

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

Please give a general description and introduction to your organization.

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

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

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

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

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

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

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

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

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

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

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" (which is named as 'Corporate Governance Committee' this year) coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee"(which is named as 'Sustainability Working Group' this year). The 'Corporate Governance Committee' is composed of 3 person,of which 2 are members of Board of Directors and 1 is Executive Vice President of "International Banking and Investor Relations Directorate". The Committee meets generally every 3 months or at least twice a year, but not to exceed 6 months between two meetings.

The 'Sustainability Working Group' (SWG) is the main body that executes the decisions taken by the 'Corporate Governance Committee' (CGC), in cooperation with all relevant departments of Vakıfbank. SWG meets more frequently than CGC and in frequent touch among eachother. The SWG is composed of the following representatives:

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

Under the Sustainability Working Group (SWG), two Management Services has been established, which are responsible from different particular aspects of sustainability management: "Environmental Management Service - EMS" and "Sustainability Service". The EMS is composed of 9 employees who guide and monitor the Environmental Representatives in each 923 branch together with Administrative Bodies of Vakıfbank.(1625 Environment Representatives)

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

- monitors and reports GHG inventory of Vakıfbank office and branches in Turkey, and prepares corporate GHG management and action plans,
- develops guidelines for the environmental representatives in each 923 branch in order to help them with data collection,
- develops and coordinates the implementation of projects for reducing the environmental and carbon footprint of Vakıfbank,

- developes projects for low carbon office behaviour, raises awareness among the employees regarding climate change,
- identifies and shares Vakıfbank's corporate risks, opportunities and targets due to climate change within the framework of Carbon Disclosure Project,
- integrates Vakıfbank to international environmental standards such as ISO 14001, EMAS, etc.,
- represents Vakıfbank in national and international events and meetings for climate change related issues.

The EMS has the authority to assess and audit the branch offices for environmental indicators including GHG emissions and natural source use. EMS measures each branch's performance and acts in coordination with Environmental Representatives to maximize the branch's environmental performance. EMS also works in high accordance with Constructional Works Dept. to increase the energy and emission efficiency of the buildings. In case; a branch has an insufficient environmental performance, EMS is able to send it an official notification. In case; a branch persists on insufficient environmental performance, EMS could report the branch to the SWG. EMS also cooperates with Sustainability Service on GRI Sustainability Reporting, especially on environmental impacts.

SWG and EMS also prepare and amend the risk & opportunity categories that may occur due to climate change, and shares this information directly with Credit Departments, Intelligence Department and Project Analysis Department in order to integrate them into the risk and opportunity analysis procedures. So that all departments could use this intelligence in their risk and opportunity assessments.

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: Environmental representatives in Branch Offices	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction	Environmental Representatives in Branch Offices which achieves energy and/or emission efficiency, including responsible behaviour (awareness raising among other employees on energy efficient office behaviour) receive appreciation e-mail message from General Director of Vakıfbank by carbon copying their branch managers for being a good role model for all employees. The employees that are considered for

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		project Energy reduction target Efficiency project Efficiency target Behavior change related indicator	acknowledgement are determined by the Environmental Management Service after monthly audits, which include several parameters as well as energy consumption data.
Other: Branch Office Employees	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Other: provision of accurate and complete environmental data	The internal audits conducted by Environmental Management Services assesses the accuracy, transparency and completeness of the environmental data (energy consumption, waste generation, water use, etc.). The branch offices' employees that provide the most accurate and complete data in due time receive appreciation message from Environmental Management Service.
Environment/Sustainability managers	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change	Environmental Management Service has emission reduction and energy intensity reduction target that include all Vakıfbank branches. The targets are determined internally within the Service. Therefore, in case of significant energy intensity and emission reduction of Vakıfbank as a whole, the Environmental Management Service team gets recognition by the Corporate Governance Committee and by the Board of Director in the form of an official appreciation letter.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		related indicator	
Board/Executive board	Monetary reward	Energy reduction target Efficiency target Behavior change related indicator	Board of Directors has the top level responsibility about the overall performance of the Bank. The performance is also related to reputation and savings achieved. As the reputation and the savings increase, the total amount of the dividend would possibly increase, which also Board is rewarded.
Environment/Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator	Environmental Management Service Manager actively plans and manages the emission, energy and efficiency reduction projects within Vakıfbank. In addition to that performs and monitors the emission, energy and efficiency targets. Besides s/he performs for behavioral change within Vakıfbank. The more s/he achieves of her/his targets, the more bonus is rewarded.
Other: Environmental Representatives at Branches	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator	Each branch has an environmental representative and they are the first line responsible of keeping the branch's environmental data up to date, meeting the energy & emission reduction targets, disseminating the behavioral change. We are also establishing ISO 14001 Environmental Management System including the branches. By the finalisation of the integration of the system monetary reward system is planned to be more solid. As the energy and emission efficiency increases, monetary reward comes up and increases.
Board/Executive board	Recognition (non-	Emissions reduction target	Board of Directors has the top level responsibility about the overall performance of the Bank. Therefore; any achievement or reward will bring Vakıfbank reputation and

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
	monetary)	Energy reduction target Efficiency target Behavior change related indicator	recognition and the Board will be the recognized.

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly	Board or	Turkey is the main focus for risk and opportunity	> 6 years	(See further info) Vakıfbank has an advanced and

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
or more frequently	individual/sub-set of the Board or committee appointed by the Board	management as the main operation areas of Vakıfbank is in Turkey. Turkey is in both Europe and Asia. In addition to that; in abroad Vakıfbank has branches and/or affiliated organisations. Therefore they are also considered in terms of Climate Change and business also, the developments all around the world are considered, because we are all in the same World.		multi-level, multi-disciplinary, company-wide risk & opportunity management model. Board of Directors is the main and the highest-level responsible of the overall performance of the Bank, but the main responsibility of the Sustainability (including climate change) is on the Corporate Governance Committee. It directly reports to BoD. Stakeholder expectations & materiality issues analysis are performed periodically from various channels. One of the main channels is the one in Sustainability Reporting annually. Findings are evaluated mainly by the Investor Relations, Env. Man. Serv. and Risk Dept. to determine the risks & opp.s. Besides, relevant core business units (Credits, SME Banking, International Banking, etc.) detect the possible risks & opp.s on Climate Change. Then, risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand; inspectors also examine periodically.

