applicant. An initial climate change risk and opportunity assessment take place in the evaluation reports of the Information Department. After this initial evaluation, each department consider and evaluate their

risks according to their credit type responsibilities. The following departments assess credit applications integrating climate change risks and opportunities:

- Project and Acquisitions Finance
- Agricultural Credits
- SME Credits
- Project Analysis Department
- Commercial Credits

For credit applications above certain value, Project Analysis Department prepares Financial-Technical-Economic analysis for Credit departments for an additional risk assessment. The technical part of these reports considers environmental and social risks and opportunities that may result from the project, as well as possible risks and opportunities that may have impacts on the project, including the ones that can be attributed to climate change.

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## CC2.1c

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

The potential risks and opportunities that are identified by Sustainability Sub-Committee, together with Sustainability Service and Environmental Management Service, and are communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. Vakıfbank gives importance to Environmental risks associated with its credit policies. Especially clients and projects that may involve activities with high GHG emissions (eg. Thermal power plants) are assessed thoroughly and evaluated by high level decision makers within Vakıfbank.

Sustainability Sub-Committee, together with Sustainability Service and Environmental Management Service, prepare the risk and opportunity categories (according to the decisions taken by Board of Directors) that may occur due to climate change, and shares this information with credit departments, information department and Project Analysis department in order to integrate them into the risk analysis procedures.

Risk assessments, research, stakeholder consultation & good governance provide us the input needed to prioritize the risks and opportunities. Risks and opportunities are assessed & prioritised depending on the magnitude of the potential loss & the probability that the loss will occur. Financial, environmental, reputational, legal & customer criteria are considered. The frequency of risk assessments depends on the business unit and risk type, taking place at least annually.

A special attention is given to loan applications for Energy generation and Energy Efficiency Projects. While assessing and prioritizing risks, parameters such as price of energy, supply&demand balance and external factors that may impact these two parameters are taken into account. And Climate change has been among those parameters since several years for Vakıfbank. Vakıfbank considers Climate Change as a serious threat which may have direct impact on Vakıfbank's operations, reputation and capital assets.



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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**

Climate Change is integrated into our business strategy in several ways:

1. VAKIFBANK IS AMONG THE FEW TURKISH BANKS WHICH STREAMLINE INTERNATIONAL SUSTAINABLE ENERGY FINANCING MECHANISMS TO RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS IN TURKEY.

With its support to Sustainable Energy Financing, "Sustainable Energy Finance Perfection Award" given by EBRD.

a. Vakıfbank is among the 4 Partner Banks through which TurSEFF provide loans to SMEs in Turkey. Turkey Private Sector Sustainable Energy Finance Facility (TurSEFF) is a framework operation with up to USD 265 million under which credit lines is provided by EBRD to eligible commercial banks for on-lending to private sector borrowers for EE and RE investments. Borrowers may be eligible for loans up to EUR 5 million under TurSEFF. Only in 2015, Vakıfbank provided 30.7 Million EUR Loan for EE and RE projects which has total investment cost of 41.5 Million EUR, under TurSEFF. The projects will save an estimated 40.000 tons CO2-eq per year.

b. The Turkish Mid-size Sustainable Energy Financing Facility (MidSEFF) launched by EBRD with the support from the European Investment Bank (EIB) and European Commission (EU) provides a total of EUR 1 billion in loans through seven Turkish banks one of which is Vakıfbank, for on-lending to private sector borrowers, for financing sustainable energy projects.

c. Vakıfbank is one of the first banks in Turkey through which WB, EBRD and IFC provide loans to energy efficiency and renewable energy projects under Clean Technology Fund (CTF). Turkish Undersecretariat of Treasury provides assurance for Vakıfbank for the management of CTF. The government of Turkey has worked closely with the EBRD, members of the World Bank Group (IBRD, IFC), to design an investment plan that taps US\$250 million from the Clean Technology Fund (CTF) high-impact energy sector projects. CTF financing is expected to leverage an additional US\$2.25 billion for investments in energy efficiency, renewable energy, and smart grid upgrades to facilitate greater integration of renewable energy. GHG emissions savings and reductions for CTF financed projects are estimated at 87 MtCO<sub>2e</sub>. In 2015, only SMEs benefited approximately 12.2 Million USD from WB loans through Vakıfbank for projects that cost 15.5 Million USD in total.

d. Within the scope of the securitization loan agreement that was signed in December 2014, a fund in the amount of EUR 75 million has been disbursed to the Bank as a continuation of TurAFF loan.

## 2. VAKIFBANK SUPPORTS AND ENCOURAGES ITS STAKEHOLDERS & CLIENTS FOR THEIR SUSTAINABLE ENERGY PROJECTS AND INVESTMENTS, REGARDLESS OF THE SIZE OF THE INVESTMENTS.

According to Vakıfbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects:

- Environmental Technologies Loan Package: The Loan Programme provides low interest loans (compared to regular commercial loan interest rates) for energy efficient technology purchases for businesses.

-Environmental Friendly Vehicles Credits: Vakıfbank provides low interest rated loans for low carbon vehicle purchases.

-Environmental Friendly SMEs Loan Programme: Vakıfbank provides low interest rated credits for SMEs, to improve their environmental performance including energy efficiency, water efficiency, etc. The programme's interest rates are %5 lower interest rate than usual SME credit loan programmes, with pay back periods up to 60 months. For each 5000 Turkish Lira that is given as credit, Vakıfbank finances 1 energy efficient light bulb for the Ministry of Environment and Urbanization's "Environmental Account".

-Environmental Friendly Tourism Loan Programme: Vakıfbank provides low interest rated credits for tourism sector, which would like to improve their environmental performance. The programme's interest rates are %5 lower than usual tourism sector loan programmes, with pay back periods up to 36 months. For each 5000 Turkish Lira that is given as credit, Vakıfbank finances 1 energy efficient light bulb for the Ministry of Environment and Urbanization's "Environmental Account".

## 3. VAKIFBANK APPLIES ENVIRONMENTAL CRITERIA TO ITS CREDIT/LOAN POLICIES:

According to Vakıfbank's loan policies, for all projects planned to be financed, Environmental Impact Assessment (EIA) Reports are prerequisites. Also when necessary, regardless of the sector, counselling services are obtained from professional companies which carry out environmental and social impact assessments. The counseling reports can be included within the credit agreements as the commitments made by the project firms. Vakıfbank's Environmental Policy is available from <http://www.vakifbank.com.tr/environmental-policy.aspx?pageID=1079>

## 4. VAKIFBANK APPLIES POLICIES IN ORDER TO GRADUALLY CONVERT THE WHOLE SYSTEM (INCLUDING SUPPLY CHAIN), INTO A SUSTAINABLE ONE, THROUGH APPLYING VARIOUS POLICIES.

