



Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

For the purposes of supplying tradesmen and artisans on favorable terms in order to promote economic development, it had been decided to establish Halkbank. Halkbank was founded under Statute 2284 in 1933 as a credit union by small cooperatives and began its operations in 1938. Between the years 1938-1950 Halkbank provided its loans through public funds named as "People's Fund". Halkbank was authorized to directly open branches and grant loans to customers in 1950. Despite having been established by local cooperatives, the structure was changed in 1963, whereupon it became a state owned bank, where original shareholders were unable to contribute capital increases. Throughout 1990s, Halkbank's assets grew rapidly through the absorption of certain failed smaller sized state banks, including TÖBANK, Sümerbank and Etibank. In 2001, 96 branches of Emlakbank, another state bank which was then in the process of liquidation, were transferred to Halkbank. One of the major turning points for Halkbank is the acquisition of Pamukbank in 2004. The merger with Pamukbank significantly strengthened the Bank's retail banking capabilities, provided it with a more technologically advanced IT system (Mistral) which was deployed throughout the Bank's networks and created other synergies from the combination and rationalization of the branch, operations and employee bases. After the Pamukbank merger, Halkbank underwent a serious restructuring process which was initiated by the Statute 4603 relating to public banks with the aim of preparing them for privatization. In line with this restructuring process, Halkbank's organizational structure was completely made over and a customer-focused approach was adopted in the Bank's activities. Although initially the Bank had been planned to be privatized through a block sale under the resolution of the Privatization High Council in 2006, the government surprisingly cancelled the initial plan and decided to privatize 25% of the shares through an IPO in early 2007. As of 10 May 2007, 24.98% of the shares of the Bank have been sold through a very successful public offering and the shares have been listed in Istanbul Stock Exchange. Halkbank's IPO represents the largest one that ever occurred in the Turkish capital markets. Halkbank is now celebrating its 70th anniversary of its establishment.

0.2

Reporting Year

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

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

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

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

Enter Periods that will be disclosed

Fri 01 Jan 2010 - Fri 31 Dec 2010

Sat 01 Jan 2011 - Sat 31 Dec 2011

Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country

Turkey

0.4

Currency selection

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

TRY

0.6

Modules

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

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

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

Module: Management

Page: 1. Governance

1.1

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

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

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

The preparation for establishment of an Energy Management Committee in 2013 has been started and this committee is expected to be also responsible for climate change and sustainable development.

1.2

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

No

Further Information

2.1

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

There are no documented processes for assessing and managing risks and opportunities from climate change

2.2

Is climate change integrated into your business strategy?

No

2.2b

Please explain why not

Halkbank recognised the importance of climate change and it will affect the business conduct for the short, mid and-long run. Halkbank is well aware of that there are risk and opportunities driven by climate change. However, the awareness about climate change at every level of Halkbank is newly developing. As a result of this developing knowledge and mindset, climate change will be part of Halkbank's business strategy.

2.3

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

No

2.3i

Please explain why you do not engage with policy makers

Since Halkbank is at the beginning stage of integrating climate change into its business there was not enough opportunity to engage with policy makers. In the near future Halkbank will be in contact with organisation that can directly or indirectly influence policy on climate change.

Further Information

3.1

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

No

3.1e

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

(i)Halkbank is at the beginning stage of developing a carbon management programme. The emissions from 2010, 2011 and 2012 have been calculated to establish a baseline. To identify emission reduction opportunities Halkbank carried out energy audits among sample group branches, which are identified according to their conceptual structure and climatic regions, and head quarters. The results of these audits show that Halkbank has a potential of reducing its emissions from energy consumption in buildings from 15% to 35% by implementing retrofitting existing system or new investments. The next step will be developing an emission reduction target. (ii) The total emissions of Halkbank are expected to increase over the next five years as the company is growing rapidly, which requires more branches and ATM's. However, Halkbank is going to reduce its intercity based emission. This will be achieved by energy efficiency implementations and reducing the number of head quarters in Ankara and İstanbul.

