Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Halkbank was founded under Statute 2284 in 1933 as a credit union by small cooperatives for the purposes of providing merchants and artisans with loans on favorable terms in order to promote economic development, 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 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 merger of certain failed smaller sized state-owned banks, including TÖBANK, Sümerbank and Etibank. In 2001, 96 branches of Emlakbank, another state-owned bank which was then in the process of liquidation, were merged with Halkbank. One of the major milestone for Halkbank is the acquisition of Pamukbank in 2004. The merger with Pamukbank significantly strengthened the Bank’s retail banking capabilities, supporting 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 transformed and a customer focused approach was adopted in the Bank’s activities.
As of 10 May 2007, 24.98% of the shares of the Bank have been sold through a very successful second public offering and the shares have been listed in Borsa Istanbul. Halkbank’s IPO represents the largest one that ever occurred in the Turkish capital markets.
Today celebrating its 79th anniversary, Halkbank possesses 959 domestic branches, 5 branches and 3 representative offices overseas, 3,741 ATMs, telephone and internet banking channels, mobile banking applications, innovative products and services. With a free float rate of 48.9%, Halkbank maintains its position as one of the most effective banks of its markets by return on equity. In 2016, Halkbank increased its total assets to TRY 231.4 billion. The Bank recorded total deposits of TRY 150.3 billion, loans of TRY 158.4 billion and net profit of TRY 2 billion 558 million for the year. Thus, Halkbank is the 6th largest bank in Turkey by size of total assets and 5th largest by employment.
In line with corporate values, Halkbank commits to build sustainable operations in terms of financial, social and environmental aspects of business as well as investing in social development not to mention fostering local economy, primarily small and medium size businesses.

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
Fri 01 Jan 2016 - Sat 31 Dec 2016

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, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.
If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS 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 in CC0.6.

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 is the body reporting to the Board of Directors of the Bank for the purpose of coordinating activities of the Bank with respect to the sustainability. The Committee consists of 2 (two) Independent Board Member, 5 (Five) Deputy General Managers, composing of “Deputy General Manager for Monitoring Loan Policies and Risk", "Deputy General Manager for International Banking", "Deputy General Manager for Human Resources and Organization", "Deputy General Manager for Banking Operations" and "Deputy General Manager for Support Services", and 6 (Six) Heads, composing of "Head of Loan Policies and Practices", "Head of Financial Institutions and Investor Relations", "Head of International banking and Structured Finance", "Head of International banking and

Structured Finance", "Head of Advertising and Public Relations" and "Head of Support Services". The Chairman of the Committee is Independent Board Member, and Vice Chairman of the Committee is Support Services Deputy General Manager.
The Committee ensures monitoring and implementation of the "Sustainability Policy", determined by the Board, and it coordinates the activities of the Bank with respect to sustainability, and also it evaluates economic, environmental and social effects of such activities. The Committee performs any required determinations in order to mitigate any potentially unfavorable effects of the activities of the Bank with respect to the sustainability, and it establishes working groups with the concerned departments; and it determines any procedures and principles for energy management of the Bank. The Committee analyzes the results of the data obtained based on the energy management, and it informs any concerned departments within the organization of the Bank and submits suggestions for any measures required to be taken with respect thereto, and it perform reporting and/or disclosure to public disclosure platforms, if and when required. The Committee prepares the infrastructure appropriate for the Bank in case of any legal/illegal situations with respect to sustainability. As a public Bank traded on Borsa Istanbul, the Committee takes the necessary initiatives for the purpose of taking part in and continuing to be a part of the BIST Sustainability Index, in which any companies with the highest level of corporate sustainability performance take part, and it coordinates any necessary measures within the Bank for this purpose. The Committee submits its opinions and recommendations to the Board with respect to the activities and deficiencies performed in the field of sustainability within the organization of the Bank.

On the other hand, The Sustainability Coordination Group, consisting of a chairman and four members, is formed to execute the decisions made by the Sustainability Committee, finalise the ongoing work by controlling and monitoring processes and report the new developments on the field of sustainability to the Committee. The chairman and members of the Sustainability Coordination Group are elected annually by the Sustainability Committee. The chairman of the 2016 Sustainability Coordination Group is the Head of International Banking and Structured Finance and the members are the Heads of Branch Operations and Corporate Communications Departments. Managers of the Departments of Sustainability, Environment and Energy Management and International Sustainability Practices are full members.
In 2016, two full-time Departments were formed to carry out sustainability efforts and provide new suggestions to the Sustainability Committee. One is the Sustainability, Environment and Energy Management Division which reports to the Sustainability Committee and operates under the Deputy General Management of Support Services and the other one is the International Sustainability Practices Division who also reports to the Sustainability Committee and operates under the Deputy General Management of International Banking.