Main policies applied are as follows:

a. Vakıfbank extends the strategy of emission reduction efforts to its suppliers through purchasing 86% of its electricity from a supplier which produces electricity only from renewable resources. An official declaration of power provider company is ATTACHED.

b. In 2012, Vakıfbank has launched the "Electronic Message Transfer System" which reduced the Bank's paper consumption significantly. Currently, all credit card receipts are sent electronically to Vakıfbank's customers.

c. In order to increase efficient use of energy, Vakıfbank has implemented Energy Efficiency renovations in 145 branch offices.

d. "Energy Monitoring and Management System" aims to identify detailed energy consumption data in order to develop energy efficiency projects. The system has been activated in 2015 in all branch offices. Now Vakıfbank can track all energy and GHG emission data which is directly communicated to the Environmental Management Service. (Official decision is ATTACHED) The system including the software has been developed by Vakıfbank.

e. In 2015, actions have taken to have ISO 9001 and ISO 14001 certificates. They will be received in 2016.

f. And finally, Vakıfbank gives importance to Capacity building among employees regarding energy efficiency working behaviour and climate change. In 2014, two trainings have been prepared for online access of all employees regarding "sustainable banking" and "Mitigating Climate Change". On the other hand, the specialization trainings for the bank personnel have reached 240,642 hours, which is 30% of total training hours (including other trainings than climate change and

sustainability) for employees is composed of e-learning in order to decrease GHG emissions. In 2015 the trainings have continued with participation of more employees.

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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, and we currently don't 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

Trade associations

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
Energy efficiency	Support with minor exceptions	Vakıfbank provides feedback and technical advice for improvement of the BEP-TR Programme implemented by the Ministry of Environment and Urbanization, which is regarding GHG emission performance of buildings. The programme implements a system to have an inventory of the buildings' energy performance in Turkey, and develop legislation for the improvement of the performances. Vakıfbank provides technical consultancy in energy related calculations during the Programme.	Vakıfbank suggested extension of the scope of the draft legislation to individual branch offices such as Banks, shops, etc, in stead of whole buildings only.

CC2.3b

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

Yes

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?
Turkish Banks Association (TBA)	Consistent	Vakıfbank's CEO is a board member of the Turkish Banks Association (TBA) and a board member of Turkish Industrial Development Bank (TSKB). TBA has a Working Group on "Role of Financial Sector in Sustainable Development". The WG aims to integrate environmental concerns into Banks' loan policies in Turkey.	Vakıfbank is a member of the Working group, with efforts to integrate sustainability prerequisites into all loan programmes.

CC2.3d

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

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**CC2.3e**

**Please provide details of the other engagement activities that you undertake**

Vakifbank provided feedback to the Ministry of Environment and Urbanization, upon their request regarding the draft 6th National Communication of Turkey on Climate Change in year 2015, which has been submitted to UNFCCC in 2016.

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**CC2.3f**

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

Our governance structure ensures that direct and indirect activities that could influence policy are monitored and tracked by Sustainability Committee of Vakifbank. The Sustainability Committee reviews and monitors activities to ensure consistency across the bank and in line with our climate policy and environmental sustainability policy on a broader level. In cases where Sustainability Committee finds out activities inconsistent with our climate policy, these are referred to the Board of Directors for consideration.

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**CC2.3g**

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

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**Further Information**

Attached are: -Certificate from electricity provider company stating that Electricity purchased from the supplier is 100% generated from Renewable energy sources. -Decision taken in 2015 regarding Environmental Data Gathering from Branch Offices. -Decision taken in 2015 regarding the "Data gathering Software" for environment monitoring from branch offices Also, Vakifbank's Environmental Policy is available from <http://www.vakifbank.com.tr/environmental-policy.aspx?pageID=1079>

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**Attachments**

[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/bereket energy.jpg](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/bereket%20energy.jpg)  
[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/Decision 2015\\_1345\\_Environmental Monitoring.pdf](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/Decision%202015_1345_Environmental%20Monitoring.pdf)  
[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC2.Strategy/Decision 2015\\_2317\\_Environmental data gathering software.pdf](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC2.Strategy/Decision%202015_2317_Environmental%20data%20gathering%20software.pdf)

## Page: CC3. Targets and Initiatives

### CC3.1

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

Intensity target  
Renewable energy consumption and/or production target

### CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
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### CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 2 (location-based)	59%	2%	Metric tonnes CO2e per square meter*	2014	0.039	2015	No, and we do not anticipate setting one in the next 2 years	Vakifbank has set annual target of 2% emission reduction per each square meter of branch offices, from electricity use. This goal is planned to be achieved through continuous EE projects in branch offices. The target was set in 2014 and in 2015 the target has slightly exceeded with 2.5% emission reduction. The target only considers the 753 active branch offices. The branch offices where there was renovation for EE have been excluded.
Int2	Scope 1	14%	2%	Metric tonnes CO2e per square meter*	2015	0.012	2016	No, and we do not anticipate setting one in the next 2 years	Vakifbank has annual target of 2% emission reduction per each square meter of office, from natural gas, where heating is provided by natural gas. The target includes branch offices only. The administrative buildings are excluded. However, the branch offices has higher share of NG consumption. This goal is planned to be achieved through continuous EE projects in branch offices. The projects started in 2015, so it is the base year. It is an annual target, therefore we expect continuous improvement every year.
Int3	Scope 3: Purchased goods & services	6%	2%	Metric tonnes CO2e per unit FTE employee	2015	0.025	2016	No, and we do not anticipate setting one in the next 2 years	Vakifbank has set an annual target of 2% emission reduction per each employee, from paper consumption, This goal is planned to be achieved through continuous awareness raising activities in administrative buildings and branch offices. The target was set in 2015, therefore we haven't observed the results of the target. It is an annual target, therefore we expect continuous improvement every year.
Int4	Scope 2 (location-based)	8%	2%	Other: metric tonnes CO2	2014	1.19	2015	Yes	Vakifbank has a target of improving Energy efficiency of its ATM machines every year. In 2015, several old and inefficient ATM machines have been changed with high electricity efficient

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
				per ATM machine					ones. This is an ongoing target. The target was almost achieved in 2015 with 1.7% emission reduction/ATM machine

### 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
Int1	Decrease	0.7	No change	0	The target only considers 2% reduction in electricity use in branch offices. Therefore it only has an impact on Scope 2 emissions with absolute emission reduction of 144 metric tonnes of CO2-eq. achieved in 2015 through 2.5% emission reduction (more than targeted)
Int2	Decrease	0.3	No change	0	The target only considers 2% reduction in natural gas use in branch offices. Therefore it only has an impact on Scope 1 emissions with absolute emission reduction of 45 tons from 2015 to 2016.
Int3	No change	0.1	Decrease	0.1	The target only considers 2% reduction in paper use in all offices. Therefore it only has an impact on Scope 3 emissions with absolute emission reduction of 8 tons of CO2eq in 2016.
Int4	Decrease	0.2	No change	0	The target only considers 2% reduction in ATM machines. Therefore it only has an impact on Scope 2 emissions with absolute emission reduction of 41 tons in 2015.