3.2

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

Yes

3.2a

Please provide details (see guidance)

(i)Halkbank provides loans for renewable energy and energy efficiency projects, which help the clients to reduce their emissions. Until now 8 hydro electric power plants has been funded with a total installed capacity of 76.3 MW and \$169.5 million. (ii) These projects will reduce around 150000 tonnes of CO2e annually between 2010 and 2040. (iii) The emission reductions are calculated according to the Methodology AMS.I.D of UNFCCC. (iv) Halkbank does not have the rights to create emission reduction credits from these projects. There are also 11 hydro power plants, 2 wind farms and 3 biomass power plants under constructions with a total installed capacity of 139.71MW and \$ 237.56 million. These projects are expected to reduce around 256 000 tonnes of CO2e annually. In addition, Halkbank also delivers the fund of Agence Française de Developpement(AFD) to its client for low carbon projects. In the context of this fund, 10 renewable energy project (small hydro and solar) and 55 energy efficiency project has been funded with 50 million euro. (ii) It is expected to achieve 130,928 tonnes of CO2e annually between 2012 and 2022. (iii) The emission reductions are calculated via the tool provided by AFD. (iv) Halkbank does not have the rights to create emission reduction credits from these projects. Moreover, Halkbank provided trainings for its employees and project owners on climate change and energy efficiency. However, the emission reduction effect of these trainings is not quantified.

3.3

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

Yes

3.3a

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

| Stage of development | Number projects | of | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------|----|--|
| Under investigation | 11 | | |
| To be implemented* | 1 | | 2954 |
| Implementation commenced* | | | |
| Implemented* | 3 | | 5937 |
| Not to be implemented | | | |

3.3b

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

| Activity type | Description of activity | Estimated annual CO2e savings (metric tonnes CO2e) | Annual monetary savings (unit currency - as specified in Q0.4) | Investment required (unit currency - as specified in Q0.4) | Payback period |
|--------------------------------------|--|--|--|--|----------------|
| Other | The paperwork associated with loans and credit card applications are used to be printed more than once by different departments. To reduce the paper consumption the documents are saved as soft copies. | 180 | 120000 | 0 | <1 year |
| Other | Turning of computers after work and weekends by changing the settings of the computers. | 2656 | 866362 | 0 | <1 year |
| Energy efficiency: Building services | Replacing existing UPS's with more efficient ones. | 148 | 48180 | 928200 | 1-3 years |

3.3c

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

| Method | Comment |
|--|---|
| Lower return on investment (ROI) specification | Investment decisions are based on lower return on investment (ROI). Halkbank chooses the projects for head quarters with ROI less than 1.5 years and for branches other units with ROI less than 3.5 years to invest in. The reason why the ROI expectation is lower for head quarters is that the number of existing head quarter buildings will be reduced after 3 years. |

Further Information

Page: 4. Communication

4.1

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

| Publication | Page/Section reference | Attach the document |
|-------------|------------------------|---------------------|
| No | | |

Further Information

Module: Risks and Opportunities

Page: 5. Climate Change Risks

5.1

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

Risks driven by changes in regulation

Risks driven by changes in physical climate parameters

Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

| ID | Risk driver | Description | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact |
|-------|-----------------------------------|--|--|------------|------------------|----------------------|---------------------|
| RR-01 | Emission reporting obligations | There is an emission reporting obligation, which will start to be implemented in 2016, in Turkey for energy intensive sector. It might be extended to less energy intensive sectors as well. | Increased operational cost | 6-10 years | Direct | More likely than not | Low |
| RR-02 | Fuel/energy taxes and regulations | Energy efficiency schemes for non-energy -intensive sectors or fuel/ energy taxes to reduce carbon emissions. | Other: Increased operational cost & increased capital cost | 6-10 years | Direct | More likely than not | Low-medium |

5.1b

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

RR-01 (i) The potential financial implications of emission reporting obligations will be the consultancy fee for the preparation of the report or the need for internal capacity increase. The current regulations about emission reporting do not cover banking sector. However, this might be extended to less energy intensive sectors with the future tight international obligations. (ii) To manage the risk Halkbank is getting ready before it happens. The carbon emissions are calculated already and will be calculated annually. Moreover, the employees are going to be trained to increase the internal capacity. (iii) The cost of these actions is low compared to the total operational costs, less than 1% of it. RR -02 (i) If fuel/energy taxes or regulations to reduce the consumption are enacted, the need for investment to reduce the energy and operational costs will increase. This might go up to TRY 1 000 000 annually. (ii)To tackle the risk Halkbank is investing in energy efficiency projects for the current operations and defining minimum efficiency levels for purchasing. (iii) The cost associated with these actions is not identified yet because some of the projects are under investigation.