Moreover, with the participation of the relevant Bank departments, Working Groups are created to execute the decisions made by the Sustainability Committee within the Bank and carry out the projects and activities on the subject of sustainability.

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Other: Branch Office	Recognition (non-monetary)	Behavior change related indicator	Energy manager sends an appreciation message to the branches of the Bank which show behaviour change leading to reductions in the emissions (electricity, water, etc. use)
Business unit managers	Recognition (non-monetary)	Other: Provision of Acurate Date	Energy Manager sends an appreciation message to the Business Unit Managers for sending the carbon data which can not be accessed from the carbon management reporting system.
All employees	Recognition (non-monetary)	Energy reduction project	Energy Manager sends appreciation message to the employees developing the projects for mitigation of used of energy sources.
All employees	Monetary reward	Behavior change related indicator Other: waste management	Employees throw their old battaries to the old battery collection machines located in the 3 HQ locations. Every old battery gives one ticket and after the collaction of 50 tickets, employees awarded with a battery charger and chargable battery pack.

Further Information

Page: CC2. Strategy

CC2.1

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

A specific climate change risk management process

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	Senior manager/officer	All Around Turkey	Up to 1 year	The research is carried out and reported on the basis of industry. The period of reporting may be shortened depending on the frequency of the possibility for occurrence of risks.

CC2.1b

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

At company level, Halkbank manages the risks arising from its operations meticulously. Bank's risk analysis approach covers not only economic risks but also E&S risks including climate change risk that could impact the Bank's reputation. The Risk Management Department establishes risk management systems addressing the risks to which Bank is exposed to, monitors the sufficiency and efficiency of these systems and perform risk definition, classification, measurement, monitoring, controlling, reporting. Department investigates the causes of losses resulting from the mentioned risks.

Halkbank has integrated management system comprised of ISO 14001 and ISO 50001 which constitute a precautionary approach to climate change risks in order to increase energy efficiency and reduce natural resources use. Besides, emission calculations are done on the basis of ISO 14064-1.

Halkbank, at asset level, also takes into account the E&S assessment during the allocation of loans. Sustainabililty related scoring module is applied to companies who demands loans from Halkbank. Also, the new products are designed by taking into account the climate change (such as renewable energy and energy efficiency or enviroment-friendly loans). Practices required by national legislation as well as additional requirements and legislation prescribed by international organizations are closely observed and implemented during projects run specifically in cooperation with multinational financial institutions. For instance, investments that are financed with funds of World Bank origin need to comply with the WB Environment Assessment Procedures.

E&S risks are identified by full-time two divisions working under Sustainability Commitee and they report to relevant departments. Besides, full time Sectoral Research Team makes field work on the risk and opportunuties on economical, E&S impacts and announces reports on Bank internal portal and the relevant departments as well.

CC2.1c

How do you prioritize the risks and opportunities identified?

Based on the reports prepared following performance of the industrial researches carried out in a manner to cover any and all processes of the Bank, any industrial risks are prioritized and evaluated with respect to loan evaluation modules, marketing activities and our current processes. Also, any new products are generated with respect to the fight with climate change and green house emission. A system infrastructure enabling any industries, considered as an element of risk based on the climate change, to be scored with unfavorable coefficient, and any industries, considered as an opportunity, to be scored with favorable coefficient is available in our loan evaluation system.

While prioritizing the company level risk, Halkbank takes account: the energy consumption rate, environmental impact of its activities such as waste management, carbon emission of the Bank, reputation of Bank, and operational cost of the consumption.

While prioritizing the asset level risk, arising from loan allocation, Halkbank takes into account: the emission rate of the projected investment, the environmental and social impacts of the Project, ROI of the Project, project's energy efficiency rate after the investment.

Moreover, Halkbank conducted a survey among its customers, employees, the press, public institutions, international finance institutions, suppliers and main stakeholder groups in order to update its sustainability priorities including fight with climate change and set its goals. The survey sought the opinions of the participants about the most important sustainability priorities of Halkbank.