CC2.1b

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

Board of Directors is the main and the highest-level responsible of the overall performance of the Bank, but the main responsibility of the Sustainability, including climate change, is on the Corporate Governance Committee - CGC (Formerly named as Sustainability Committee) under BoD.

i) Company level assessment processes:

CGC, with the support of Environmental Management Service (EMS), is responsible from identifying the risks & opportunities that might result from climate change. EMS has the coordinating role among all departments in identifying and communicating the Climate Change (CC) risks & opp.s. The risks & opp.s are then shared with the Risk Management Dept. under the BoD for further assessment & prioritization. Risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. Reputational risk, operational risk and credit risk are of our Company wide risks about CC.

ii) Asset level processes:

Several dept.s are responsible from determining asset levels risks for Vakıfbank due to climate change. In credit line; "Intelligence Dept." gathers data about the applicant's sector and the applicant itself and prepares the initial assessment report, including CC risks & opp.s. Afterwards, each department considers and evaluates their risks according to their credit type responsibilities. The following dept.s assess credit applications integrating climate change risks and opportunities:

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

For credit applications over a certain budget, Project Analysis Dept. prepares Financial-Technical-Economic Analysis for Credit Dept.s for an additional risk assessment. The technical part of these reports considers env. & social (including CC) risks & opp.s that may result from the project, as well as possible risks & opp.s that may impact the project.

(Please the attachment for additional info)

CC2.1c

How do you prioritize the risks and opportunities identified?

The potential risks & opportunities that are identified by Sustainability Working Group-SWG (Formerly;Sustainability Sub-Committee), together with Sustainability Service and EMS, and are communicated to the Risk Management Dept. under the BoD for further assessment & classification. Vakıfbank puts importance on evaluating and managing environmental risks on its credit line. Emission intense clients and projects (eg. Thermal power plants) are assessed thoroughly and evaluated by high level decision makers within Vakıfbank.

SWG, together with Sustainability Service and EMS, prepare the risk & opportunity categories (according to the decisions taken by Board of Directors) that may occur due to climate change, and shares this information with credit dept.s, Intelligence Dept. and Project Analysis Dept. in order to integrate them into the risk analysis procedures. Risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand; inspectors also examine periodically.

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

Loan applications for Energy Generation and Energy Efficiency Projects is considered in special attention. While assessing and prioritizing risks, parameters such as price of energy, supply&demand balance and external factors that may impact these two parameters are taken into account. CC has been among those parameters since several years for us. Vakıfbank considers CC as a serious thread which may have direct impact on Vakıfbank's operations, reputation and capital assets.

CC2.1d

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

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

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

As we are a bank; risk management is an important phenomenon for us and it has vital importance for a bank to operate successfully. Because, basically, interest rate is determined according to risk.

In Vakıfbank, Board of Directors is the main and the highest-level responsible of the overall performance of the Bank. Nonetheless, the main responsibility of the Sustainability, including climate change, is on the Corporate Governance Committee. It directly reports to Board of Directors.

To steer the strategies; stakeholder expectations & materiality issues analysis are performed periodically from various channels. One of the main channels is the one we performed during our Sustainability Reporting process annually. Findings are evaluated mainly by the Investor Relations, Environmental Management Services and Risk Department to determine the opportunities & risks and update the strategies. Besides, relevant core business units (Credits, SME Banking, International Banking, etc.) consider the possible risks & opportunities on Climate Change. Then, risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand; inspectors also examine the process periodically.

As an example, for how our business strategy is influenced is our green financing, such as renewable energy power plants financing, energy efficiency (EE) loans, renewable energy loans, etc. In line with our business strategy Vakıfbank became one the pioneering banks in Turkey for green finance. Vakıfbank is one of the first banks in Turkey through which WB, EBRD and IFC provide loans to EE and renewable energy projects under Clean Technology Fund (CTF). in EE, renewable

energy, and smart grid upgrades to facilitate greater integration of renewable energy. GHG emissions savings and reductions for CTF financed projects are estimated at 87 MtCO_{2e}. SMEs benefited approximately USD 12.2 Million from WB loans through Vakıfbank for projects that cost USD 15.5 Million in total until last year.

Besides, Vakıfbank established IFC Social and Environmental Management System (SEMS) within the frame of our IFC credit commitments, EBRD and TurSEFF & MidSEFF systems.

In addition to that, Vakıfbank is among the 4 Partner Banks through which TurSEFF provide loans to SMEs in Turkey. Turkey Private Sector Sustainable Energy Finance Facility (TurSEFF) is a framework operation with up to USD 265 million under which credit lines is provided by EBRD to eligible commercial banks for on-lending to private sector borrowers for EE and RE investments. Vakıfbank provided 30.7 Million EUR Loan for EE & RE projects which has total investment cost of 41.5 Million EUR, under TurSEFF last year. The projects will save an estimated 40.000 tCO_{2e}/yr. Moreover, Vakıfbank added Hydro, Wind and Geothermal Power Plants with installed capacity of 868.70 MWh to its loan portfolio this year.

Vakıfbank's efforts on sustainable finance gave prudent results. Vakıfbank, with its efforts in the 2nd phase of Turkish Sustainable Energy Finance Fund (TurSEFF), deemed worthy to receive the "Leading Bank in Energy Efficiency Finance" in 'TurSEFF Award of Excellence' by EBRD (European Bank for Reconstruction & Development).

Vakıfbank gained strategic advantage over its competitors by financing 40% of all projects, which is 346 projects of 868 projects, and financed 122 Million EUR until 2010. By this amount, achieved to finance 27% of the overall budget of TurSEFF by its own.