5.1c

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

| ID | Risk driver | Description | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact |
|-------|--------------------------------|--|----------------------------|-----------|------------------|-------------|---------------------|
| RP-01 | Change in temperature extremes | With the changes in temperature extremes the need for heating and cooling will be increase for the offices and | Increased operational cost | Current | Direct | Very likely | Low-medium |

| ID | Risk driver | Description | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact |
|-------|---|--|---|-----------|-------------------|------------|---------------------|
| | | branches. | | | | | |
| RP-02 | Change in precipitation extremes and droughts | Change in precipitation extremes will lead to floods, which can affect mostly the branches. | Increased operational cost | 1-5 years | Direct | Likely | Low-medium |
| RP-03 | Change in precipitation pattern | The changes in precipitation pattern can affect the clients mostly the farmers and hydro power plant owners. | Other: Reduced income from return of loans. | 1-5 years | Indirect (Client) | Likely | Medium-high |

5.1d

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

RP- 01 (i) The effect of change in temperature extremes will be the need of more heating and cooling in the offices and branches. This effect might increase the operational cost around TRY 500 000 annually. (ii) . To tackle the risk Halkbank is investing in energy efficiency projects for the current operations and defining minimum efficiency levels for purchasing. In addition, Halkbank is working on how to turn the branches into green offices. (iii) The cost associated with these actions is not identified yet because some of the projects are under investigation. RP - 02 (i) Changes in precipitation extremes can damage mostly the branches around Turkey, which causes more maintenance because of the floods. However, the cost associated with this effect has not been identified yet. (ii) Halkbank realises the risk of changes in precipitation extremes but a detailed management plan has not been developed yet. (iii) When the risk is deeply identified, the cost of management will be available as well. RP - 03 (i) Changes in precipitation pattern will directly affect farmers, who are clients of Halkbank. Agricultural efficiency will decrease and the farmers might not get enough crops to afford their paybacks. This will reduce the income of Halkbank from the loans. (ii) To tackle the risk Halkbank is diversifying its client portfolio. (iii) The cost associated with these risks is complex to be identified.

5.1e

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

| ID | Risk driver | Description | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact |
|------|---------------------------------------|--|-----------------------------------|-----------|------------------|------------------------|---------------------|
| RO-1 | Reputation | Ethical consumers are getting more curious about the environmental performance of the companies, whose goods/services they use. This is also a risk for the banks, who provides loans on dirty technologies or do not manage their environmental impact. | Reduced demand for goods/services | 1-5 years | Direct | More likely than not | Medium-high |
| RO-2 | Fluctuating socio-economic conditions | With the adverse effects of climate change the socio-economic conditions will fluctuate, which differs people's priorities and reduce the demand for banking services. | Reduced demand for goods/services | >10 years | Direct | About as likely as not | Medium-high |

5.1f

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

RO - 1 (i) There is a big reputational risk for banking sector with the increasing awareness among clients. The bank who does not respond to climate change and who fund projects with serious negative environmental impacts will face to lost most of their retail customers. The impact of the risk has not been measured yet. (ii) Halkbank is developing a carbon management plan to reduce its impact on climate change and reduce the risk of reputational loss. (iii) The cost of these actions is not clearly defined yet. RO -2 (i) While the impacts of climate change increase, the socio-economic conditions will fluctuate. The cost of living will increase and the livelihood of public will be low. This will decrease the demand for banking sector services. (ii) To manage the risk Halkbank is diversifying its services to maintain the income. (iii) The cost of these actions is not clearly defined yet.