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

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

The Sustainability Committee conducts its activities within the framework of Halkbank Environmental policy, Energy policy and Sustainability policy. The risks arising from climate change are assessed in the Project Loan evaluation process. In addition, the activities of any company that claims loans are also examined in terms of environmental and social impacts. Low carbon economy is not only important for the sustainable environment but also for the new business opportunuties. The EE and RE loans has a dirct effect of the bottom line; moreoever these loans may lead new business partnership with stakeholders.

Operational efficiency has been integrated to Bank's business strategy. Adopted an integrated management system covering the ISO 14001 environmental management system and ISO 50001 energy management systems for the Halkbank's activities and workflows. The Bank has completed and implemented the certification process for the General Directorate and auxiliary HQ service buildings. The Bank also decided to extend the scope of the integrated management system for 124 branches and started to work. In the next 2 years, it will establish an integrated management system in all its buildings throughout the country.

CC2.2b

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

CC2.2c

Does your company use an internal price on carbon?

Yes

CC2.2d

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

We do not have carbon taxation nor ETS in Turkey. So emission level is not a burden for the Project cash flow. But, national legislation (if available) of the relevant country on carbon taxation and ETS are taken into consideration while funding international projects. In this case we take current emission per ton market price into consideration.

Since there is no carbon taxation nor ETS in Turkey, carbon prices are not used in our financial accounts. However, in the carbon neutral events, we use avarage carbon prices in valuntary market for projects in Turkey.

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	Opinions are submitted with respect to any proposals and drafts received from the Ministry of Energy. Also, as the Bank, recommendations are submitted with respect to measures to be taken legally in order to solve any problems and troubles encountered in relation to energy efficiency financing.	Legal necessity to monitor energy consumption of SMEs.
Clean energy generation	Support with minor exceptions	Opinions are submitted with respect to any proposals and drafts received from the Ministry of Energy and Directorate General of Renewable Energy. Also, as the Bank, recommendations are submitted with respect to measures to be taken legally in order to solve any environmental and social problems and troubles encountered in relation to renewable energy financing.	Primarily, the resources such as sun, biomass have been recommended to be evaluated.
Climate finance	Support with minor exceptions	Negotiations are carried out with the Ministry of Energy with respect to measurement and evaluation activities performed through the supports provided by any various sponsors for the purpose of financing the fight with the climate change.	The results of the measurement and evaluation performed with respect to energy efficiency through the supports provided by any various sponsors for the purpose of financing the fight with the climate change have been recommended to be disclosed to any and all financial institutions through a publicly common platform.
Other: Sustainable Development	Support with minor exceptions	Halkbank sustainability team is one of the participants of the workshop organised by the Republic of Turkey Ministry of Development in order to take steps for the contrubution to	Halkbank submitted all its projects related to the 17 SDG. Halkbank declared that it would be in a position to take action for the achievement of the SDG target of

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Goals		Sustainable Development Goals (SDG).	Turkey.
Energy efficiency	Support with minor exceptions	Halkbank energy manager participated a workshop named "Energy Efficiency Action Plan" of Turkey organised by the Ministry of Energy and the Directorate General of Renewable Energy.	Halkbank recommended some solutions on building efficiency including new Technologies for low carbon buildings and legislative requirements regarding the issue.

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?
the Banks Association of Turkey (TBB)	Consistent	The country plays a leading role with respect to financing of the climate change in the banking industry, and takes any necessary initiatives in order to bring the best international practices into the industry.	It has been taken part actively in the Working Group for the Role of the Financial Industry With Respect to Sustainable Growth within the organization of the Banks Association of Turkey.

CC2.3d

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

CC2.3e

Please provide details of the other engagement activities that you undertake

Halkbank takes new steps with respect to internalization of the climate change. It attends the workshops organized for such purpose together with the institutions such as Istanbul Stock Exchange, Global Compact Turkey, and supports any efforts with respect to establishment of Policy. As mentioned above, Halkbank sustainability team is a member of "Sustainable Development Goals" workshop by the Republic of Turkey Ministry of Development.

Halkbank extends loans from French Development Agency (AFD) funds under SUNREF (Sustainable use of natural resources and energy finance) label. The IFI team and sustainability team attend the workshops organized annually.

