

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 880 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. On November 4th 2014, Istanbul Stock Exchange (BIST) launched the BIST Sustainability Index, where 15 companies took place. Vakıfbank has been one of the first four banks involved in the index.

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:

- Supporting the policies and national development plans that will be determined to decrease GHG emissions of vehicles used for business trips in order to support lowcarbon economy which is a keystone of sustainable development
- Fullfilling not only the Bank’s global and national responsibilities, but also being a role model in the Turkish Banking Secgtor for Environmental Sustainability and tackling with climate change.
- Contiuous monitoring, transparent reporting and improving GHG emission reduction performance

CC0.2

Reporting Year

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

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

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

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

Enter Periods that will be disclosed

Wed 01 Jan 2014 - Wed 31 Dec 2014

CC0.3**Country list configuration**

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

Select country
Turkey

CC0.4**Currency selection**

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

TRY

CC0.6**Modules**

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

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

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

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

"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 9 people who coordinate their work with the environmental representatives in each 880 branch together with Administrative Bodies of Vakıfbank.

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 880 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.

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.

CC1.2

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)	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.
Other: şube	Recognition (non-monetary)	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.
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

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
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.

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 from Climate Change. The potential risks and opportunities that are identified are communicated with the Risk Management Department under the Board of Directors for further assessment and prioritization.

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.

CC2.1c**How do you prioritize the risks and opportunities identified?**

The potential risks and opportunities that are identified by Sustainability Sub-Committee and Environmental Management Service are communicated with the Risk Management Department under the Board of Directors for further assessment and prioritization. Sustainability Sub-Committee 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.

The possible risks and opportunities are prioritized based on their impacts on our financial performance, reputation, environmental performance, customer satisfaction and shareholder interest.

CC2.1d

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

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2**Is climate change integrated into your business strategy?**

Yes

CC2.2a**Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process**

Climate Change is integrated into our business strategy in 3 ways. Below are the detailed explanation for each ways that Vakıfbank integrates into its business strategy:

1. First way is to support our stakeholders & clients for their sustainable energy projects and investments with financial incentives, regardless of the size of the investments.

i) Turkey's national development plan supports investments to harness the country's wealth of renewable energy resources. The plan aims to increase renewable energy capacity from 13,500MW to 30,000MW by 2020, and will reduce Turkey's total greenhouse gas (GHG) emissions by 11.4% compared to business as usual (BAU). To address technical and financial constraints, the government of Turkey has worked closely with the European Bank for Reconstruction and Development (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) for a range of innovative, 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_{2e}. 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. Turkish Undersecretariat of Treasury provides assurance for Vakıfbank for the management of CTF Funds.

ii) 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 energy efficiency ("EE") and small-scale renewable energy ("RE") investments. Borrowers may be eligible for loans up to EUR 5 million under TurSEFF to implement projects that include a substantial energy efficiency component. Vakıfbank is among the 4 Partner Banks through which TurSEFF provide loans o SMEs in Turkey.

iii)The Turkish Mid-size Sustainable Energy Financing Facility (MidSEFF) launched by the European Bank for Reconstruction and Development (EBRD) with the support from the European Investment Bank (EIB) and European Commission (EU) will provide 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 mid-size investments in renewable energy, waste-to-energy and industrial energy efficiency.

iv) Besides the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects with low interest-long pay back period loan programmes which are explained below:
(<http://www.vakifbank.com.tr/Default.aspx?pageID=460>)

-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 for individuals and companies.

-Environmental Friendly SMEs Loan Programme: VakıfBank provides low interest rated credits for SMEs, which would like to improve their environmental performance including energy efficiency, water efficiency, etc. The loan programme provides loan interest rates which has %5 lower interest rate than usual SME credit loan programmes, with pay back periods up to 60 months. Finally, 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 (hotels, etc), which would like to improve their environmental performance including energy efficiency, water efficiency. The loan programme provides loan interest rates which has %5 lower interest rate than usual tourism sector credit loan programmes, with pay back periods up to 36 months. Finally, 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".