CC3.1d

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

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2014	55721	80%	2015	86%	There is a target of increasing RE share in electricity purchased by all branches and administrative buildings. In 2015, this target is achieved by purchasing %86 of electricity from RE.

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int4	100%	85%	An emission reduction of %1.7 per ATM machine is achieved in year 2015. It is an ongoing implementation with annual target of %2. An absolute emission reduction of 41 tons in 2015 has been achieved.
RE1	100%	100%	Electricity purchase from RE sources has been increased to %86 exceeding the target of 85%.
Int1	100%	100%	The target was set in 2014 and in 2015 the target has slightly been exceeded with %2.5 emission reduction. The target only considers the 753 active branch offices. The branch offices where there was renovation for EE have

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
			been excluded. Absolute Emission reduction of 144 metric tonnes of CO2-eq. achieved in 2015 through 2.5% emission reduction (more than targeted)

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**CC3.1f**

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

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**CC3.2**

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

Yes

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**CC3.2a**

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

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	Vakifbank is among the few Turkish banks which streamline international sustainable energy financing mechanisms to Renewable Energy and Energy Efficiency projects in Turkey	Low carbon product	Other: Evaluating the carbon reducing impacts of RE and EE projects		Less than or equal to 10%	Only in 2015, Vakifbank provided 30.7 Million EUR Loan for EE and RE projects which has total investment cost of 41.5 Million EUR, under TurSEFF. The projects will save an estimated 40.000 tons CO2-eq per year. In 2015, only SMEs benefited approximately 12.2 Million USD form WB loans through Vakifbank for projects that cost 15.5 Million USD in total.
Group of products	Vakifbank has several RE and EE financing products designed for SMEs. The type of credit loan programmes are: -- Environmental Technologies Loan Package - Environmental Friendly Vehicles Credits -Environmental Friendly SMEs Loan Programme - Environmental Friendly Tourism Loan Programme	Low carbon product	Other: Evaluating the carbon reducing impacts of RE and EE projects		Less than or equal to 10%	According to Vakifbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides the loan programmes originating from international banks, Vakifbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects
Group of products	For every person/company that Vakifbank provides loan credits for, one tree is planted by Vakifbank. A sample certificate given to each customer is attached. In 2015 64,000 trees have been planted on behalf of the Vakifbank Customers.	Avoided emissions	Other: Evaluating the carbon reducing impacts		Less than or equal to 10%	For every person/company that Vakifbank provides loan credits, one tree is planted by Vakifbank. A sample certificate given to each customer is attached. In 2015 64,000 trees have been planted on behalf of the Vakifbank Customers

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		
To be implemented*		
Implementation commenced*		
Implemented*	6	24837
Not to be implemented		

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**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	Energy efficiency projects have been implemented in 145 branch offices in 2015.	238	Scope 1 Scope 2 (location-based)	Voluntary	175597	7000000	11-15 years	16-20 years	7,000,000 Turkish Lira includes all mechanical-climatization expenses. Therefore it is difficult to break down the real cost of Energy efficiency share of the project.
Energy efficiency: Building services	100 Old ATM machines have been replaced with energy efficient ATM machines, and additional 320 new and energy efficient ATM machines have been purchased. Therefore less electricity is utilized per ATM machine with 1.7% reduction of emission/ATM machine	40	Scope 2 (location-based)	Voluntary	34796			11-15 years	100 Old ATM machines have been replaced with energy efficient ATM machines, therefore less electricity is utilized per ATM machine with 1.7% reduction of emission/ATM machine
Behavioral change	In 2015, more control has been provided over the fuel allocated for company cars. The employees have been encouraged to travel less. Therefore		Scope 1	Voluntary		0	<1 year	Ongoing	There is a some decrease in diesel and gasoline consumption from company cars with the help of this policy of limited fuel allocation per employee.
Other	Vakıfbank plants trees every year. In 2015, 16000 trees have been planted by Vakıfbank only for the		Scope 1	Voluntary				Ongoing	Vakıfbank plants trees every year. In 2015, 110,000 trees have

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
	Employees in order to increase their awareness on the importance of mitigating GHG emissions. A certificate is sent to each employee after the plantation. A sample certificate is attached.								been planted by Vakıfbank.
Low carbon energy purchase	Vakıfbank extends the strategy of emission reduction efforts to its suppliers through purchasing 86% of its electricity from a supplier which produces electricity only from renewable resources. Therefore in 2015, Vakıfbank avoided emission of 24338 tons of CO2- eq compared to the case if electricity was purchased from the state company.	24338	Scope 2 (location-based)	Voluntary	0	0	<1 year	Ongoing	Therefore in 2015, Vakıfbank avoided emission of 24338 tons of CO2- eq compared to the case if electricity was purchased from the state company.
Other	Vakıfbank has launched the "Electronic Petition System" which reduced the Bank's paper consumption significantly. In 2015, 3.710.429 petitions has been made and 195.761 invoices has been sent electronically, which saved (estimated) 320 trees add 22 tons of GHG to be emitted. Currently, all	22	Scope 3	Voluntary	62500	0	<1 year	Ongoing	In 2015, 3.710.429 petitions has been made and 195.761 invoices has been sent electronically, which saved (estimated) 320 trees. Currently, all credit card receipts are sent electronically to Vakıfbank's customers.