Vakıfbank is a public bank and therefore it is sensitive to develop business lines which is in favor of Turkey and to make the whole society (all economic level from all around Turkey) benefit from them. Vakıfbank had realized that Climate Change (CC) is a reality and to create and/or involve in CC mitigation & adaptation is a necessity. Besides, developing green finance in Turkey was a motivation for our strategies. Furthermore, make the society utilize them.

Therefore; Vakıfbank supports and encourages its stakeholders & clients for their sustainable energy projects and investments, regardless of the size of the investment. According to Vakıfbank's credit policy, eco-friendly projects has priority for financing. Besides, the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects. Some examples of outcomes of our strategies are; Environmental Technologies Loan Package, Environmental Technologies Loan Package, Environmental Friendly SMEs Loan Programme, Environmental Friendly Tourism Loan Programme.

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

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

-Environmental Friendly SMEs Loan Programme: Vakıfbank provides low interest rated credits for SMEs, to improve their environmental performance including EE, water efficiency, etc. The programme's interest rates are 5% lower interest rate than usual SME credit loan programmes, with pay back periods up to 60 months. For each 5,000TL credit given, Vakıfbank finances the "Environmental Account" of Ministry of Environment & Urbanization with an equal amount of cost of an EE light bulb.

-Environmental Friendly Tourism Loan Programme: Vakıfbank provides low interest rated credits for tourism sector, which would like to improve their environmental performance. The programme's interest rates are 5% lower than usual tourism sector loan programmes, with pay back periods up to 36 months. For each 5,000TL credit given, Vakıfbank finances the "Environmental Account" with an equal amount of cost of an EE light bulb.

In the long term, in parallel to its strategies, Vakıfbank will be keeping green financing and providing international funds developed on this purpose to Turkey with its accumulated experience. As an example, Vakıfbank became the first bank announced its participation to Phase III of TurSEFF. As a target, Vakıfbank committed to keep its leading position in TurSEFF. In addition, Vakıfbank is supporting the establishment of cap & trade schemes in Turkey.

As another target, Vakıfbank committed to decrease its direct emissions every year by 2% by intensity. ISO 14001 Management Systems are decided to be established in 2015. Certificates for 30 branches at the first will be received in 2017. To manage Climate Change, Vakıfbank established Environmental Management Services unit with a team of 9 full-time employees. Vakıfbank puts importance on capacity development of its employees about sustainability. Employee trainings have reached to 240,642 hrs., which we believe vital for creating behavioural change for emission reduction activities, risk man. and product development to mitigate the effects of CC.

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?

No, and we currently don't anticipate doing so in the next 2 years

CC2.2d

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

CC2.3

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

Direct engagement with policy makers
Trade associations
Other

CC2.3a

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

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

CC2.3b

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

Yes

CC2.3c

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

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Turkish Banks Association (TBA)	Consistent	Vakıfbank's CEO is a board member of the Turkish Banks Association (TBA) and a board member of Turkish Industrial Development Bank (TSKB). TBA has a Working Group on "Role of Financial Sector in	Vakıfbank's CEO is a board member of the Turkish Banks Association (TBA). Vakıfbank is a member of the working group named as "Role of Financial Sector in Sustainable Development". Vakıfbank actively participates and contributes to working group. It

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?
		Sustainable Development". The WG aims to integrate environmental concerns into Banks' loan policies in Turkey.	is planned to develop a declaration of commitment to adherence to sustainable banking and Vakıfbank fully supports these efforts, as Vakıfbank wants to integrate sustainability prerequisites into all loan programmes.

CC2.3d

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

CC2.3e

Please provide details of the other engagement activities that you undertake

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

CC2.3f

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

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

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Attachments

[https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC2.Strategy/Vakifbank Answer of CDP CC2.1b.docx](https://www.cdp.net/sites/2017/58/21158/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC2.Strategy/Vakifbank%20Answer%20of%20CDP%20CC2.1b.docx)
[https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC2.Strategy/Vakifbank Answer of CDP CC2.1a.docx](https://www.cdp.net/sites/2017/58/21158/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC2.Strategy/Vakifbank%20Answer%20of%20CDP%20CC2.1a.docx)

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?

Absolute target
Intensity target
Renewable energy consumption and/or production target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Other: Scope 2 (Location-based) ATM	100%	2%	2016	1755	2017	No, and we do not anticipate setting one in the next 2 years	We care the environment and put effort to reduce our environmental footprint. Inline with our vision, we aim to maximize the renewable electricity energy consumption Therefore, we are switching our ATMs to renewable energy producer as much as possible in the limits of regulation. With this effort and emission reduction activities we aim to reduce our location based Scope 2 emissions for ATMs by 2%. It means 115 tCO2e reduction in ATM emissions.

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%	2%	Metric tonnes CO2e per square meter*	2016	0.0205	2017	No, and we do not anticipate setting one in the next 2 years	Vakıfbank has annual target of 2% emission reduction per each square meter of office from natural gas, where heating is provided by natural gas. The target includes branch offices only. The administrative buildings are excluded. However, the branch offices have higher share of NG consumption. This goal is planned to be achieved through continuous emission efficiency projects in branch offices. The target is to reduce the intensity figure from 0.0205 tCO2e/m2 to 0.0201 tCO2e/m2, which is

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
									2%.
Int2	Scope 2 (location-based)	100%	2%	Metric tonnes CO2e per square meter*	2016	0.0071	2017	No, and we do not anticipate setting one in the next 2 years	Vakıfbank set annual target of 2% emission reduction from electricity use per each square meter of branch offices. This goal is planned to be achieved through continuous emission efficiency projects in branch offices. On the other hand, we are eager to consume renewable energy as much as possible. Therefore, we are switching our ATMs from grid to renewable energy producer. The target was set in 2014 and annually ongoing. The target is to reduce the intensity figure from 0.0071 tCO2e/m2 to 0.0069 tCO2e/m2, which is 2%.
Int3	Scope 2 (location-based)	41%	2%	Other: Metric tonnes CO2e per ATM	2016	0.4596	2017	No, and we do not anticipate setting one in the next 2 years	Vakıfbank has a target of improving energy and emission efficiency of its ATMs continuously. Old and inefficient ATMs have been changed with electricity and emission efficient ones. On the other hand, we are eager to consume renewable energy as much as possible. Therefore, we are switching our ATMs from grid to renewable energy producer. We aim to reduce the Scope 2 emissions per ATM by 2%, which means 35 tCO2e reduction in absolute emissions. The target is to reduce the intensity figure from 0.4596 tCO2e/ATM to 0.4504 tCO2e/ATM, which is 2%.