2. The second way is to gradually convert the whole system (including supply chain) that Vakıfbank operates with into a sustainable one, through integrating renewable energy consumption and energy efficient applications to the system.

i) Vakıfbank extends the strategy of emission reduction efforts to its suppliers through purchasing 85% of its electricity from a supplier which produces electricity only from renewable resources. Unfortunately, the "certificates of origin" does not exist in turkey. However, an official declaration of Bereket Energy (power provider company) regarding the sources of power generation is attached.

ii) In 2012, Vakıfbank has launched the "Electronic Monitoring System" which reduced the Bank's paper consumption significantly. In 2014, 3.972.863 communication has been made and 175.021 invoice has been sent electronically, which saved (estimated) 355 trees. Currently, all credit card receipts are sent electronically to Vakıfbank's customers.

iii) In order to increase efficient use of energy, Vakıfbank has been extending central heating/cooling systems in branch offices with high efficiency inverter technologies. Other energy efficient applications in Vakıfbank are:

-shifting to energy efficient ATM Machines and servers

-Central system of computer switch of in buildings in night time

-Implementing virtual server system in stead of physical ones, which provided 1/3 of energy save.

iv) "Energy Monitoring and Management System": One of Vakıfbank's branch office in Ankara has been chosen as pilot in order to test the "Energy Monitoring and Management System" which aims to identify detailed energy consumption data in order to develop energy efficiency projects.

3. 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". Also, 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.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

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

CC2.2d

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

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

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 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 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). 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?

CC2.3e

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

CC2.3f

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

CC2.3g

Please provide details of the other engagement activities that you undertake

Vakıfbank provided feedback to the Ministry of Environment and Urbanization, upon their request regarding the draft 6th National Communication of Turkey on Climate Change.

CC2.3h

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

The Sustainability Committee of Vakıfbank plays a coordinating role in ensuring that the activities of the Bank that influence policy are in line with the Climate Change policies and strategies of the Bank. The Sustainability Committee has the advisory role for all activities that influence policy. Therefore, no activity against the company's climate Change policy is approved. The Committee plays a coordination role between the Board of Directors and all departments of the Bank.

CC2.3i

Please explain why you do not engage with policy makers

CC2.4

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

Yes

CC2.4a

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

Vakıfbank supports an International Climate Change Agreement which involves all developed and developing countries with fair shares of Emission Reduction Commitments, which will enable limiting the peak global temperature increase with 2 degrees Celcius. Vakıfbank is ready to fulfill its responsibilities based on Turkey's possible emission Reduction commitments that can be made in Paris.

Further Information**Attachments**

[https://www.cdp.net/sites/2015/58/21158/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC2.Strategy/Bereket Energy.pdf](https://www.cdp.net/sites/2015/58/21158/Climate%20Change%202015/Shared%20Documents/Attachments/ClimateChange2015/CC2.Strategy/Bereket%20Energy.pdf)

Page: CC3. Targets and Initiatives

CC3.1

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

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
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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	Target year	Comment
Int1	Scope 1	100%	20%	metric tonnes CO2e per FTE employee	2014	2.8	2023	2014 is the first year that Vakıfbank started to prepare its corporate GHG emissions inventories. Sustainability Committee of Vakıfbank decided to prepare the corporate GHG inventories every year, and decided to fine-tune the target based on the emission inventories of the next couple of years. In the base year, with its 14879 employees, Vakıfbank has 2.8 tonnes CO2e/FTE.

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	No change	0	No change	0	Vakıfbank has a dynamic employee and branch office number which change almost every year. The number of Branches are in the tendency of an increase together with the number of employees. Therefore, we expect that the reduction in emission intensity of Scope 1 will not make a major change in the absolute emissions by 2023.

CC3.1d

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

ID	% complete (time)	% complete (emissions)	Comment
Int1	0%	0%	2014 is our first year of reporting, therefore a progress is not relevant.