CC2.3f

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

Halkbank established an integrated management system comprised of ISO 14001 Environment and ISO 50001 Energy Management System. Halkbank is the 1st bank in Turkey that established ISO 50001 Energy Management System. The aim is to reduce its own environmental negative impacts and to increase its energy efficiency, reduce waste and decrease the use of resources (energy, paper, water etc.).

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Intensity target

CC3.1a

Please provide details of your absolute target

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

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1	100%	0.5%	Metric tonnes CO2e per kilometer	2016	7217.72	2020	No, and we do not anticipate setting one in the next 2 years	Halkbank works on the use of the company cars more efficient and more efficient cars are preferred during the renewal of the company cars.
Int2	Scope 1	100%	0.5%	Metric tonnes CO2e per square meter*	2016	6829.12	2020	No, and we do not anticipate setting one in the next 2	Monitoring of the energy consumption sources to be installed in all the service units of the bank and the establishment of the energy monitoring system that will create energy

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
								years	efficiency is continuing
Int3	Scope 2 (location-based)	100%	1%	Metric tonnes CO2e per square meter*	2016	30427.16	2020	No, and we do not anticipate setting one in the next 2 years	Monitoring of the energy consumption sources to be installed in all the service units of the bank and the establishment of the energy monitoring system that will create energy efficiency is continuing
Int4	Scope 3: Waste generated in operations	100%	0.5%	Metric tonnes CO2e per square meter*	2016	273.85	2020	No, and we do not anticipate setting one in the next 2 years	Within the context of the ISO 14001 established in the Bank, waste management is in process.
Int5	Scope 3: Business travel	100%	1%	Metric tonnes CO2e per kilometer	2016	3128.48	2020	No, and we do not anticipate setting one in the next 2 years	Business travels are done according to a plan which is made before. The system for online meetings/video conferences is expanded.
Int6	Other: Scope 3: Paper use	100%	0.5%	Metric tonnes CO2e per unit FTE employee	2016	1642.29	2020	No, and we do not anticipate setting one in the next 2 years	Work on the reduce of paper consumption per employee will be expanded.
Int7	Other: Scope 3: Water use	100%	0.25%	Metric tonnes CO2e per unit FTE employee	2016	273.67	2020	No, and we do not anticipate setting one in the next 2 years	The monitoring systems to be installed in all the service units of the bank, as well as the monitoring of water consumption and the establishment of the energy monitoring system that will create efficiency is continuing. Within the context of the ISO 14001 established in the Bank, waste management is in process.

CC3.1c

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

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	2	No change	0	Includes scope 1
Int2	Decrease	5	No change	0	Includes scope 1
Int3	Decrease	5	No change	0	Includes scope 2
Int4	No change	0	Decrease	1	Includes scope 3
Int5	No change	0	Decrease	2	Includes scope 3
Int6	No change	0	Decrease	2	Includes scope 3
Int7	No change	0	Decrease	0.5	Includes scope 3

CC3.1d

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

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	0%	0%	no completion since the targets are given in this year.
Int2	0%	0%	no completion since the targets are given in this year.
Int3	0%	0%	no completion since the targets are given in this year.
Int4	0%	0%	no completion since the targets are given in this year.
Int5	0%	0%	no completion since the targets are given in this year.
Int6	0%	0%	no completion since the targets are given in this year.
Int7	0%	0%	no completion since the targets are given in this year.

CC3.1f

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

CC3.2

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

Yes

CC3.2a

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

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	Loans for energy efficiency and renewable energy projects.	Avoided emissions	Other: Halkbank designs some clean energy funds with the negatiation with international financial instutitions. These loans are allocated by taken account the relevant creditors environmental and social guidelines.	0.5%	Less than or equal to 10%	The data is calculated only for the loans allocated from international financial instutitions. If Halkbank own resources are added, the result would be higher.