Further Information

Page: 6. Climate Change Opportunities

6.1

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

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

6.1a

Please describe your opportunities that are driven by changes in regulation

| ID | Opportunity driver | Description | Potential impact | Timeframe | Direct/Indirect | Likelihood | Magnitude of impact |
|-------|-----------------------------|---|---|------------|-------------------|----------------------|---------------------|
| OP-01 | Renewable energy regulation | If the targets of the government on renewable energy generation share in total are increased, more companies will need loans for new power plant investments. | Increased demand for existing products/services | 1-5 years | Indirect (Client) | Likely | Low-medium |
| OP-02 | Cap and trade schemes | If Turkey implements a domestic or international cap and trade system, the banking | New products/business services | 6-10 years | Indirect (Client) | More likely than not | Medium |

| ID | Opportunity driver | Description | Potential impact | Timeframe | Direct/Indirect | Likelihood | Magnitude of impact |
|----|--------------------|--|------------------|-----------|-----------------|------------|---------------------|
| | | sector can provide brokerage services. | | | | | |

6.1b

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

OP-01 The financial impact of a new renewable energy regulation with ambitious targets can increase the income of Halkbank, by providing more loans. However, since there is not any indication of how much new energy plants from which technology is needed, it is not possible to estimate the additional financial support. When the time comes, Halkbank will be ready to respond these loan requests because Halkbank is acquiring more international funds for renewable energy projects, such as, from AFD and World Bank. OP - 02 If Turkey implements a domestic or international cap and trade system, Halkbank can develop a new business service, which is brokerage for trading the emission permits and credits. However, the financial opportunity associated with cap and trade scheme cannot be estimated yet without knowing the scale of the system. Halkbank will start to get ready by hiring qualified employees or training the existing ones.

6.1c

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

| ID | Opportunity driver | Description | Potential impact | Timeframe | Direct/Indirect | Likelihood | Magnitude of impact |
|----|--------------------------------|--|---|-----------|-------------------|------------|---------------------|
| | Change in temperature extremes | With the change in temperatures extremes, facilities will need better heating and cooling systems. Thus, they will need to invest in new technologies and additional fund. | Increased demand for existing products/services | Current | Indirect (Client) | Likely | Low-medium |

6.1d

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

(i)With the change in temperatures extremes, facilities will need better heating and cooling systems. Thus, they will need to invest in new technologies. As a result, Halkbank will get more loan requests for energy efficiency projects, however the financial implications of this specific issue has not been measured. (ii) To provide more loans for energy efficiency projects, Halkbank established an evaluation and implementation team, consist of 30 trained investigation engineers and 20 of them are energy manager. Moreover, employees at branches will be trained. (iii)The cost associated with these actions is very low compared to the benefit received.

6.1e

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

| ID | Opportunity driver | Description | Potential impact | Timeframe | Direct/Indirect | Likelihood | Magnitude of impact |
|----|-----------------------------|---------------------------------------|---|-----------|-------------------|----------------------|---------------------|
| | Changing consumer behaviour | Changing consumer behaviour will push | Increased demand for existing products/services | >10 years | Indirect (Client) | More likely than not | Medium |

| ID | Opportunity driver | Description | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact |
|----|--------------------|--|------------------|-----------|------------------|------------|---------------------|
| | | companies to operate greener, which requires additional investment for retrofitting or new technologies. | | | | | |

6.1f

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

The consumption trends are differing compared to ten or twenty years ago. People want to consume products/services, which have less impact on environment. This pressure leads companies to invest in greener technologies, which will increase the demand for Halkbank's services. However, since this opportunity is going to be realised in mid-term period for Turkey, it is not easy to estimate the financial implications now. Though, there will be no additional cost to benefit from this opportunity as the existing capacity will be enough to respond new loan requests.

Further Information

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

Page: 7. Emissions Methodology

7.1

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

| Base year | Scope 1 Base year emissions (metric tonnes CO2e) | Scope 2 Base year emissions (metric tonnes CO2e) |
|-----------------------------------|--|--|
| Sun 01 Jan 2012 - Mon 31 Dec 2012 | 17917.62 | 35862.12 |

7.2

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

Please select the published methodologies that you use

ISO 14064-1

7.2a

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

7.3

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

| Gas | Reference |
|-----|--|
| CO2 | IPCC Fourth Assessment Report (AR4 - 100 year) |

| Gas | Reference |
|-----|--|
| CH4 | IPCC Fourth Assessment Report (AR4 - 100 year) |
| N2O | IPCC Fourth Assessment Report (AR4 - 100 year) |