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	1.5	No change	0	Our target is to reduce Scope 1 emissions per meter square by 2%, that means an absolute reduction of 248 tCO2e. The amount of emission reduced is 1.5% of Scope 1+2. It has no effect on Scope 3 emissions.
Int2	Decrease	0.5	No change	0	Our target is to reduce Scope 1 emissions per meter square by 2%, that means an absolute reduction of 86 tCO2e. The amount of emission reduced is 0.5% of Scope 1+2. It has no effect on Scope 3 emissions.
Int3	Decrease	0.2	No change	0	Our target is to reduce Scope 1 emissions per meter square by 2%, that means an absolute reduction of 35 tCO2e. The amount of emission reduced is 0.2% of Scope 1+2. It has no effect on Scope 3 emissions.

CC3.1d

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

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2016	66240	86%	2017	87%	We are eager to consume renewable energy as much as possible, Therefore, we are switching our branches and ATMs from grid to renewable energy producer. However, according to law in Turkey,

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
							subscribers only consuming over a certain amount of electricity could switch to private electricity producers from the grid. The target is to increase the renewable energy to 87%.
RE2	Other: Ratio of ATMs using Renewable Energy	2016	5762	35%	2017	40%	We are eager to consume renewable energy as much as possible, Therefore, we are switching our ATMs from grid to renewable energy producer. However, according to law in Turkey, subscribers only consuming over a certain amount of electricity could switch to private electricity producers from the grid. The target is to increase the ratio of ATMs using renewable energy from 35% to 40%.

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
Abs1	0%	0%	This is the first year of the target.
Int1	0%	0%	This is the first year of the target.
Int2	0%	0%	This is the first year of the target.
Int3	0%	0%	This is the first year of the target.
RE1	0%	0%	This is the first year of the target.
RE2	0%	0%	This is the first year of the target.

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	Vakıfbank is among the few Turkish banks which streamline international sustainable energy financing mechanisms to Renewable Energy and Energy Efficiency projects in Turkey	Low carbon product	Other: Evaluation of the Carbon reduction impact of the EE & RE projects		Less than or equal to 10%	Vakıfbank provided 30.7 Million EUR Loan for EE and RE projects which has total investment cost of 41.5 Million EUR, under TurSEFF in last year. The projects will save an estimated 40.000 tons CO2-eq per year.
Group of products	Vakıfbank has several RE and EE financing products designed for SMEs.	Low carbon product	Other: Evaluation of the Carbon		Less than or equal to	SMEs benefited approximately 12.2 Million USD form WB loans through

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
	The type of credit loan programmes are:-- Environmental Technologies Loan Package -Environmental Friendly Vehicles Credits -Environmental Friendly SMEs Loan Programme - Environmental Friendly Tourism Loan Programme		reduction impact of the EE & RE projects		10%	Vakıfbank for projects that cost 15.5 Million USD in total last year. According to Vakıfbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects.
Group of products	Vakıfbank provides banking services via alternative channels such as internet banking, mobile banking so that decreases the emissions of its customers. Therefore, we could call them our 'Low Carbon Products'. In 2016, approximately 486 Million of transactions are done via internet banking, mobile banking, which is 30% of overall transactions done in Vakıfbank.	Avoided emissions	Evaluating the carbon reducing impacts of ICT		More than 20% but less than or equal to 40%	Vakıfbank provides banking services via alternative channels such as internet banking, mobile banking so that decreases the emissions of its customers. Therefore, we could call them our 'Low Carbon Products'. In 2016, approximately 486 Million of transactions are done via internet banking, mobile banking, which is 30% of overall transactions done in Vakıfbank.

CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*	6	2045
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	We put great importance	2045	Scope 1	Voluntary	2500000	25000000	1-3	6-10 years	We put great importance

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
efficiency: Building services	and emphasis on Carbon Management and especially our Environmental Management Service, a team of 9 full-time employees, has a focused effort to decrease Vakıfbank's environmental footprint. With the help of emission reduction activities 5% of decrease in emissions is achieved. That means an absolute emission of 2,045 tCO2e. In 2016, in order to modernize and/or move our branches, approximately 85 Million TL is invested in constructional works. According to our experience and calculations 30% of this sum were used to increase the energy and emission efficiency. Therefore, we consider that roughly 25 Million TL is invested for our emission reduction activities and renovation in more than 100 branches		Scope 2 (location-based)				years		and emphasis on Carbon Management and especially our Environmental Management Service, a team of 9 full-time employees, has a focused effort to decrease Vakıfbank's environmental footprint. With the help of emission reduction activities 5% of decrease in emissions is achieved. That means an absolute emission of 2,045 tCO2e. In 2016, in order to modernize and/or move our branches, approximately 85 Million TL is invested in constructional works. According to our experience and calculations 30% of this sum were used to increase the energy and emission efficiency. Therefore, we consider that roughly 25 Million TL is invested for our emission reduction activities and renovation in more than 100 branches

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
	were performed. In addition to that, we also modernize our ATM inventory by 20%. These new ATMs consume less electricity than old ones. Vakıfbank also fosters behavioral change about mitigating the effects of Climate Change.								were performed. In addition to that, we also modernize our ATM inventory by 20%. These new ATMs consume less electricity than old ones.