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*	1	500
Implementation commenced*	2	50
Implemented*		
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
Energy efficiency: Building fabric	For the purpose of saving electricity consumtion, fluorescent lamps have been replaced with LED lamps in branches, which are not completed in the previous year.	200.6	Scope 2 (location-based)	Voluntary	250000	325000	1-3 years	<1 year	
Transportation: use	For the purpose of saving the cargo expenses and the emission arising	0.06	Scope 3	Voluntary	5400		<1 year	<1 year	

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
	from the transportation, all copy of loan dossiers are started to sent online to the relevant regional coordinating offices, the credit card receipts are sent by e-mail to customers who prefer; password and membership verification are started to be done on the secured online system not by mail.								
Other	For the purpose of saving of paper consumption, all daily newspapers are examined online with the aim of market resarch; the presentations of weekly ALCO meetings are handed out online not printed, the reports of allowances during the renovation of branches are started to be printed only two copy not five, and the branches are informed via e-mail regarding the allowances, accordingly.	3.1	Scope 3	Voluntary	3685		<1 year	Ongoing	

CC3.3c

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.

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	Comment
In voluntary communications	Complete	Halkbank for the Environment; Page:38-43 and Page:48-49	https://www.cdp.net/sites/2017/31/21131/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainability_2016_Eng.pdf	
In voluntary communications	Complete	2016 Halkbank Carbon Neutral Meeting	https://www.cdp.net/sites/2017/31/21131/Climate Change 2017/Shared Documents/Attachments/CC4.1/ayakiiz_2016.pdf	Halkbank makes its annual Executive meetings carbon neutral. The document is related to the purchase pf credit in order

Publication	Status	Page/Section reference	Attach the document	Comment
				to offset CO2 emission occurred due to the event.

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	There is an emission reporting obligation, which will start to be implemented after the decision to be taken by Turkish government for energy intensive sector. It might be extended to less energy intensive sectors as well.	Increased operational cost	>6 years	Direct	More likely than not	Low	The financial impact of this risk is too small so that it could not be calculated	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.	The cost of management is very small compared to operational costs. (Less than 1%)
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 years	Direct	More likely than not	Low-medium	Considering the current fuel/energy costs the financial impact of a possible tax will be around 550.000 TL	To tackle the risk Halkbank is investing in energy efficiency projects for the current operations and defining minimum efficiency levels for purchasing	Investment, amounting to approximately TRY 5,000.000.-, has been planned to be performed with respect to such activities, and any actions have been started to be taken for such purpose.
Renewable energy regulation	Cancellation of economic incentives with respect to investments in the Renewable	Other: The rate of receivables for loan monitoring may increase, and profitability	>6 years	Indirect (Client)	More likely than not	Low	The financial impact of this risk is too small so that it could not be calculated	HalkBank adjusts the Loan-collateral balance in order to manage the risk. HalkBank	The cost of management is very small compared to operational costs. (Less than

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Energy may change the cash flow of the long-term loans; accordingly, some problems may occur in repayment of the loans.	may be affected unfavourably.						extends the renewable energy loans to the customers based on the situation plan.	1%)
Lack of regulation	Uncertainty with respect to the limits of legal emission consumption of the companies may be taxed for any emissions excessing such limits in case of any amendment to/change in regulations, and may put the companies into trouble.	Increased capital cost	>6 years	Indirect (Client)	More likely than not	Low	The financial impact of this risk is too small so that it could not be calculated.	Halkbank generates different products in order to manage the risk; accordingly, it turns the risk into the opportunity.	The cost of management is very small compared to operational costs. (Less than 1%)
Lack of regulation	If any criteria for extension of loan sources, obtained from any international financial institutions, are beyond the local regulations, then Banks have	Inability to do business	Up to 1 year	Direct	Likely	Medium	In case of any failure in extension of loans, then commitment fee is paid to the concerned creditor on the basis of the amount of loan,	In order to manage the risk; Halkbank increases its Marketing activities, and collaborates with the local authorities and consulting	Approximately TRY 25,000.- has been expended with respect to such efforts.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	difficulties in extension of loans.						which cannot be transferred to the balance sheet of the Bank. It has been estimated that the financial effect would be TRY 400,000.-.	companies for energy efficiency. Thus, it extends the occurrence of the risk, and decreases the risk possibility.	