7.4

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

| Fuel/Material/Energy | Emission Factor | Unit | Reference |
|--|-----------------|-------------------------------------|---|
| Bituminous coal | 3258.2 | Other: kg CO2e per tonne | 2012 Defra Conversion Factors |
| Natural gas | 2.2422 | metric tonnes CO2e per m3 | 2012 Defra Conversion Factors |
| Diesel/Gas oil | 3860.4 | Other: kg CO2e per tonne | 2012 Defra Conversion Factors |
| Diesel/Gas oil | 2.2422 | metric tonnes CO2e per m3 | 2012 Defra Conversion Factors |
| Other: Petrol | 2.7173 | kg CO2e per litre | 2012 Defra Conversion Factors |
| Other: Fuel Oil | 3836.9 | Other: kg CO2e per tonne | 2012 Defra Conversion Factors |
| Electricity | 0.61308 | Other: kg CO2e per kWh | 2012 Defra Conversion Factors |
| Municipal waste | 165 | Other: kg CO2e per tonne | Wrap's 2006 figures |
| Other: Waste to recycle(mixed) | 15 | Other: kg CO2e per tonne | Wrap's 2006 figures |
| Other: Water supply and treatment | 1.0526 | Other: kg CO2e per m3 | 2012 Defra Conversion Factors |
| Other: Paper | 1.49 | metric tonnes CO2e per metric tonne | Inventory of Carbon&Energy, V.2, University of Bath |
| Other: Hotel stays | 40.76 | Other: kg CO2e per night | London 2010 Carbon Footprint Study |
| Other: Flights(Domestic) | 0.20124 | Other: kg CO2e per km.passenger | 2012 Defra Conversion Factors |
| Other: Flights(Short haul international) | 0.10946 | Other: kg CO2e per km.passenger | 2012 Defra Conversion Factors |
| Other: Flights(Long haul international) | 0.13143 | Other: kg CO2e per km.passenger | 2012 Defra Conversion Factors |
| Other: Waste Transport | 0.2332 | Other: kg CO2e per tonne.km | 2012 Defra Conversion Factors |
| Other: Passenger transport(coach) | 0.03471 | Other: kg CO2e per passenger.km | 2012 Defra Conversion Factors |

Page: 8. Emissions Data - (1 Jan 2010 - 31 Dec 2010)

8.1

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

Operational control

8.2

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

12842.35

8.3

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

8.4

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

Yes

8.4a

Please complete the table

| Source | Scope | Explain why the source is excluded |
|-------------------------------|---------------|---|
| Offices located out of Turkey | Scope 1 and 2 | The branch and offices out of Turkey has been excluded in the boundary of the footprint. |
| Refrigerant Gases | Scope 1 | Refrigerant gas leakages from air conditioners are excluded, since all of the air conditioning equipments are renewed in the last five years and there was not qualified and enough data available. |

8.5

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

| Scope 1 emissions: Uncertainty range | Scope 1 emissions: Main sources of uncertainty | Scope 1 emissions: Please expand on the uncertainty in your data | Scope 2 emissions: Uncertainty range | Scope 2 emissions: Main sources of uncertainty | Scope 2 emissions: Please expand on the uncertainty in your data |
|---|--|---|--------------------------------------|--|--|
| More than 2% but less than or equal to 5% | Data Gaps Assumptions | Most of the scope one emissions data is accurate since they are gathered from meterings or bills. However, the consumption figures are calculated from the annual expenses, which might not give the exact figure all the time. | Less than or equal to 2% | Assumptions | Regarding the electricity consumption of ATM's, there was not enough data, so it was calculated based on some assumptions via next year's consumption figures retroactively. |

8.6

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

No third party verification or assurance

8.7

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

No third party verification or assurance

8.8

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

No

Further Information

Page: 8. Emissions Data - (1 Jan 2011 - 31 Dec 2011)