CC3.1e

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

CC3.2

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

Yes

CC3.2a

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

Vakıfbank is a pioneer financing provider for Sustainable Energy projects in Turkey through providing several Loan programmes. Vakıfbank has been among the few internationally trusted Turkish banks as local partners, with official Turkish State Guarantees. But international partnership as a local partner is not the only way that Vakıfbank supports Turkey's efforts for sustainable energy generation and GHG emission mitigation. The Bank has also its own financial products for project developers, SMEs and entrepreneurs, for implementing sustainable energy and low carbon projects and implementations.

i) The government of Turkey has worked closely with the European Bank for Reconstruction and Development (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) for innovative, high-impact energy sector projects. CTF financing is expected to leverage US\$2.25 billion for investments in energy efficiency, renewable energy, and smart grid upgrades to facilitate greater integration of renewable energy in Turkey. GHG emissions savings and reductions for CTF financed projects are estimated at 87 MtCO₂e. 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. Turkish Undersecretariat of Treasury provides assurance for Vakıfbank for the management of CTF Funds.

In 2012, Vakıfbank received a total credit of 201 Million EUR from World Bank to be given as loans for sustainable energy projects

ii) 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 energy efficiency ("EE") and small-scale renewable energy ("RE") investments. Borrowers may be eligible for loans up to EUR 5 million under TurSEFF to implement projects that include a substantial energy efficiency component. Vakıfbank is among the 4 Partner Banks through which TurSEFF provide loans to SMEs in Turkey.

Vakıfbank received a total credit of 35.78 Million EUR in 2010 and 89.93 M EUR in 2013 to be given as loans for sustainable energy projects within the framework of TurSEFF.

iii) The Turkish Mid-size Sustainable Energy Financing Facility (MidSEFF) launched by the European Bank for Reconstruction and Development (EBRD) with the support from the European Investment Bank (EIB) and European Commission (EU) will provide 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 mid-size investments in renewable energy, waste-to-energy and industrial energy efficiency.

In 2011, Vakıfbank received a total credit of 152.26 Million EUR to be given as loans for sustainable energy projects within the framework of MidSEFF.

iv) Besides the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects with low interest-long pay back period loan programmes which are explained below:
(<http://www.vakifbank.com.tr/Default.aspx?pageID=460>)

Within this framework, Vakıfbank provided the following loans for RE energy projects with the following capacities in year 2014:

- 3 Windpower projects-total generation capacity of 94 MW -39.5 Million EUR
- 5 Hydropower project-total generation capacity of 450.74 MW -220 Million EUR
- 1 Geothermal Power plant-total generation capacity of 1 MW - 735.000 EUR

The following types of environmental loan programmes are available from Vakıfbank for individuals, SMEs and project developers who would like to invest in sustainable energy and low carbon 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 for individuals and companies.

-Environmental Friendly SMEs and Tourism Loan Programme: Vakıfbank provides low interest rated credits for SMEs and any Tourism sector investor, which would like to improve their environmental performance including energy efficiency, water efficiency, etc. The loan programmes provide loan interest rates which has %5 lower interest rate than usual SME and tourism sector credit loan programmes, with pay back periods up to 36 months. Finally, 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".

CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	6	22355
Not to be implemented		

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Low carbon energy purchase	Vakıfbank extends the strategy of emission reduction efforts to its suppliers through purchasing 85% of its	22355	Scope 2	Voluntary		0	<1 year	Ongoing	Vakıfbank increases the percentage of electricity purchase from Bereket Energy every year. Although in reality we save GHG

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
	electricity from a supplier which produces electricity only from renewable resources. Unfortunately, the "certificates of origin" does not exist in turkey. However, an official declaration of Bereket Energy (power provider company) regarding the sources of power generation is attached.								emissions through energy purchase from Renewable resources, we have not included this reduction in our inventories due to lack of guarantees of origin system in Turkey. No additional cost occurred than normal electricity price for implementation of RE purchase.
Other	In 2012, Vakıfbank has launched the "Electronic Petition System" which reduced the Bank's paper consumption significantly. In 2014, 3.972.863 petitions has been made and 175.021 invoices has been sent electronically, which saved (estimated) 355 trees. Currently, all credit card receipts are sent electronically to Vakıfbank's customers.	55	Scope 3	Voluntary	43000	0	<1 year	Ongoing	
Energy efficiency: Building services	In order to increase efficient use of energy, Vakıfbank has been extending central heating/cooling systems in branch offices with high		Scope 1 Scope 2	Voluntary			1-3 years	Ongoing	Since the AC systems have been changed in 2014, we will see the results at the end of 2015. Therefore, it is difficult to make a GHG