CC3.3c

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

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

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 mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	68	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC4.1/Annual_Report_2016.pdf	We put importance on sustainability and also share our sustainability policies in our Annual Reports.
In voluntary communications	Complete	54-57	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC4.1/surdurulebilirlik_rapor_16.pdf	Our environmental strategies, policies and performance is shared in detail via our Sustainability Report.
In voluntary communications	Complete	1	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC4.1/Vakifbank Intranet (Sustainability and Environment Page).png	We also frequently share news and intellectual information about environment and Vakifbank's environmental consciousness, performance via our intranet. We care the behavioral change among our employees. Please find the enclosed snapshot as an

Publication	Status	Page/Section reference	Attach the document	Comment
				example.

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
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Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	<p>Within the framework of approximation to EU Aquis, Turkey is expected to integrate to European Emission Trading Scheme, thus to the cap and trade system. During this process, several Turkish industrial sectors may have reduce their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed treshold levels. While ETS would not apply directly to Vakifbank, the situation may cause loan recipients to increase their capital costs due to additional</p>	Reduction in capital availability	3 to 6 years	Indirect (Client)	About as likely as not	Medium	<p>Vakifbank is one of the first banks in Turkey through which WB, EBRD and IFC provide loans to energy efficiency and renewable energy projects under Clean Technology Fund (CTF). Turkish Undersecretariat of Treasury provides assurance for Vakifbank for the management of CTF. Turkey worked closely with the EBRD, members of the World Bank Group (IBRD, IFC), to design an investment plan that taps USD 250 Million from the Clean Technology Fund (CTF) high-impact energy sector projects. CTF financing is expected to leverage an additional USD</p>	<p>“Sustainability Committee” (which is named as 'Corporate Governance Committee' this year) coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee"(which is named as 'Sustainability Working Group' this year). Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate</p>	<p>Since there are no cap & trade schemes in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakifbank. EMS is a team of 9 full-time employees focuses on environmental management of Vakifbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees of EMS and the budget of consultancy services provided to EMS are 431,655.28 TL in total for 2016.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>regulatory requirements for their investments. Increased costs for investors (which are clients of Vakifbank) may mean increased risk of capacity of the companies to pay back the bank loans especially for project finance.</p>						<p>2.25 billion for investments in energy efficiency, renewable energy, and smart grid upgrades to facilitate greater integration of renewable energy. GHG emissions savings and reductions for CTF financed projects are estimated at 87 MtCO₂e.</p>	<p>change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. Therefore, cap and trade schemes, its risks & opportunities, and impacts are all assessed by Vakifbank. Vakifbank established the Environmental Management Service to evaluate such topics in detail and to determine its</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								responses. On the other hand, Vakıfbank conducts business with international organisations such as EBRD, IFC, WB, etc. Therefore, Vakıfbank has sufficient infrastructure and experience to develop or involve in such formations, if necessary.	
Carbon taxes	Carbon tax would be another instrument to reduce Turkey's overall GHG Emissions. In case implemented, carbon tax will bring additional operational cost to Vakıfbank's clients due to their GHG emissions. Increased operational costs will mean less revenue and increased risk for loan pay back to	Increased operational cost	3 to 6 years	Direct	About as likely as not	Low	If carbon tax is introduced in Turkey, it could have a direct financial impact on Vakıfbank as GHG emitting organization. Even though, Vakıfbank achieves its emission reduction targets and verifies its emissions by a third party organization, Vakıfbank may face an amount of carbon tax. Vakıfbank has direct, energy	"Sustainability Committee" (which is named as 'Corporate Governance Committee' this year) coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-	Since there is no carbon tax in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 8 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Vakıfbank from the clients.						indirect and other indirect emissions of 22,786 tCO ₂ e in 2016. If we assume that 0.5 USD per tCO ₂ e is charged as carbon tax, then Vakıfbank would subject to 11,393 USD of tax expenditure (negative effect).	committee"(which is named as 'Sustainability Working Group' this year). Corporate Governance Committee with the support of Environmental Management Service (EMS), is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further	consultancy services on purpose when necessary. Personnel fees of EMS and the budget of consultancy services provided to EMS are 431,655.28 TL in total for 2016.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								assessment and prioritization. As an action; EMS is established to develop Carbon Management strategies and policies. To this aim, EMS calculates, monitors and take actions to reduce the emissions and mitigate the Climate Change effects on Vakıfbank. For example, GHG Inventory is calculated by EMS and projections about possible carbon tax are prepared. If we assume that 0.5 USD per tCO ₂ e is charged as carbon tax, then Vakıfbank would subject to 11,393 USD of tax.	
Fuel/energy taxes and regulations	The Regulation on Energy Performance in Buildings came into force in 2009. According to the	Increased capital cost	Up to 1 year	Direct	Very likely	Low	Vakıfbank already has a system to monitor the energy consumption of each branch. The system allows	Vakıfbank plans to implement high energy efficiency standards to the new branch offices. Therefore such	Personnel fees of EMS and the budget of consultancy services provided to EMS

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	regulation, all new and existing buildings must meet minimum energy performance. Existing buildings should receive an energy performance certificate in the near future. With more than 900 branches, Vakıfbank will have to monitor and increase its energy performance for each branch. This operation will eventually reduce energy costs, however it will bring additional capital cost at the beginning of implementation.						Vakıfbank to determine which branches has low energy efficiency performance. And increasing the energy performance of some branches with low performance is not expected to have medium-level costs for the bank.	upcoming and existing regulatory requirements will be met in the future. EMS is putting focus and performance on topic. It is decided to get ISO 14001 Certificates including the branches of Vakıfbank. Also, consultancy services are taken on topic.	are 431,655.28 TL in total for 2016.