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
	credit card receipts are sent electronically to Vakıfbank's customers.								
Waste recovery	Vakıfbank recycles its paper waste every year, instead of sending to Municipal waste storage areas. In 2015, 241 tons of paper was sent to recycling, saving 221 tons of GHG to be emitted.	221	Scope 3	Voluntary	0	0	<1 year	Ongoing	A letter of appreciation is received from Municipality of Kadikoy for submitting 30 tons of paper to their recycling facilities (ATTACHED)

### CC3.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Due to the following regulations: -Energy performance of buildings -Law on Energy Efficiency Vakıfbank directs budget to energy efficiency in buildings focusing on reducing electricity consumption.
Financial optimization calculations	Some of our investments such as: -Renewable energy purchase -Electronic petition system -Central computer switching off system provide financial savings.
Employee engagement	Our Sustainability Committee, Sustainability sub-committee, Sustainability Service and Environmental Management Service employees, together with the environmental representatives in each branch office are dedicated to improve Vakıfbank's environmental performance, and they provide a bottom-up pressure for improving our performance.

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**CC3.3d**

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

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**Further Information**

Employee's certificate is attached. Waste recovery thank- you note from the Kadikoy Municipality is attached.

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**Attachments**

[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/agac2.jpg](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/agac2.jpg)  
[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/atık teşekkür.pdf](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/atik%20te%C5%9Fekk%C3%BCr.pdf)

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**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	Comment
In voluntary communications	Complete		<a href="https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/CC4.1/Vakifbank%20CDP%20verification%20statement.pdf">https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC4.1/Vakifbank CDP verification statement.pdf</a>	Our ISO 14064-1 report has been verified by third party.
In voluntary communications	Complete		<a href="https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/CC4.1/Sustainability%20Report-2015-2016-final.pdf">https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC4.1/Sustainability Report- June 14 2015_03-06-2016-final.pdf</a>	Sustainability Report submitted under the framework of Global Reporting Initiative (GRI)



Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

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

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

CC5.1a

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Within the framework of approximation to EU Aquis, Turkey is expected to integrate to European Emission	Reduction in capital availability	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Due to the uncertainties and complexities involved in the process, Vakifbank has not attempted to	Vakifbank has decided to wait for the outcomes of the COP Meeting in Paris in order to foresee possible	Since the management method has not been developed, cost of management

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Trading Scheme, thus to the cap and trade system. During this process, several Turkish industrial sectors may have reduce their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed treshold levels. While ETS would not apply directly to Vakifbank, the situation may cause loan recipients to increase their capital costs due to additional regulatory requirements for their investments. Increased costs for investors (which are clients of Vakifbank) may mean increased</p>						<p>estimate the potential impact of a cap and trade scheme on loan performance.</p>	<p>changes in the regulations in Turkey. After the COP Meeting, and after evaluating EU's position, regulatory risk assessment will be made again and a management method will be developed accordingly.</p>	<p>has not been calculated.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	risk of capacity of the companies to pay back the bank loans especially for project finance.								
International agreements	After Paris Agreement will be ratified, Turkey will have to join the international movements to improve its INDC commitment and GHG inventory quality. A commitment will eventually be reflected as sectoral emission reduction target to be enforced with a cap system for each industrial installation. During this process, several Turkish industrial sectors may have to reduce their emissions, through low carbon technology investments or through offsetting their GHG emissions, in order	Reduction in capital availability	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Due to the uncertainties and complexities involved in the process, Vakifbank has not attempted to estimate the potential impact of a cap and trade scheme on loan performance.	Vakifbank has decided to wait for the outcomes of the COP Meeting in Paris in order to foresee possible changes in the regulations in Turkey. After the COP Meeting, regulatory risk assessment will be made again and a management method will be developed accordingly.	Since the management method has not been developed, cost of management has not been calculated.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	to keep their emissions under the allowed threshold levels. The possible GHG emission cap system may cause loan recipients to increase their capital costs due to additional costs for their low carbon technology investment need or through offsetting their GHG emissions (carbon credit purchase). Increased costs for investors (which are clients of Vakifbank) may mean increased risk of capacity of the companies to pay back the bank loans especially for project finance.								
Carbon taxes	Carbon tax would be another instrument to reduce Turkey's overall GHG Emissions. In case implemented,	Reduction in capital availability	3 to 6 years	Indirect (Client)	Unlikely	Medium-high	Due to the uncertainties and complexities involved in the process, Vakifbank has not attempted to	Vakifbank has decided to wait for the outcomes of the COP Meeting in Paris in order to foresee possible	Since the management method has not been developed, cost of management

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	carbon tax will bring additional operational cost to Vakıfbank's clients due to their GHG emissions. Increased operational costs will mean less revenue and increased risk for loan pay back to Vakıfbank from the clients.						estimate the potential impact of a potential carbon tax system on loan performance. However, considering the global trend of policy tools to reduce emissions, Vakıfbank considers carbon taxes unlikely compared to cap and trade system.	changes in the regulations in Turkey. After the COP Meeting, regulatory risk assessment will be made again and a management method will be developed accordingly.	has not been calculated.
Fuel/energy taxes and regulations	Due to various reasons, such as energy security, international agreements, approximation to EU aquis, etc., Turkey may reduce the subsidies over fossil fuels, which will cause an increase on energy prices. Increased energy prices bring additional operational cost to	Reduction in capital availability	>6 years	Indirect (Client)	Unlikely	Medium-high	Due to the uncertainties and complexities involved in the process, Vakıfbank has not attempted to estimate the potential impact of potential reduced subsidies on loan performance. However, considering the current policies	Vakıfbank has decided to wait for the outcomes of the COP Meeting in Paris in order to foresee possible changes in the regulations in Turkey. After the COP Meeting, regulatory risk assessment will be made again and a management	Since the management method has not been developed, cost of management has not been calculated.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Vakıfbank's clients, which may result with less revenue and increased risk for loan pay back to Vakıfbank from the clients.						implemented (nuclear power plant construction) in Turkey, Vakıfbank considers energy subsidies unlikely to be implemented, therefore does not consider it as a significant thread.	method will be developed accordingly.	
Fuel/energy taxes and regulations	The Regulation on Energy Performance in Buildings came into force in 2009. According to the regulation, all new and existing buildings must meet minimum energy performance. Existing buildings should receive an energy performance certificate by May 2017. With more than 900 branches, Vakıfbank will have to monitor and	Increased capital cost	Up to 1 year	Direct	Virtually certain	Low	Vakıfbank already has a system to monitor the energy consumption of each branch. The system allows Vakıfbank to determine which branches has low energy efficiency performance. And increasing the energy performance of some branches with low performance is not expected to	Vakıfbank plans to implement high energy efficiency standards to the new branch offices. Therefore such upcoming and existing regulatory requirements will be met in the future.	The cost will depend on the new number of branches to be opened. The number of branches are not planned for several years ahead. Therefore, it is not possible to make any projections for cost estimates.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	increase its energy performance for each branch. This operation will eventually reduce energy costs, however it will bring additional capital cost at the beginning of implementation.						have high costs for the bank.		
Other regulatory drivers	In 2015, Istanbul Stock Exchange Sustainability index involved several additional sustainability criteria (find attached) to the existing ones. Some of them are calculation of GHG emission risks, integrating sustainability criteria to credit loan programme, etc.. This may reduce some potential customers not to be eligible for some credit loans, which will directly reduce Vakıfbank's capital availability	Reduction in capital availability	1 to 3 years	Direct	Virtually certain	Low	Due to the uncertainties and complexities involved in the process, Vakıfbank has not attempted to estimate the potential impact of the new criteria.	Vakıfbank already started to work on integrating the criteria to its credit loan programmes.	Since the integration process is ongoing, the total cost has not been calculated.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	If Turkey implements smart grids to the Turkish Electricity Transmission and Distribution lines, there will be a huge electricity save for all country. Therefore, electricity prices may come down and there might be less demand for RE and EE project credit loans.	Reduced demand for goods/services	Unknown	Direct	Unlikely	Low-medium	Due to the uncertainties and complexities involved in the process, Vakifbank has not attempted to estimate the potential impact of such a big change	Vakifbank continues to extend the types of products it provides. However its support to RE and EE projects will continue even when there is reduced demand for those projects.	Not possible to calculate due to uncertainties.

#### CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Uncertainty of physical risks	An overall change in all climate parameters combined	Reduction in capital availability	Up to 1 year	Indirect (Client)	Likely	Low-medium	Due to the uncertainties involved in estimating the monetary	Vakifbank integrates climate risks and associated possible	There is no direct cost of integrating the climate change



Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	(precipitation, temperature, etc.) is expected to have negative impacts on agricultural product yields. Vakıfbank gives loans to farmers, therefore reduced income for farmers may cause a risk of difficulties of receiving back the loans from the loan recipients.						impacts and foreseeing the physical impacts of climate change on the agriculture sector, it is not possible to make estimates regarding financial implications on Vakıfbank.	income losses in risk management procedures of project financing on the asset level.	associated risks into existing risk management procedures.
Change in precipitation pattern	Reduced annual precipitation may result with reduced energy generation capacity and increased maintenance costs for both thermal power plants and hydropower plants. Uncertainty around precipitation forecasts puts the companies	Reduction in capital availability	Up to 1 year	Indirect (Client)	More likely than not	Medium	Due to the uncertainties involved in estimating the monetary impacts and foreseeing the physical impacts of climate change on the energy sector, it is not possible to make estimates regarding financial implications on Vakıfbank.	Vakıfbank integrates climate risks and associated possible income losses in risk management procedures of project financing on the asset level.	There is no direct cost of integrating the climate change associated risks into existing risk management procedures.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	into difficult situations while preparing projections for annual income generation. Also, extreme weather events, such as rain storms, hail storms may damage the energy generation plants increasing the maintenance costs, increasing both operational costs and decreasing energy generation. This situation may bring additional risks for project financing, which may result with difficulties for clients in paying back the loans.								
Change in mean (average) temperature	An increase in average temperatures especially in summer may result increasing power	Increased operational cost	Up to 1 year	Direct	Very likely	Low	Due to the uncertainties involved in estimating the impacts of climate change on increased	Vakıfbank monitors energy consumption of each branch office. Any increase in	There is no direct cost of integrating the climate change associated risks into

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	consumption due to increased use of air conditioners in the buildings.						average temperatures, thus on power consumption of air conditioners, it is not possible to make estimates regarding financial implications on Vakıfbank	electricity consumption is recorded. Branches with high electricity intensity is examined for possible energy savings.	existing risk management procedures.
Change in mean (average) temperature	Tourism sector is expected to be affected negatively from increased average temperatures in the southern coasts of Turkey. Also, negative implications for mountain tourism are expected due to decreased snowfall in winter. This situation may bring additional risks for Vakıfbank in receiving back the loans taken by investors in tourism sector.	Reduction/disruption in production capacity	3 to 6 years	Indirect (Client)	About as likely as not	Low-medium	Due to the uncertainties involved in estimating the impacts of climate change on average mean temperatures in tourism areas in particular, it is not possible to make estimates regarding financial implications on Vakıfbank	Vakıfbank integrates climate risks and associated possible income losses in risk management procedures of project financing on the asset level.	There is no direct cost of integrating the climate change associated risks into existing risk management procedures.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Extreme weather events, including wind storms, hail storms, etc., can have additional maintenance and insurance costs for all sectors with physical infrastructure such as transport, construction, etc. Therefore, loan recipients from those sectors will have increased operational costs, which may create risks for Vakıfbank in receiving back project financing loans.	Increased operational cost	3 to 6 years	Indirect (Client)	About as likely as not	Low	Due to the uncertainties involved in forecasting the frequency of extreme weather events and their financial impacts, it is not possible to make estimates regarding financial implications on Vakıfbank	Vakıfbank integrates climate risks and associated possible income losses in risk management procedures of project financing on the asset level.	There is no direct cost of integrating the climate change associated risks into existing risk management procedures.