8.1

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

Operational control

8.2

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

16477.16

8.3

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

36118.38

8.4

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

Yes

8.4a

Please complete the table

| Source | Scope | Explain why the source is excluded |
|-------------------------------|---------------|---|
| Offices located out of Turkey | Scope 1 and 2 | The branch and offices out of Turkey has been excluded in the boundary of the footprint. |
| Refrigerant Gases | Scope 1 | Refrigerant gas leakages from air conditioners are excluded, since all of the air conditioning equipments are renewed in the last five years and there was not qualified and enough data available. |

8.5

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

| Scope 1 emissions: Uncertainty range | Scope 1 emissions: Main sources of uncertainty | Scope 1 emissions: Please expand on the uncertainty in your data | Scope 2 emissions: Uncertainty range | Scope 2 emissions: Main sources of uncertainty | Scope 2 emissions: Please expand on the uncertainty in your data |
|--------------------------------------|--|--|--------------------------------------|--|--|
| More than 2% but less than or equal | Data Gaps Assumptions | Most of the scope one emissions data is accurate since they are | Less than or equal to 2% | Assumptions | Regarding the electricity consumption of |

| Scope 1 emissions: Uncertainty range | Scope 1 emissions: Main sources of uncertainty | Scope 1 emissions: Please expand on the uncertainty in your data | Scope 2 emissions: Uncertainty range | Scope 2 emissions: Main sources of uncertainty | Scope 2 emissions: Please expand on the uncertainty in your data |
|---|---|---|---|---|---|
| to 5% | | gathered from meterings or bills. However, the consumption figures are calculated from the annual expenses, which might not give the exact figure all the time. | | | ATM's, there was not enough data, so it was calculated based on some assumptions via next year's consumption figures retroactively. |

8.6

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

No third party verification or assurance

8.7

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

No third party verification or assurance

8.8

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

No

Further Information

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

8.1

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

Operational control

8.2

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

17917.62

8.3

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

35862.12

8.4

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

Yes

8.4a

Please complete the table

| Source | Scope | Explain why the source is excluded |
|-------------------------------|---------------|---|
| Offices located out of Turkey | Scope 1 and 2 | The branch and offices out of Turkey has been excluded in the boundary of the footprint. |
| Refrigerant Gases | Scope 1 | Refrigerant gas leakages from air conditioners are excluded, since all of the air conditioning equipments are renewed in the last five years and there was not qualified and enough data available. |

8.5

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

| Scope 1 emissions: Uncertainty range | Scope 1 emissions: Main sources of uncertainty | Scope 1 emissions: Please expand on the uncertainty in your data | Scope 2 emissions: Uncertainty range | Scope 2 emissions: Main sources of uncertainty | Scope 2 emissions: Please expand on the uncertainty in your data |
|---|--|---|--------------------------------------|--|--|
| More than 2% but less than or equal to 5% | Data Gaps Assumptions | Most of the scope one emissions data is accurate since they are gathered from meterings or bills. However, the consumption figures are calculated from the annual expenses, which might not give the exact figure all the time. | Less than or equal to 2% | Assumptions Metering/ Measurement Constraints | Although most of the data gathered from metering readings, there might be uncertainty because of the common meterings or false readings. |

8.6

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

Third party verification or assurance underway but not yet complete - first year it has taken place

8.6a

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

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

8.6b

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

| Type of verification or assurance | Relevant standard | Attach the document |
|-----------------------------------|-------------------|---------------------|
|-----------------------------------|-------------------|---------------------|

| Type of verification or assurance | Relevant standard | Attach the document |
|-----------------------------------|-------------------|---------------------|
| Limited assurance | ISO14064-3 | |

8.7

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

Third party verification or assurance underway but not yet complete - first year it has taken place

8.7a

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

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

8.7b

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

| Type of verification or assurance | Relevant standard | Attach the document |
|-----------------------------------|-------------------|---------------------|
| Limited assurance | ISO14064-3 | |

8.8

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

No

Further Information

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

9.1

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

No

9.2

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

By activity

9.2d

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

| Activity | Scope 1 emissions (metric tonnes CO2e) |
|-------------------|--|
| Company Cars | 6305.50 |
| Heating&Hot Water | 6343.35 |

| Activity | Scope 1 emissions (metric tonnes CO2e) |
|------------|--|
| Generators | 193.50 |