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in temperature extremes	With changes in temperature extremes the need for heating and cooling will be increase for the offices and branches.	Increased operational cost	Up to 1 year	Direct	Very likely	Low-medium	This impact might increase the operational costs TRY 800.000 per annum.	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 change the branches into green offices. The ISO 14001 and	Approximately TRY 5.000.000.- has been planned to be spent for management system integration and monitoring system installation with respect to such risk all around Turkey in 2017. And the budget will be

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								ISO 50001 Management Systems will be set up all branç and regional coordinating offices end of 2018.	calculated for 2018 in the end-2017.
Change in precipitation extremes and droughts	Change in precipitation extremes will lead to floods, which can affect mostly the branches	Increased operational cost	3 to 6 years	Direct	Likely	Low	Changes in precipitation extremes can damage mostly the branches around Turkey, which causes more maintenance because of the floods. However, no financial impact analysis has been carried out yet.	For new buildings no risk areas are chosen and for the exisiting buildings, risk reducing precautions are taken.	The total cost is estimated as TRY 150.000 for the entire buildings in Turkey.
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	>6 years	Indirect (Client)	Likely	Medium	The share of loans provided to the farmers is less than 1% of Halkbank's loan portfolio.	Halkbank foresees this risk and revise its loan providing methods. Furthermore, there was not any loan allocated to hydropower plants in 2016 from international financial institituons lons.	The cost of management is negligible.

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	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	3 to 6 years	Direct	More likely than not	Medium	The financial impact of the risk has not been calculated.	Halkbank has developed a sustainable management system plan to reduce its impact on climate change. The module, which has been prepared in order to perform any scoring by taking into account the environmental effects of the investments with respect to evaluations carried out during the loan process, and it has been put into effect as of beginning of 2016.	The cost has been realised as 300.000 TL.
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	>6 years	Direct	About as likely as not	Medium-high	The financial impact of the risk has not been calculated.	As the impact of climate change increases, the socio-economic conditions will change. It is expected that the cost of living will increase. To manage the risk Halkbank is diversifying its services to maintain the income.	The financial impact of the risk has not been calculated yet.

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 changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

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

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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	3 to 6 years	Indirect (Client)	Likely	Medium	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	Halkbank will be in a position to respond to such loan request in due course since it introduces new products with respect to the renewable energy projects.	Management cost is negligible.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							financial support.		
Cap and trade schemes	If Turkey implements a domestic or international cap and trade system, the banking sector can provide brokerage services.	New products/business services	3 to 6 years	Direct	More likely than not	Medium	Without knowing the scale of the system, it is not possible to estimate the financial impact.	Halkbank will start to get ready by hiring qualified employees or training the existing ones in line with the legal requirements.	Since the structure of the system and legal acts are not clear now, it is not possible to estimate the management cost.

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in temperature extremes	With the change in temperatures extremes, facilities will need better heating and cooling systems. Thus, the companies	Increased demand for existing products/services	3 to 6 years	Indirect (Client)	Likely	Low-medium	The financial impact of this opportunity has not been evaluated yet.	To provide more loans for energy efficiency projects, Halkbank established an evaluation and implementation team, consist of 30 trained investigation engineers and 20 of	The cost associated with these actions is very low compared to the benefit received.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	will need to invest in new technologies and additional fund.							them are energy manager. Moreover, employees at branches are trained. On the other hand, Halkbank provides free energy efficiency consultancy to the customers demanding EE loan from Halkbank.	

CC6.1c

Please describe your 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
Changing consumer behavior	Changing consumer behaviour will push companies to operate greener, which requires additional investment for retrofitting or new technologies.	Increased demand for existing products/services	>6 years	Indirect (Client)	More likely than not	Medium	As this opportunity is expected to happen in the medium term, it is not easy to foresee the financial impact.	Halkbank's existing management standards can easily adopt the required changes and speed up the integration.	Though, there will be no additional cost to benefit from this opportunity as the existing capacity will be enough to respond new loan requests.
Other drivers	In the event that	New	1 to 3	Direct	Likely	Medium	The financial	Halkbank	Management

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Halkbank is a much more environmentalist company for the purpose of fighting with the climate change, then its reputation will increase at the international financial institutions and thereby it will have access to longer-term financing under appropriate conditions.	products/business services	years				impact of this opportunity has not been evaluated yet.	reports any developments with respect to the sustainability efforts to the international financial institutions.	cost is negligible.