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	Increasing consumer expectations regarding environmental friendly and energy efficient products create reputational risks for companies that do not consider these expectations.	Reduced demand for goods/services	1 to 3 years	Direct	Likely	Low-medium	Due to several uncertainties, it is not possible to make any kind of estimates at this point.	Vakıfbank's loan policy already has integrated the policy of providing low interest loan programmes for environmental friendly projects with environmental sustainability agenda. Therefore, Vakıfbank is already prepared for the risk.	Since the policy as long been integrated in the Vakıfbank strategy, there is no additional cost for the Bank.
Fluctuating socio-economic conditions	Climate Change is expected to impact local economies which are directly dependant on economic sectors such as agriculture, animal husbandary, forestry, fishery, tourism that are directly affected by negative changes in the climate parameters and natural ecosystems. Turkey's economy depends highly on these sectors,	Reduction in capital availability	Unknown	Indirect (Client)	Unknown	Medium	Due to several uncertainties, it is not possible to make any kind of estimates at this point.	Due to uncertainties, it is not possible to develop management plans and make projections for upcoming years regarding socio-economic issues.	Since there is no management plan dedicated to this risk, no cost estimation has been made.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	therefore a socio-economic changes are likely to happen. The main problem is the uncertainty around when and how the socio-economic changes will happen. It is not possible to say whether such changes will cause any drastic changes, such as massive migration within Turkey, increased crime rates or any other impact that might have big impacts on banking sector. Therefore, it is not possible to make any financial estimations, and it is difficult to develop risk management methods.								
Uncertainty in market signals	There are several new Renewable energy projects in Turkey. Therefore	Reduction in capital availability	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Due to several uncertainties, it is not	As a management plan, Vakıfbank gives priority to RE projects compared to Thermal	There is no estimated cost for the management.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>electricity supply is increasing and electricity prices are decreasing. This situation may cause our credit loan customers of thermal power plants (natural gas ) to have difficulties in paying back thier loans due to their decreased income. However, the situation has lots of uncertainties since electricity demand is unpredictable. According to the INDC (find attached) that Turkey has submitted, Turkish Government will try to reduce Turkey's GHG emissions %21 compared to BAU by 2030. Therefore policies are applied in order to support RE investments</p>						<p>possible to make any kind of estimates at this point.</p>	<p>power plant projects. We also integrate this issue to the risk assessment processes for credit loan applications for thermal power plants.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	such as purchase agreements, etc.								
Other drivers	<p>Recent changes in International politics are considered as a threat to Vakıfbank's strategies to move towards environmental sustainability. UK's decision to leave the EU is expected to bring vulnerability to EU and its leadership in international climate change negotiations and policies associated to it. Also, Turkey's approximation to EU Aquis has so far been the biggest motivation to integrate to EU Climate Change policies. If EU's future becomes questionable and its climate change policies lose their priority, Turkey's efforts to mitigate</p>	Reduced demand for goods/services	1 to 3 years	Direct	About as likely as not	Low-medium	Due to several uncertainties, it is not possible to make any kind of estimates at this point.	The situation is quite recent. Therefore discussions are ongoing regarding the management of the situation.	Not possible to estimate at the point.



Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>climate change may delay and eventually stop, since there will be no necessity. Although the situation may not have major impact on Vakıfbank and its revenues (strictly within the framework of climate change mitigation policies), it is expected that there might be a reduction in the demand for sustainable products of Vakıfbank, such as RE project credits. Vakıfbank can direct its products to other areas, but this will ruin Vakıfbank's sustainability policies and all the investment done so far.</p>								
Fluctuating socio-	Since January 2011, price of petrol has been	Reduced demand for goods/services	3 to 6 years	Indirect (Client)	Virtually certain	Low-medium	Due to uncertainties, it is not	We continuously improve our credit loan policies in favour of	Not possible to estimate at the point.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
economic conditions	decreasing constantly with fluctuations. This situation reduces demand towards RE and EE projects, therefore reduces our capital availability.						possible to calculate the cost.	customers for RE and EE projects. We keep our cooperation with international financial institutions for attractive credit loan programmes for Turkish customers/investors. We support national policies which provide incentives to RE and EE.	

CC5.1d

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

CC5.1e

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

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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

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**Further Information**

**Attachments**

[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC5.ClimateChangeRisks/BIST SUSTAINABILITY INDEX RESEARCH METHODOLOGY DECEMBER 2015.pdf](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC5.ClimateChangeRisks/BIST%20SUSTAINABILITY%20INDEX%20RESEARCH%20METHODOLOGY%20DECEMBER%202015.pdf)  
[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC5.ClimateChangeRisks/The\\_INDC\\_of\\_TURKEY\\_v.15.19.30.pdf](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC5.ClimateChangeRisks/The_INDC_of_TURKEY_v.15.19.30.pdf)

**Page: CC6. Climate Change Opportunities**

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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 other climate-related developments

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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
Cap and trade schemes	<p>Within the framework of approximation to EU Aquis, Turkey is expected to integrate to European Emission Trading Scheme, thus to the cap and trade system. During this process, several Turkish industrial sectors may have reduce their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. While ETS would not apply directly Vakıfbank, it</p>	Increased demand for existing products/services	3 to 6 years	Indirect (Client)	About as likely as not	Medium	<p>Due to the uncertainties and complexities involved in the process, Vakıfbank has not attempted to estimate the potential impact of a cap and trade scheme on loan demand increase.</p>	<p>Vakıfbank follow all international and national developments in order to be able to foresee possible decisions on Emission Trade Scheme. Currently, Vakıfbank is waiting for decisions regarding Turkey's accession to EU aquis and possible integration to EU ETS.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	may bring opportunities by accelerating the demand for renewable energy and energy-efficiency projects, which the company can finance.								
International agreements	If a binding agreement for GHG emission reduction commitments is made at the upcoming COP meetings in Paris, Turkey can not avoid making national emission reduction commitments. And such a commitment will eventually be reflected as sectoral emission reduction target to be enforced with a cap system for each industrial	Increased demand for existing products/services	3 to 6 years	Indirect (Client)	About as likely as not	Medium	Due to the uncertainties and complexities involved in the process, Vakıfbank has not attempted to estimate the potential impact of an international emission reduction agreement on loan demand increase.	Vakıfbank follow all international developments in order to be able to foresee possible national reflections of a potential binding international agreement for emission reductions.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>installation. During this process, several Turkish industrial sectors may have to reduce their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. This may bring opportunities by accelerating the demand for renewable energy and energy-efficiency projects, which the company can finance.</p>								
Fuel/energy taxes and regulations	If a Regulation that allows customers to	Increased demand for	Unknown	Direct	More likely than not	Medium	Due to the uncertainties and	We already have the sustainable	There might be a cost of having new

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	choose their providers of electricity is adopted, everyone will be able to choose the most convenient provider. Therefore the electricity prices will decrease and there will be more demand for RE projects, thus RE project credit loans. This will increase demand for Vakıfbank's sustainable energy loans.	existing products/services					complexities involved in the process, Vakıfbank has not attempted to estimate the potential impact of such a new regulation.	credit loan programmes in place. We have our system well developed for such credits.	employees, but due to uncertainties, it is not possible to estimate the costs.

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
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**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	Increasing consumer expectations regarding environmental friendly and energy efficient products create reputational risks for companies that do not consider these expectations. Since Vakıfbank is confident about its products and services that support any kind of financial support for sustainable energy and low carbon technologies, Vakıfbank considers reputational opportunities for the future.	Increased demand for existing products/services	1 to 3 years	Direct	Likely	Low-medium	Due to the uncertainties and complexities involved in the process, Vakıfbank has not attempted to estimate the potential impact of positive reputation on the demand increase for Vakıfbank's products and services	Vakıfbank will keep on its policies regarding giving priorities and financial incentives to sustainable energy projects.	