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Uncertainty of physical risks	An overall change in all climate parameters combined (precipitation, temperature, etc.) is expected to have negative impacts on agricultural product yields. Vakıfbank gives loans to farmers, therefore reduced income for farmers may cause a risk of difficulties of receiving back the loans from the loan recipients.	Reduction in capital availability	Up to 1 year	Indirect (Client)	Likely	Low-medium	In parallel to its vision on sustainable banking, Vakıfbank provides EBRD's TurAFF (Turkish Agricultural Financing Facility) funds to its customers. Within the scope of the securitization loan agreement that was signed in December 2014, a fund in the amount of EUR 75 million has been disbursed to the Bank as a continuation of TurAFF loan.	Vakıfbank integrates climate risks and associated possible income losses in risk management procedures of project financing on the asset level. According to Vakıfbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects.	There is no additional direct costs on management of TurAFF loans.
Change in mean (average) temperature	An increase in average temperatures especially in summer may result in increasing power consumption due	Increased operational cost	Up to 1 year	Direct	Very likely	Low	Due to the uncertainties involved in estimating the impacts of climate change on increased average	Vakıfbank monitors energy consumption of each branch office. Any increase in electricity consumption is recorded. Branches	There is no direct cost of integrating the climate change associated risks into existing risk management procedures.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	to increased use of air conditioners in the buildings.						temperatures, thus on power consumption of air conditioners, it is not possible to make estimates regarding financial implications on Vakıfbank.	with high electricity intensity is examined for possible energy savings.	
Change in precipitation extremes and droughts	Extreme weather events, including wind storms, hail storms, floods, etc., could have additional maintenance and insurance costs for all sectors. Vakıfbank has 23 HQ Buildings, 923 branches and 3,819 ATMs as of the end of 2016. Therefore, they are open to detrimental effects of physical risks of Climate Change.	Increased operational cost	Up to 1 year	Direct	Likely	Low	Vakıfbank has 23 HQ Buildings, 923 branches and 3,819 ATMs as of the end of 2016. Total value of tangible assets of Vakıfbank is 1,409,875,000 as of end of 2016. The possible maximum negative physical financial implication could lead to this extent, but the possibility for this amount of financial impact is extremely low.	Including physical Climate Change risks such as change in precipitation extremes are managed with the departments in Sustainability Working Group. EMS informs and trains the relevant departments about the detrimental effects of climate change. Constructional Works Department cares these risks and takes necessary measures when renting/buying, moving or renovating a new premise for Vakıfbank. As an	Budget of EMS and the uncovered part of the physical damages by insurance company are of the cost of management. The total budget of EMS including employee fees and consultancy services provided are 431,655.28 TL for 2016 and the uncovered part of the cost of the physical damages at Vakıfbank buildings is 12,603.73 TL.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								action Vakıfbank insures its physical assets and this insurance also includes the effects of Climate Change. In 2016, six cases are reported about natural disasters and the costs of damage was 110,666.42 TL. and 98,062.69 TL of this damage is reimbursed by insurance company.	

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	Vakıfbank is a public company and quote to Borsa Istanbul. Vakıfbank is a public company	Reduced stock price (market valuation)	Up to 1 year	Direct	More likely than not	Medium-high	The market value of Vakıfbank as of end of 2016 is 652,998,000 TL. Therefore, if we	"Sustainability Committee" (which is named as 'Corporate Governance Committee' this year) coordinates all efforts	The unit of Vakıfbank, whose prior focus is climate change effects, is Environmental

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	and quoted to Borsa Istanbul. Furthermore, Vakıfbank is qualified to be in BIST Sustainability Index by meeting the sustainability criteria of BIST SI. Vakıfbank has been one of the first four banks that satisfied the Sustainability Criteria developed for the Sustainability index. Leading role of Vakıfbank in sustainable finance in Turkey. Vakıfbank's reputation, brand and market value could be affected negatively due to climate change risks.						assume that there will be a 10% decrease in Vakıfbank's market value due to a climate change oriented reputational risk, then its negative financial impact will be 65,299,800 TL.	of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee"(which is named as 'Sustainability Working Group' this year). Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change (Investor Relations, Corporate Communication, etc.). The risks and opportunities are then	Management Service. As the cost of management; the budget of EMS including employee fees and consultancy services provided are 431,655.28 TL.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization.	

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
Cap and trade schemes	Within the framework of approximation to EU Aquis, Turkey is expected to integrate to European Emission Trading Scheme, thus	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Very likely	Medium	Vakıfbank is one of the first banks in Turkey through which WB, EBRD and IFC provide loans to energy efficiency and renewable energy projects under Clean	"Sustainability Committee" (which is named as 'Corporate Governance Committee' this year) coordinates all efforts of sustainability, which include determining the	Since there are no cap & trade schemes in Turkey at the moment, the management cost is the cost of Environmental Management

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	to the cap and trade system. During this process, several Turkish industrial sectors may have reduce their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. While ETS would not apply directly Vakifbank, it may bring opportunities by accelerating the demand for renewable						Technology Fund (CTF). Turkish Undersecretariat of Treasury provides assurance for Vakifbank for the management of CTF. Turkey worked closely with the EBRD, members of the World Bank Group (IBRD, IFC), to design an investment plan that taps USD 250 Million from the Clean Technology Fund (CTF) high-impact energy sector projects. CTF financing is expected to leverage an additional USD 2.25 billion for investments in energy efficiency, renewable energy, and smart grid	overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee"(which is named as 'Sustainability Working Group' this year). Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating	Service (EMS) for Vakifbank. EMS is a team of 9 full-time employees focuses on environmental management of Vakifbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees of EMS and the budget of consultancy services provided to EMS are 431,655.28 TL in total for 2016.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	energy and energy-efficiency projects, which the company can finance.						upgrades to facilitate greater integration of renewable energy. GHG emissions savings and reductions for CTF financed projects are estimated at 87 MtCO2e.	the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. Therefore, cap and trade schemes, its risks & opportunities, and impacts are all assessed by Vakıfbank. Vakıfbank established the Environmental Management Service to evaluate such topics in detail and to determine its responses. On the other hand, Vakıfbank conducts business with	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								international organisations such as EBRD, IFC, WB, etc. Therefore, Vakıfbank has sufficient infrastructure and experience to develop or involve in such formations, if necessary.	
International agreements	After COP meetings in Paris, a consensus provided to limit the global warming under 2 Celcius, if possible 1.5 Celcius. Countries committed decrease their environmental footprint, mitigate the effects of Climate Change and adapt to	Increased demand for existing products/services	Up to 1 year	Direct	Virtually certain	Medium-high	According to aggrement, for low carbon economy '100 Billion USD' fund will be created in the world. Vakıfbank is providing international funds developed on this purpose to Turkey with its accumulated experience and will be green financing more. This will have a positive financial impact. Vakıfbank is one of the first banks in Turkey	Vakıfbank had realized that Climate Change (CC) is a reality and to create and/or involve in CC mitigation & adaptation is a necessity. Besides, developing green finance in Turkey was a motivation for our strategies. Furthermore, make the society utilize them. In Vakıfbank, Board of Directors is the main and the highest-level responsible of the overall	Vakıfbank is already providing sustainable finance to its customers. The Environmental Management Service has a quite important role on monitoring and catching these opportunities, therefore we could consider that the management cost is the cost of