Further Information

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

9.1

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

No

9.2

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

By activity

9.2d

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

| Activity | Scope 1 emissions (metric tonnes CO2e) |
|-------------------|--|
| Company Cars | 6999.31 |
| Heating&Hot Water | 9253.47 |
| Generators | 224.38 |

Further Information

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

9.1

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

No

9.2

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

By activity

9.2d

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

| Activity | Scope 1 emissions (metric tonnes CO2e) |
|--------------|--|
| Company Cars | 7774.91 |

| Activity | Scope 1 emissions (metric tonnes CO2e) |
|-------------------|--|
| Heating&Hot Water | 9900.46 |
| Generators | 242.25 |

Further Information

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2010 - 31 Dec 2010)

10.1

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

No

10.2

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

By facility

10.2b

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

| Facility | Scope 2 emissions (metric tonnes CO2e) |
|----------------------|--|
| Offices and Branches | 34542.44 |
| ATM's | 349.77 |

Further Information

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2011 - 31 Dec 2011)

10.1

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

No

10.2

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

By facility

10.2b

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

| Facility | Scope 2 emissions (metric tonnes CO2e) |
|----------------------|--|
| Offices and Branches | 35641.46 |

| Facility | Scope 2 emissions (metric tonnes CO2e) |
|----------|--|
| ATM's | 476.91 |

Further Information

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

10.1

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

No

10.2

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

By facility

10.2b

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

| Facility | Scope 2 emissions (metric tonnes CO2e) |
|----------------------|--|
| Offices and Branches | 35215.31 |
| ATM's | 646.81 |

Further Information

Page: 11. Energy

11.1

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

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

11.2

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

| Energy type | MWh |
|-------------|----------|
| Fuel | 66082.56 |
| Electricity | 58495.01 |
| Heat | |
| Steam | |
| Cooling | |

11.3

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

| Fuels | MWh |
|-----------------|----------|
| Bituminous coal | 133.81 |
| Diesel/Gas oil | 23698.38 |
| Other: Petrol | 3614.28 |
| Other: Fuel Oil | 4513.32 |
| Natural gas | 34122.78 |

11.4

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

| Basis for applying a low carbon emission factor | MWh associated with low carbon electricity, heat, steam or cooling | Comments |
|--|--|----------|
| No purchases or generation of low carbon electricity, heat, steam or cooling | | |

Further Information

Page: 12. Emissions Performance

12.1

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

Increased

12.1a

Please complete the table

| Reason | Emissions value (percentage) | Direction of change | Comment |
|---|------------------------------|---------------------|--|
| Emissions reduction activities | | | |
| Divestment | | | |
| Acquisitions | | | |
| Mergers | | | |
| Change in output | 2.25 | Increase | The number of branches are increased which requires more operational activities. |
| Change in methodology | | | |
| Change in boundary | | | |
| Change in physical operating conditions | | | |
| Unidentified | | | |
| Other | | | |

12.2

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

| Intensity figure | Metric numerator | Metric denominator | % change from previous year | Direction of change from previous year | Reason for change |
|------------------|--------------------|--------------------|-----------------------------|--|--|
| 0.000020723 | metric tonnes CO2e | unit total revenue | 19 | Decrease | Halkbank increased its revenue by using the resources more efficiently, which leads bigger increase rate in income than total emissions. |

12.3

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

| Intensity figure | Metric numerator | Metric denominator | % change from previous year | Direction of change from previous year | Reason for change |
|------------------|--------------------|--------------------|-----------------------------|--|--|
| 3.2885 | metric tonnes CO2e | FTE employee | 5 | Decrease | The increase in number of employees is bigger than the increase in total emissions. This means that Halkbank is providing more employment opportunities with less resources. |

12.4

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

| Intensity figure | Metric numerator | Metric denominator | % change from previous year | Direction of change from previous year | Reason for change |
|------------------|--------------------|---------------------|-----------------------------|--|--|
| 0.000496665 | metric tonnes CO2e | Other: Total Assets | 14 | Decrease | Halkbank increased its total assets 19% compared to 2011. This big increase beat the increase in total emissions, which leads to a decrease in intensity figure. |