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
	efficiency inverter technologies.								emission reduction estimate from the previous year.
Energy efficiency: Processes	Vakıfbank has been implementing a gradual shift to new and energy efficient ATM Machines and servers.		Scope 2	Voluntary			4-10 years	Ongoing	Due to the fact that ATM machines do not have separate electricity meters dedicated to the machine, it is not possible to estimate the energy savings.
Energy efficiency: Processes	Vakıfbank has a Central system that switches off the computers in buildings in night time automatically		Scope 2	Voluntary		0	<1 year	Ongoing	Since there has not been any monitoring system before, it is difficult to estimate the electricity savings due to the system. Therefore, it is difficult to make a GHG emission reduction estimate.
Energy efficiency: Processes	Vakıfbank implements virtual computer server system in stead of physical ones.		Scope 2	Voluntary		0	<1 year	Ongoing	Due to the fact that computer servers do not have separate electricity meters dedicated to the machine, it is not possible to estimate the energy savings.

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.

CC3.3d

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

Further Information

Page: **CC4. Communication**

CC4.1

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

Publication	Status	Page/Section reference	Attach the document
In voluntary communications	Underway - this is our first year	Sustainability Report (GRI) for 2014 is under preparation	

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 Trading Scheme, thus to the cap and trade system. During this	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	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	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
	<p>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 risk of capacity of the companies to pay back the bank loans especially for project finance.</p>						a cap and trade scheme on loan performance.	the COP Meeting, and after evaluating EU's position, regulatory risk assessment will be made again and a management method will be developed accordingly.	
International agreements	If a binding agreement for GHG	Reduction in capital	3 to 6 years	Indirect (Client)	About as likely as	Medium	Due to the uncertainties and	Vakifbank has decided to wait	Since the management

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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 installation. 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. The possible GHG emission cap system may cause loan recipients to increase their capital</p>	availability			not		<p>complexities involved in the process, Vakifbank has not attempted to estimate the potential impact of a cap and trade scheme on loan performance.</p>	<p>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.</p>	<p>method has not been developed, cost of management 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
	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, carbon tax will bring additional operational cost to Vakifbank's clients due to their GHG emissions. Increased operational costs will mean less revenue and increased risk for loan pay back to Vakifbank from the	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 estimate the potential impact of a potential carbon tax system on loan performance. However, considering the global trend of policy tools to reduce emissions,	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	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
	clients.						Vakıfbank considers carbon taxes unlikely compared to cap and trade system.	developed accordingly.	
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 Vakıfbank's clients, which may result with less revenue and increased risk for loan pay back to Vakıfbank from the clients.	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 implemented (nuclear power plant construction) in Turkey, Vakıfbank considers energy subsidies unlikely to be implemented, therefore does not consider it as a significant thread.	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 method will be developed accordingly.	Since the management method has not been developed, cost of management has not been calculated.
Fuel/energy taxes and regulations	The Regulation on Energy Performance in Buildings came	Increased capital cost	Up to 1 year	Direct	Virtually certain	Low	Vakıfbank already has a system to monitor the energy	Vakıfbank plans to implement high energy efficiency	The cost will depend on the new number of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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 800 branches, Vakıfbank will have to monitor and 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.</p>						<p>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 have high costs for the bank.</p>	<p>standards to the new branch offices. Therefore such upcoming and existing regulatory requirements will be met in the future.</p>	<p>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.</p>