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Climate Change. This creates a big low carbon economy. Turkey also make national emission reduction commitments. Such a commitment will eventually be reflected as sectoral emission reduction target to be enforced with a cap system for each industrial installation. During this process, several Turkish industrial sectors may have to reduce their emissions through low carbon technology investments or through						through which WB, EBRD and IFC provide loans to energy efficiency and renewable energy projects under Clean Technology Fund (CTF). Turkish Undersecretariat of Treasury provides assurance for Vakıfbank for the management of CTF. Turkey worked closely with the EBRD, members of the World Bank Group (IBRD, IFC), to design an investment plan that taps USD 250 Million from the Clean Technology Fund (CTF) high-impact energy sector projects. CTF financing is expected to leverage an	performance of the Bank. Nonetheless, the main responsibility of the Sustainability, including climate change, is on the Corporate Governance Committee. It directly reports to Board of Directors. To steer the strategies; stakeholder expectations & materiality issues analysis are performed periodically from various channels. One of the main channels is the one we performed during our Sustainability Reporting process annually. Findings are evaluated mainly by the Investor Relations, Environmental Management Services and	Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 9 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees of EMS and the budget of consultancy services provided to EMS are 431,655.28 TL in total for 2016.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. This may bring opportunities for sustainable finance by accelerating the demand for renewable energy and energy-efficiency projects, which the company can finance.						additional USD 2.25 billion for investments in energy efficiency, renewable energy, and smart grid upgrades to facilitate greater integration of renewable energy.	Risk Department to determine the opportunities & risks and update the strategies. Besides, relevant core business units (Credits, SME Banking, International Banking, etc.) consider the possible risks & opportunities on Climate Change. Then, risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand; inspectors also examine the process periodically.	

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 mean (average) temperature	As the physical impacts of climate change become more apparent, the volume and need may increase for the relevant products and services of Vakıfbank. Vakıfbank has special credit packages on energy efficiency, renewable energies from the funds of multilateral institutions. Demand on implementation of energy efficiency projects to improve the operation of the facilities would increase (LEED certificates, DGNB Certificate etc.) This could increase the demand on lending and financing portfolio of Vakıfbank.	Increased demand for existing products/services	Up to 1 year	Direct	Very likely	Medium	Vakıfbank is among the 4 Partner Banks through which TurSEFF provide loans to SMEs in Turkey. Turkey Private Sector Sustainable Energy Finance Facility (TurSEFF) is a framework operation with up to USD 265 million under which credit lines is provided by EBRD to eligible commercial banks for on-lending to private sector borrowers for EE and RE investments. Vakıfbank provided 30.7 Million EUR Loan for EE & RE projects which has total investment cost of 41.5 Million	Vakıfbank had realized that Climate Change (CC) is a reality and to create and/or involve in CC mitigation & adaptation is a necessity. Besides, developing green finance in Turkey was a motivation for our strategies. Furthermore, make the society utilize them. In Vakıfbank, Board of Directors is the main and the highest-level responsible of the overall performance of the Bank. Nonetheless, the main responsibility of the Sustainability, including climate change, is on the Corporate Governance Committee. It	Vakıfbank is already providing sustainable finance to its customers. The Environmental Management Service has a quite important role on monitoring and catching these opportunities, therefore we could consider that the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 9 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							<p>EUR, under TurSEFF last year. The projects will save an estimated 40.000 tCO2e/yr. In addition, Vakıfbank financed Hydro, Wind and Geothermal Power Plants with installed capacity of 868.70 MWh in 2016.</p>	<p>directly reports to Board of Directors. To steer the strategies; stakeholder expectations & materiality issues analysis are performed periodically from various channels. One of the main channels is the one we performed during our Sustainability Reporting process annually. Findings are evaluated mainly by the Investor Relations, Environmental Management Services and Risk Department to determine the opportunities & risks and update the strategies. Besides, relevant core business units</p>	<p>Personnel fees of EMS and the budget of consultancy services provided to EMS are 431,655.28 TL in total for 2016.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								(Credits, SME Banking, International Banking, etc.) consider the possible risks & opportunities on Climate Change. Then, risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand; inspectors also examine the process periodically.	

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
Reputation	Vakıfbank is a public company	Increased stock	1 to 3 years	Direct	Very likely	Medium-high	The market value of	“Sustainability Committee” (which is	The unit of Vakıfbank,

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	and quoted to Borsa Istanbul. Furthermore, Vakıfbank is qualified to be in BIST Sustainability Index by meeting the sustainability criteria of BIST SI. Vakıfbank has been one of the first four banks that satisfied the Sustainability Criteria developed for the Sustainability index. Leading role of Vakıfbank in sustainable finance in Turkey. These factors and Vakıfbank's sustainability strategies and actions may create opportunity for Vakıfbank. Vakıfbank's reputation, brand and market value could be affected positively.	price (market valuation)					Vakıfbank as of end of 2016 is 652,998,000 TL. Therefore, if we assume that there will be a 10% increase in Vakıfbank's market value due to a climate change oriented reputational opportunity, then its positive financial impact will be 65,299,800 TL.	named as 'Corporate Governance Committee' this year) coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee"(which is named as 'Sustainability Working Group' this year). Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities	whose prior focus is climate change effects, is Environmental Management Service. As the cost of management; the budget of EMS including employee fees and consultancy services provided are 431,655.28 TL.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								due to Climate Change (Investor Relations, Corporate Communication, etc.). The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization.	