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 changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Thu 01 Jan 2015 - Thu 31 Dec 2015	17247
Scope 2 (location-based)	Thu 01 Jan 2015 - Thu 31 Dec 2015	29812
Scope 2 (market-based)		

CC7.2

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

Please select the published methodologies that you use
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
ISO 14064-1

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 Fifth Assessment Report (AR5 - 100 year)
CH4	IPCC Fifth Assessment Report (AR5 - 100 year)
N2O	IPCC Fifth Assessment Report (AR5 - 100 year)
Other: HCFC-22 (R22)	IPCC Fifth Assessment Report (AR5 - 100 year)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Bituminous coal	2417.464	Other: kg CO2e per metric tonne	Defra/DECC GHG Reporting Factors for 2016
Natural gas	2.0284	Other: kg CO2e per m3	Defra/DECC GHG Reporting Factors for 2016
Other: Burning Oil	3225.108	Other: kg CO2e per metric tonne	Defra/DECC GHG Reporting Factors for 2016
Other: Diesel (100%Mineral Diesel)	2.67614	kg CO2e per liter	Defra/DECC GHG Reporting Factors for 2016
Other: Diesel(Average Biofuel Blend)	2.6116	kg CO2e per liter	Defra/DECC GHG Reporting Factors for 2016
Other: Petrol (Average Biofuel Blend)	2.1970	kg CO2e per liter	Defra/DECC GHG Reporting Factors for 2016
Electricity	0.46443	Other: kg CO2e per kWh	Defra/DECC GHG Reporting Factors for 2015

Further Information

Page: CC8. Emissions Data - (1 Jan 2016 - 31 Dec 2016)

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

14047

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We have no operations where we are able to access electricity supplier emissions factors or residual emissions factors and are unable to report a Scope 2, market-based figure	

CC8.3a

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
30427		

CC8.4

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

No

CC8.4a

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

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

CC8.5

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Data Management	uncertainity due to human-related data collection from the field
Scope 2 (location-based)	Less than or equal to 2%	Data Management	uncertainity due to human-related data collection from the field
Scope 2 (market-based)			

CC8.6

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

No third party verification or assurance

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)

CC8.6b

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

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

CC8.7

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

No third party verification or assurance

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)

CC8.8

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

Additional data points verified	Comment
No additional data verified	

CC8.9

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

No

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 2016 - 31 Dec 2016)

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)
Company Cars	7217.72
Heating Fuels	6241.29
Generators	200.22
Refrigerants gas	387.60

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

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

No

CC10.1a

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

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

CC10.2

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

By activity

CC10.2a

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

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

CC10.2b

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

CC10.2c

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

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Offices and Branches and Off-Site ATMs	30427.16	

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

Energy type	MWh
Heat	0
Steam	0
Cooling	0

CC11.3

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

56587.99

CC11.3a

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

Fuels	MWh
Bituminous coal	1538.64
Diesel/Gas oil	31812.30
Other: Petrol	660.76
Other: Burning oil	585.06
Natural gas	21991.23

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor			

CC11.5

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

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
65515.07	65515.07	0	0	0	

Further Information

Page: CC12. Emissions Performance

CC12.1

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

Decreased

CC12.1a

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

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	7.2	Decrease	decrease due to implemented energy efficiency projects, change in behaviors
Divestment	0	No change	
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	1.38	Increase	increase due to 15 new branch, 1 data center and 1 HQ auxiliary building openning
Change in methodology	0	No change	
Change in boundary	0	No change	
Change in physical operating conditions	0	No change	
Unidentified	0	No change	
Other	0	No change	

CC12.1b

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

Location-based

CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0000023	metric tonnes CO2e	19319000000	Location-based	23.49	Decrease	increase in total revenues and decrease in total emissions

CC12.3

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00000025	metric tonnes CO2e	Other: total asset size	231441000000	Location-based	23.34	Decrease	increase in total assets and decrease in total emissions

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, but we 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?

Yes

CC13.2a

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

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
Credit purchase	Wind	Ay-Yıldız 15 MW WPP	Gold Standard	546	546	Yes	Voluntary Offsetting

Further Information

Halkbank makes its annual Executive meetings carbon neutral. The documents is related to the purchase pf credit in order to offset CO2 emission occurred due to the event.