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Uncertainty of physical risks	An overall change in all climate parameters combined (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.	Reduction in capital availability	Up to 1 year	Indirect (Client)	Likely	Low-medium	Due to the uncertainties involved in estimating the monetary 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.	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.
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.	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	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
	Uncertainty around precipitation forecasts puts the companies into difficult situations while preparing projections for annual income generation. Also, extreme weather events, such as rain storms, hail storms may damage the energy eneration 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.						make estimates regarding financial implications on Vakifbank.		
Change in mean (average)	An increase in avarage temperatures	Increased operational cost	Up to 1 year	Direct	Very likely	Low	Due to the uncertainties involved in	Vakifbank monitors energy	There is no direct cost of integrating the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
temperature	especially in summer may result increasing power consumption due to increased use of air conditioners in the buildings.						estimating the impacts of climate change on increased average temperatures, thus on power consumption of air conditioners, it is not possible to make estimates regarding financial implications on Vakıfbank	consumption of each branch office. Any increase in electricity consumption is recorded. Branches with high electricity intensity is examined for possible energy savings.	climate change associated risks into 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	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
	receiving back the loans taken by investors in tourism sector.								
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, therefore a socio-economic changes	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
	<p>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.</p>								

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

Opportunities driven by changes in regulation

Opportunities driven by changes in other climate-related developments

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	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 treshold levels. While	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, Vakifbank has not attempted to estimate the potential impact of a cap and trade scheme on loan demand increase.	Vakifbank follow all international and national developments in order to be able to forsee possible decisions on Emission Trade Scheme. Currently, Vakifbank is waiting for decisions regarding Turkey's accession to EU aquis and possible integration to EU ETS.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	ETS would not apply directly Vakifbank, it 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	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, Vakifbank has not attempted to estimate the potential impact of an international emission reduction agreement on loan demand increase.	Vakifbank 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>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 to keep their emissions under the allowed treshold levels. This may bring opportunities by accelerating the demand for renewable energy and energy-efficiency projects, which the company can finance.</p>								

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,	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.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Vakıfbank considers reputational opportunities for the future.								

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 climate change as a global catastrophe, that may only have limited amount of positive impact on limited geographies with limited levels. Therefore Vakıfbank considers negligible opportunity that may result from climate change, and therefore does not prefer to report any opportunity within the framework of CDP.

CC6.1f

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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	41705.6
Scope 2	Wed 01 Jan 2014 - Wed 01 Jan 2014	26300.5

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

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

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

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 Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	472	kg CO2e per MWh	International Energy Agency, CO2 EMISSIONS FROM FUEL COMBUSTION-2013
Diesel/Gas oil	75390.9	metric tonnes CO2e per GJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Natural gas	56152	metric tonnes CO2e per GJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Lignite	94600	metric tonnes CO2e per GJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Residual fuel oil	77649	metric tonnes CO2e per GJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Motor gasoline	71146.8	metric tonnes CO2e per GJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories

Further Information

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

CC8.1

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

Operational control

CC8.2

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

41705.6

CC8.3

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

26300.5

CC8.4

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

Yes

CC8.4a

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

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Fugitive cooling gases from Air conditioners	Emissions are relevant but not yet calculated	No emissions from this source	Since it is the first year of GHG emission inventory preparation, we have not developed data gathering system for Fugitive cooling gases from Air conditioners. Therefore, we don't have data completeness for every branch. We will prepare the fugitive cooling gas inventory in our next inventory work.

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%	Data Gaps Assumptions Metering/ Measurement Constraints Data Management	Calculated with GHG Protocol Uncertainty analysis calculation tool. Includes Emission factor uncertainties too.
Scope 2	More than 2% but less than or equal to 5%	Data Gaps Assumptions Metering/ Measurement Constraints	Calculated with GHG Protocol Uncertainty analysis calculation tool. Includes Emission factor uncertainties too.

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
		Data Management	

CC8.6

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

Third party verification or assurance complete

CC8.6a

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

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/58/21158/Climate Change 2015/Shared Documents/Attachments/CC8.6a/KPMG_VAk fbank_mzal_rapor.pdf	1-2	ISAE 3410	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 your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/58/21158/Climate Change 2015/Shared Documents/Attachments/CC8.7a/KPMG_VAk fbank_ mzal _rapor.pdf	1-2	ISAE 3410	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
Other: Scope 3 Emissions	A third party verification is provided for the Scope 3 emissions limited to employee services, paper use and flights

CC8.9

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

No

CC8.9a

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

Further Information

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

CC9.1

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

No

CC9.1a

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

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

CC9.2

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

By activity

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)
-------------------	--

CC9.2b

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

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

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
----------	--

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	35.0
Fuel Combustion (for Generators)	658.42
Heating (Branch Offices)	2835.77
Heating (Administrative Buildings) Offices)	1143.36
Fugitive gas (from Fire extinguishers)	1124