Further Information

Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

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

13.2

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

No

Further Information

Page: 14. Scope 3 Emissions

14.1

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

| Sources of Scope 3 emissions | Evaluation status | metric tonnes CO2e | Methodology | Percentage of emissions calculated using primary data | Explanation |
|---|------------------------------------|--------------------|--|---|---|
| Purchased goods and services | Relevant, calculated | 5905.91 | The emissions arise from water supply and treatment, paper consumption, postage and hotel stays are evaluated under this section. The data is gathered from Halkbank's records. The emission factors are indicated in question 7.4. | | |
| Capital goods | Not evaluated | | | | |
| Fuel-and-energy-related activities (not included in Scope 1 or 2) | Not relevant, explanation provided | | | | No activities related to fuel and energy are excluded in Scope1 and 2, so no Scope 3 emissions are considered here. |
| Upstream transportation and distribution | Not evaluated | | | | |
| Waste generated in operations | Relevant, calculated | 240.35 | The emission from the waste are divided in two parts: First part from the municipal waste, which goes to the landfill and second part from the waste that goes to recycling. The emission from the transport of the waste is also considered under this element. The emission factors are indicated in question 7.4. | | |
| Business travel | Relevant, calculated | 4486.52 | Halkbank uses mostly air and road travel for business visits. Each journey is evaluated by defining from where the travel starts to where it ends. Then the distances are calculated. The air travels are classified as domestic, short haul international and long haul international. The emission factors are indicated in question 7.4 | | |
| Employee commuting | Relevant, calculated | 3655.47 | Halkbank provides services for staff commuting in Ankara and Istanbul head quarters and at some regional offices. Moreover, employees organises | | |

| Sources of Scope 3 emissions | Evaluation status | metric tonnes CO2e | Methodology | Percentage of emissions calculated using primary data | Explanation |
|--|-------------------|--------------------|--|---|-------------|
| | | | commuting services at some where the number of people and their locations are available. Both type of employee commuting activities are included in the calculation. However, the commuting where employees use public transport and private cars are not included within the scope. The fuel consumption of the commuting services is calculated from the average fuel consumption of the cars and the total distance travelled for typical routes. The emission factors are indicated in question 7.4. | | |
| Upstream leased assets | Not evaluated | | | | |
| Investments | Not evaluated | | | | |
| Downstream transportation and distribution | Not evaluated | | | | |
| Processing of sold products | Not evaluated | | | | |
| Use of sold products | Not evaluated | | | | |
| End of life treatment of sold products | Not evaluated | | | | |
| Downstream leased assets | Not evaluated | | | | |
| Franchises | Not evaluated | | | | |
| Other (upstream) | Not evaluated | | | | |
| Other (downstream) | Not evaluated | | | | |

14.2

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

Third party verification or assurance underway but not yet complete - first year it has taken place

14.2a

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

14.2b

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

| Type of verification or assurance | Relevant standard | Attach the document |
|-----------------------------------|-------------------|---------------------|
| Limited assurance | ISO14064-3 | |

14.3

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

Yes

14.3a

Please complete the table

| Sources of Scope 3 emissions | Reason for change | Emissions value (percentage) | Direction of change | Comment |
|-------------------------------|-------------------|------------------------------|---------------------|---|
| Purchased goods & services | Change in output | 14 | Increase | Halkbank increased its capacity in 2012 and opened new branches. This increased the operational activities. |
| Waste generated in operations | Change in output | 22 | Increase | Halkbank increased its capacity in 2012 and opened new branches. This increased the operational activities. |
| Business travel | Change in output | 4 | Increase | Halkbank increased its capacity in 2012 and opened new branches. This increased the operational activities. |
| Employee commuting | Change in output | 5 | Increase | Halkbank increased its capacity in 2012 and opened new branches. This increased the operational activities. |

14.4

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

Yes, our customers

14.4a

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

Halkbank provided trainings for the project owners to help them reduce their emissions by behavioural changes and will continue to provide more trainings. After Halkbank develops a robust carbon management strategy, it will be easier to engage with the customers and suppliers in an more interactive way.

Further Information

Module: Sign Off

Page: Sign Off

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

CDP