Attachments

https://www.cdp.net/sites/2017/31/21131/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC13.EmissionsTrading/ayakiiz_2016.pdf

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	11114.22	The emissions arise from water supply and treatment, paper consumption, and hotel stays are evaluated under this section. The data is gathered from Halkbank's records. The emission factors for water consumption and paper are gathered from Defra/DECC GHG reporting factors for 2016. The emission factor for accommodation is gathered from the London 2010 Carbon Footprint Study.	0.00%	
Capital goods	Not relevant, explanation provided	0			for the banking sector, capital goods are relevant to buildings which are calculated under scope1 & 2
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	14851.77	Within this context, the WTT emissions for electricity generation, transmission and distribution, transmission losses, fuel consumption,business travel and staff commuting are considered. WTT emission factor for each activity and fuel type is taken from Defra/DECC GHG reporting factors for 2016.	0.00%	
Upstream transportation and distribution	Not relevant, explanation provided	0			not relevant in banking sector
Waste generated in operations	Relevant, calculated	273.85	Waste generated at head quarters and branches is evaluated according the disposal method, as landfill and recycling. Waste amounts are multiplied by relevant Defra/DECC GHG reporting factors for 2016.	0.00%	
Business travel	Relevant, calculated	3128.48	In the scope of business travel, taxi, ship, train, personal car, flights and public transportation activities are evaluated. Since the details of public transportation activities are not available, all of the public transportation activities are considered as local bus. The emission factors appropriate for each travel type are taken from Defra/DECC GHG reporting factors for 2016.	0.00%	
Employee	Relevant,	3380.93	To estimate the emissions from staff commuting at the	0.00%	

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
commuting	calculated		headquarters and the branches in Ankara and Istanbul, initially the total distance of each route is calculated. Then, the total fuel consumption is calculated by using average fuel consumption figures of the vehicles. The emission factor for diesel is taken from Defra/DECC GHG reporting factors for 2016		
Upstream leased assets	Not relevant, explanation provided	0			We calculate fuel consumption of leased cars under scope 1.
Downstream transportation and distribution	Relevant, calculated	42.90	The emissions arise from postage and Cargo are evaluated under this section. The data is gathered from Halkbank's records. The average emission per delivery figure from The Facts of Our Value Chain report by European Mail Industry is used for cargo and postage activities which maybe found from Defra/DECC GHG reporting factors for 2016	0.00%	
Processing of sold products	Not relevant, explanation provided	0			Since Halkbank is a service provider, there are not any emissions occurring due to the processing of sold products.
Use of sold products	Not relevant, explanation provided	0			Since Halkbank is a service provider, there are not any emissions occurring due to the use of sold products or any other relevant activity.
End of life treatment of sold products	Not relevant, explanation provided	0			Since Halkbank is a service provider, there are not any emissions occurring due to the end of life treatment of sold products.

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
Downstream leased assets	Not relevant, explanation provided	0			The leasing activities of Halkbank are provided by another subsidiary of Halkbank and the subsidiaries have not been evaluated in the scope of the footprint yet.
Franchises	Not relevant, explanation provided	0			Halkbank do not provide any franchising activities.
Investments	Not relevant, explanation provided	0			Not relevant
Other (upstream)	Not relevant, explanation provided	0			Not relevant
Other (downstream)	Not relevant, explanation provided	0			Not relevant

CC14.2

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

No third party verification or assurance

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)

CC14.3

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

Yes

CC14.3a

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

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Emissions reduction activities	20.93	Decrease	
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in output	0.81	Decrease	
Waste generated in operations	Change in methodology	28.82	Increase	Waste is started to be managed under ISO 14001

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Change in output	2.06	Increase	
Employee commuting	Change in output	6.80	Increase	1 new HQ auxiliary building opened in 2016

CC14.4

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

Yes, our suppliers
Yes, other partners in the value chain

CC14.4a

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

In 2016, Halkbank continued to provide trainings to its operation staff on energy efficiency and carbon management. In the context of these trainings, the tips which they can implement to reduce their emissions in their daily life activities are explained. It is expected to achieve an incalculable amount of emission reduction via these trainings.

During the reporting period, Halkbank employees were provided with a total of 5554 person/ hour training on Awareness, Information and Consciousness-raising on Environment and Energy Management. Also, employees of sub-contractors/suppliers were provided 472 person/hour training on Managing Operations of Environment and Energy Management System in order to reduce environmental impact on the value chain and create awareness on this subject.

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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Other: Training	4		increase awareness on energy and environment by trainings of staff of suppliers and other business partners

CC14.4c

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
Yasar BILGINTURAN	Halkbank Division Manager and Energy Manager	Environment/Sustainability manager

Further Information

CDP 2017 Climate Change 2017 Information Request