CC9.2e

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

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

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)

CC10.1

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

No

CC10.1a

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

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

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

By facility

CC10.2a

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

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

CC10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)
Electricity use in Buildings	24329.7
Electricity use of ATMs	1970.8

CC10.2c

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

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

CC10.2d

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

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

Page: CC11. Energy

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%

CC11.2

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

Energy type	MWh
Fuel	153991
Electricity	55721
Heat	0

Energy type	MWh
Steam	0
Cooling	0

CC11.3

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

Fuels	MWh
Lignite	1047
Motor gasoline	3107
Natural gas	17921
Residual fuel oil	420
Diesel/Gas oil	131496

CC11.4

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

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low	44576.8	80 % of electricity consumed by Vakıfbank has been purchased from a Utility company which

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor		produces 100% Renewable electricity. However, since there are no instruments such as guarantees of origin in Turkey, no low carbon emission factor has been applied to the calculations. All calculations have been made with default emission factors for electricity for Turkey.

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?

This is our first year of estimation

CC12.1a

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

Reason	Emissions value (percentage)	Direction of change	Comment

CC12.2

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000038788	metric tonnes CO2e	unit total revenue	0	N/A	Since this is our first year of reporting, comparison with last year is not relevant

CC12.3

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
4.57	metric tonnes CO2e	FTE employee	0	N/A	Since this is our first year of reporting, comparison with last year is not relevant

CC12.4

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.0000004298	metric tonnes CO2e	Other: Total assets	0	N/A	Since this is our first year of reporting, comparison with last year is not relevant

Further Information

Page: **CC13. Emissions Trading**

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

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

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

CC13.1b

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

CC13.2

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

No

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
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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	1600.6	Online tools for calculating Scope 3 emissions from paper purchase and use. (Environmental Paper Network)		
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	1278.6	Online tools for calculating Scope 3 emissions from paper purchase and use. (Climate Care online carbon calculator for civil aviation)		
Upstream transportation and distribution	Not evaluated				
Waste generated in operations	Relevant, not yet calculated				
Business travel	Relevant, calculated				
Employee commuting	Relevant, calculated	2323.3	GHG Protocol, Guidance for Calculating Scope 3 Emissions	100.00%	The transport route kilometer has been calculated from data given by the service provider company, together with information on engine type, size and fuel consumption per 100 km. Total fuel consumption is calculated with this information. The GHG emissions are calculated with EFs from 2006 IPCC Guidelines.
Upstream leased assets	Not evaluated				
Downstream transportation and distribution	Not relevant, explanation provided				Vakıfbank does not have any delivery operation to any of its customers. Therefore, this emission category is irrelevant.
Processing of sold products	Not relevant, explanation provided				Vakıfbank's products are financial products. Therefore, this emission category is irrelevant.

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's products are financial products. Therefore, this emission category is irrelevant.
End of life treatment of sold products	Not relevant, explanation provided				Vakıfbank's products are financial products. Therefore, this emission category is irrelevant.
Downstream leased assets	Not evaluated				
Franchises	Not evaluated				
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 complete

CC14.2a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/58/21158/Climate Change 2015/Shared Documents/Attachments/CC14.2a/KPMG_VAk fbank_ mzal _rapor.pdf	1-2	ISAE 3410	

CC14.3

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

No, this is our first year of estimation

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

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 customers

CC14.4a

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

Vakifbank's tool for engaging with its value chain in terms of promoting their GHG emission reduction is through providing additional financial incentives for loan applications where the proposed project/implementation aims at energy efficiency, resource efficiency or renewable energy implementation. For such projects, Vakifbank provides credit programmes with interest rates which has %5 lower interest rate than usual credit loan programmes, with pay back periods up to 60 months.

CC14.4b

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

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

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

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

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

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

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

Name	Job title	Corresponding job category
Caner Genceli	Head of Environmental Services	Environment/Sustainability manager

Further Information

CDP 2015 Climate Change 2015 Information Request