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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

---

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**

Vakıfbank considers that the physical impacts of Climate Change will only bring negative results for the operations of Vakıfbank, after an evaluation made among the risk experts and advisors of Vakıfbank. Therefore, physical climate parameters are only considered as a part of our risk management processes.

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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**

---

**CC7.1**

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	41705.62
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	26300
Scope 2 (market-based)		

---

**CC7.2**

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

Please select the published methodologies that you use

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

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**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

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**CC7.3**

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

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: R410A	IPCC Fourth Assessment Report (AR4 - 100 year)
Other: R22	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)

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**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
Diesel/Gas oil	75390.9	Other: kgCO2/TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Motor gasoline	71146.8	Other: kgCO2/TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Natural gas	56152	Other: kgCO2/TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Distillate fuel oil No 4	77649	Other: kgCO2/TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories

Fuel/Material/Energy	Emission Factor	Unit	Reference
Lignite	101486	Other: kgCO2/TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Electricity	0.472	Other: KgCO2/kWh	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Other: paper waste	21	Other: kgCO2/metric tonne paper	DEFRA 2015 Emissions Factors - Waste Disposal - Paper - closed loop
Other: tap water use	0.344	Other: kgCO2e/m3	DEFRA 2015 Emissions Factors - Water Supply
Other: waste water treatment	0.708	Other: kgCO2e/m3	DEFRA 2015 Emissions Factors - Water Treatment
Waste oils	21	Other: kgCO2/metric tonne oil	DEFRA 2015 Emissions Factors - Waste Disposal - municipal waste - closed loop
Other: flight (domestic)	0.29795	Other: kgCO2e /passenger.km	DEFRA 2015 Emissions Factors - Business Travel-air - Domestic, average, with RFI and uplift factor
Other: flight (international short haul)	0.16972	Other: kgCO2e /passenger.km	DEFRA 2015 Emissions Factors - Business Travel-air - Short Haul, average, with RFI and uplift factor
Other: flight (international long haul)	0.19813	Other: kgCO2e /passenger.km	DEFRA 2015 Emissions Factors - Business Travel-air - Long Haul, average, with RFI and uplift factor
Other: passenger vehicle large car-diesel	0.2252	Other: kgCO2/km	DEFRA 2015 Emissions Factors - Passenger Vehicles - Large Car - Diesel

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### Further Information

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

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#### CC8.1

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

Operational control

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#### CC8.2

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

15585

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**CC8.3**

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

No

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**CC8.3a**

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
3962		

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**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?

No

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**CC8.4a**

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

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded

**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%	Metering/ Measurement Constraints	Uncertainties considered include data uncertainty in data provided by third parties (invoices) and also emission factor uncertainties are considered.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Metering/ Measurement Constraints	Uncertainties considered include data uncertainty in data metering and emission factor.
Scope 2 (market-based)			

**CC8.6**

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

Third party verification or assurance process in place

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**CC8.6a**

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC8.6a/Vakifbank CDP verification statement.pdf">https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC8.6a/Vakifbank CDP verification statement.pdf</a>		ISO14064-3	100

---

**CC8.6b**

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

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission
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**CC8.7**

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

Third party verification or assurance process in place

**CC8.7a**

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/CC8.7a/Vakifbank%20CDP%20verification%20statement.pdf">https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC8.7a/Vakifbank CDP verification statement.pdf</a>		ISO14064-3	100

**CC8.8**

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

Additional data points verified	Comment
No additional data verified	

**CC8.9**

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

No



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CC8.9a

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

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**Further Information**

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

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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 activity

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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

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CC9.2c

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

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

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Fuel consumption of company cars	7054.76
Fuel Combustion (for Generators)	530.93
Heating (Branch Offices)	3247.6
Heating (Administrative Buildings)	1112.12
Fugitive gas (from Fire extinguishers)	1471.62
Fugitive gas from Air conditioners	2167.23

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**Further Information**

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

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

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

By facility

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**CC10.2a**

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

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

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

Facility	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Electricity use in Buildings	3644.68	
Electricity use of ATMs	316.78	

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CC10.2c

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

Activity	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
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**Further Information**

Certificate from Electricity provider company is attached. CDP-Scope 2 explanation is attached.

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**Attachments**

[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC10.Scope2EmissionsBreakdown\(1Jan2015-31Dec2015\)/bereket energy.jpg](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC10.Scope2EmissionsBreakdown(1Jan2015-31Dec2015)/bereket%20energy.jpg)  
[https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC10.Scope2EmissionsBreakdown\(1Jan2015-31Dec2015\)/CDP - Scope 2 emissions.msg](https://www.cdp.net/sites/2016/58/21158/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC10.Scope2EmissionsBreakdown(1Jan2015-31Dec2015)/CDP%20-%20Scope%202%20emissions.msg)

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**CC11.1**

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

More than 0% but less than or equal to 5%

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**CC11.2**

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

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

---

**CC11.3**

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

48096

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**CC11.3a**

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

Fuels	MWh
Lignite	448
Motor gasoline	835
Natural gas	18261
Residual fuel oil	236
Diesel/Gas oil	28316

#### CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
Direct procurement contract with a gridconnected generator or Power Purchase Agreement (PPA), where electricity attribute certificates do not exist or are not required for a usage claim	51556.6	Vakıfbank has been purchasing electricity from a provider that produces 100% of the power from renewable resources. Therefore, Vakıfbank avoided 24,338 tonnes CO2 equivalent of GHG emissions in 2015.

#### CC11.5

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

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
59949	59949	0	0	0	Vakıfbank has been purchasing electricity from a provider that produces 100% of the power from renewable resources.

#### Further Information

#### Page: CC12. Emissions Performance

#### CC12.1

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

Decreased

#### CC12.1a

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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	4	Decrease	In branch offices, fuel shift and energy efficiency projects are ongoing. 145 Branch offices was under renovation for energy efficiency in 2015. Also, some branch offices shifted from coal to natural gas for heating. Total natural gas consumption remained the same, but coal consumption reduced to half of 2014.



Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			Also emissions from diesel used for generators is reduced. Also Energy efficient ATM machines have been purchased and unefficient ones have been phased out. Emissions from combustion of gasoline and diesel for company cars also reduced from last year not only because of methodology change but also because of increased controls over fuel use of employees.
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology	72	Decrease	There are several reasons for change. First reason is the methodology change in GHG emission calculations from Renewable electricity. Last year, emissions from RE electricity purchase was added to our calculations as if it was taken from grid. This year, based on CDP correspondance with Turkish CDP participants, we deducted GHG emissions from electricity that is purchased from a company producing 100% electricity from Renewables. Another reason is methodology change in company cars' data gathering and calculation.
Change in boundary	11	Increase	In 2014, Cooling gas R410A and R22 leakage from air conditioners was not calculated. This year, this emission has been included in the calculations. Also combustion of diesel for heating purposes was excluded from calculations last year. This year, they are added.
Change in physical operating conditions			
Unidentified			
Other			

### CC12.1b

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

Location-based

CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00001	metric tonnes CO2e	1930000000	Location-based	74	Decrease	There are several reasons for change. First reason is the methodology change in GHG emission calculations from Renewable electricity. Last year, emissions from RE electricity purchase was added to our calculations as if it was taken from grid. This year, based on CDP correspondance with Turkish CDP participants, we deducted GHG emissions from electricity that is purchased from a company producing 100% electricity from Renewables. Another reason is methodology change in company cars' data gathering and calculation. Also, there are policies applied to reduce emissions from company cars. Finally our unit total revenue increased aproximately 9% compared to last year. However, our energy consumption did not increase significantly.

CC12.3

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
1.27	metric tonnes CO2e	full time equivalent (FTE) employee	15410	Location-based	72	Decrease	There are several reasons for change. First reason is the methodology change in GHG emission calculations from Renewable electricity. Last year, emissions from RE electricity purchase was added to our calculations as if it was taken from grid. This year, based on CDP correspondance with Turkish CDP participants, we deducted GHG emissions from electricity that is purchased from a company producing 100% electricity from Renewables. Another reason is methodology change in company cars' data gathering and calculation. Also, there are policies applied to reduce emissions from company cars. Finally our FTE employees increased by 490 people compared to last year, However, our energy consumption did not increase significantly.
0.000000106	metric tonnes CO2e	Other: Total assets		Location-based	75	Decrease	There are several reasons for change. First reason is the methodology change in GHG emission calculations from Renewable electricity. Last year, emissions from RE electricity purchase was added to our calculations as if it was taken from grid. This year, based on CDP correspondance with Turkish CDP participants, we deducted GHG emissions from electricity that is purchased from a company producing 100% electricity from Renewables. Another reason is methodology change in company cars' data gathering and calculation. Also, there are policies applied to reduce emissions from company cars. Finally our assets increased aproximately 16% compared to last year. However, our energy consumption did not increase significantly.

**Further Information**

**CC13.1**

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

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

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**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?**

No

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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

#### Further Information

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	3772	Paper, water consumption and postage activities are calculated under this section. For water consumption both tap water and bottled water is considered. ISO 14064 methodology is used. The emission factors for tap water and paper is gathered from Defra/DECC GHG reporting factors for 2015. The emission factor for bottled water is Carbon Rally. Postage emissions per delivery is "The Facts of Our Value Chain" report of European Mail Industry Platform.		

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
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not evaluated				
Upstream transportation and distribution	Not evaluated				
Waste generated in operations	Relevant, calculated	5	Paper and oil waste data is evaluated according the disposal method, as closed loop recycling. Waste amounts are multiplied by relevant Defra/DECC GHG reporting factors for 2015.		
Business travel	Relevant, calculated	1610	In the scope of business travel, flights are evaluated. . The emission factors appropriate for each flight type (domestic, international short and long) are taken form Defra/DECC GHG reporting factors for 2015.		
Employee commuting	Relevant, calculated	1136	To estimate the emissions from staff commuting, initially the total distance of each route is calculated. Then, the emission factor for appropriate engine size is taken form Defra/DECC GHG reporting factors for 2015.	100.00%	
Upstream leased assets	Not evaluated				
Downstream transportation and distribution	Not relevant, explanation provided				Vakıfbank's services do not require transportation or distribution. Therefore, this emission category is irrelevant.
Processing of sold products	Not relevant, explanation provided				Vakıfbank provides services, so processing of sold products is not available.

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
Use of sold products	Not relevant, explanation provided				Vakıfbank provides services, so use of sold products does not create emissions.
End of life treatment of sold products	Not relevant, explanation provided				Vakıfbank does not sell products, provides services. Therefore, there are not any emission sources under this category.
Downstream leased assets	Not evaluated				
Franchises	Not relevant, explanation provided				Vakıfbank does not provide any franchising activities.
Investments	Not evaluated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

**CC14.2**

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

Third party verification or assurance process in place

**CC14.2a**

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	<a href="https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC14.2a/Vakifbank CDP verification statement.pdf">https://www.cdp.net/sites/2016/58/21158/Climate Change 2016/Shared Documents/Attachments/CC14.2a/Vakifbank CDP verification statement.pdf</a>		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
Purchased goods & services	Change in boundary	136	Increase	The scope of the footprint is extended. Last year only paper consumption was considered under this section. However, this year paper consumption, water consumption and postage services are included in the footprint.
Business travel	Change in methodology	26	Increase	Last year we used a different calculation methodology (ICAO online calculator). This year, we used DEFRA methodology and emission factors.
Employee commuting		51	Decrease	Last year, a different methodology has been used. This year, DEFRA methodology has been used. The difference is resulted from the calculation methodology

#### 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)**

Yes, our suppliers  
Yes, our customers

#### CC14.4a

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

VAKIFBANK IS AMONG THE FEW TURKISH BANKS WHICH STREAMLINE INTERNATIONAL SUSTAINABLE ENERGY FINANCING MECHANISMS TO RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS IN TURKEY. With its support to Sustainable Energy Financing, "Sustainable Energy Finance Perfection Award" given by EBRD.

VAKIFBANK SUPPORTS AND ENCOURAGES ITS STAKEHOLDERS & CLIENTS FOR THEIR SUSTAINABLE ENERGY PROJECTS AND INVESTMENTS, REGARDLESS OF THE SIZE OF THE INVESTMENTS.

According to Vakıfbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects.

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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 (direct and indirect)	Comment
1		Vakifbank Purchases 86% of its electricity from a provider which produces its electricity 100% from renewable power plants. Therefore, Vakifbank encourages its supply chain to produce and seel Renewable electricity.

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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
We do not have any data	

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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

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**Further Information**

**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
Caner Gençeli	Head of Environmental Management Service	Environment/Sustainability manager

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#### Further Information

[CDP 2016 Climate Change 2016 Information Request](#)