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 CO ₂ e)
Scope 1	Fri 01 Jan 2016 - Sat 31 Dec 2016	12422
Scope 2 (location-based)	Fri 01 Jan 2016 - Sat 31 Dec 2016	4279
Scope 2 (market-based)	Fri 01 Jan 2016 - Sat 31 Dec 2016	0

CC7.2

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

Please select the published methodologies that you use

IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
Defra Voluntary Reporting Guidelines
US EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources

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: R410A	Other: DEFRA 2016 Emissions Factors - Refrigerant & Other
Other: R22	IPCC Fifth Assessment Report (AR5 - 100 year)

Gas	Reference
HFCs	Other: DEFRA 2016 Emissions Factors - Refrigerant & Other

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	75242.7	Other: kgCO2e/TJ	IPCC AR5 2014 Assessment Report
Motor gasoline	70916.9	Other: kgCO2e/TJ	IPCC AR5 2014 Assessment Report
Natural gas	56154.5	Other: kgCO2e/TJ	IPCC AR5 2014 Assessment Report
Distillate fuel oil No 4	77643	Other: kgCO2e/TJ	IPCC AR5 2014 Assessment Report
Lignite	101425.5	Other: kgCO2e/TJ	IPCC AR5 2014 Assessment Report
Electricity	0.472	Other: KgCO2e/kWh	IPCC AR5 2014 Assessment Report
Other: paper waste	21	Other: kgCO2e/metric tonne paper	DEFRA 2016 Emissions Factors - Waste Disposal - Paper - closed loop
Other: tap water use	0.344	Other: kgCO2e/m3	DEFRA 2016 Emissions Factors - Water Supply
Other: waste water treatment	0.708	Other: kgCO2e/m3	DEFRA 2016 Emissions Factors - Water Treatment
Waste oils	21	Other: kgCO2e/metric tonne oil	DEFRA 2016 Emissions Factors - Waste Disposal - municipal waste - closed loop
Other: flight (domestic)	0.25357	Other: kgCO2e/miles.passenger	U.S. EPA Climate Leadership, Jan 2017, v4, Emissions Factors - Business Travel-air – Short Haul
Other: flight (international short haul)	0.14440	Other: kgCO2e/miles.passenger	U.S. EPA Climate Leadership, Jan 2017, v4, Emissions Factors - Business Travel-air – Medium Haul
Other: flight (international long haul)	0.16868	Other: kgCO2e/miles.passenger	U.S. EPA Climate Leadership, Jan 2017, v4, Emissions Factors - Business Travel-air – Long Haul
Other: employee services	0.28453	Other: kgCO2e/km	DEFRA 2016 Emissions Factors – Managed Vans – Class III - Diesel - Weight 1,74t - 3,5t

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	0	kg CO2e per MWh	Bereket Enerji - Renewable Electricity Producer

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

12422

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 are reporting a Scope 2, market-based figure	We put importance on decreasing our carbon footprint, therefore we have a bilateral agreement with a 100% renewable electricity producer named as 'Bereket Enerji'. We try to maximize our use of renewable energy as much as possible. Please see the attached document about our use of renewable energy.

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
4279	0.00	Market-based Scope 2 emission is reported for the electricity procured from Bereket Enerji. Since it is 100% renewable energy, the emission is reported as zero. Please see the attachment

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
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CC8.5

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Assumptions Metering/ Measurement Constraints Other: Emission Factors	The uncertainty is calculated as 3.1% Uncertainties considered include data uncertainty in data provided by third parties (invoices) and also emission factors.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Assumptions Metering/ Measurement Constraints Other: Emission Factors	The uncertainty is calculated as 3.1% Uncertainties considered include data uncertainty in data provided by third parties (invoices) and also emission factors.
Scope 2 (market-based)	More than 2% but less than or equal to 5%	Assumptions Metering/ Measurement Constraints Other: Emission Factors	The emission factor from 100% renewable electricity energy is assumed to be 0.

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC8.6a/VakifBank_2016 GHG Inventory Verification Statement_Final Signed.pdf	1	ISO14064-3	100

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

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC8.7a/VakifBank_2016 GHG Inventory Verification Statement_Final Signed.pdf	1	ISO14064-3	100
Market-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC8.7a/VakifBank_2016 GHG Inventory Verification Statement_Final Signed.pdf	1	ISO14064-3	100

CC8.8

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

Additional data points verified	Comment
Year on year change in emissions (Scope 1)	Scope 1 emissions were verified by the same content last year, therefore year on year change can be assumed to be verified.
Year on year change in emissions (Scope 2)	Scope 2 emissions were verified by the same content last year, therefore year on year change can be assumed to be verified.
Year on year change in emissions (Scope 1 and 2)	Both Scope 1 and Scope 2 emissions were verified by the same content last year, therefore year on year change can be assumed to be 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

Attachments

[https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData\(1Jan2016-31Dec2016\)/Bereket Enerji - Renewable Energy Producer's Statement-2016.pdf](https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData(1Jan2016-31Dec2016)/Bereket Enerji - Renewable Energy Producer's Statement-2016.pdf)

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
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CC9.2c

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

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

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Fuel Combustion (for Generators)	355.75
Heating	4641.10
Fugitive gas (from Fire extinguishers)	0.00
Fugitive gas from AC	967.81

Activity	Scope 1 emissions (metric tonnes CO2e)
Company Cars	6457.17

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)
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CC10.2

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

By facility

CC10.2a

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

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

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Electricity use in Buildings	2524	0
Electricity use of ATMs	1755	0

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)
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Further Information

Page: CC11. Energy

CC11.1

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

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

CC11.2

Please state how much 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

47198

CC11.3a

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

Fuels	MWh
Diesel/Gas oil	26055
Motor gasoline	410
Lignite	578
Natural gas	19969
Other: Fuel Oil No:4	187

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
Direct procurement contract with a grid-	57173.11	0.00	We put importance on decreasing our carbon footprint, therefore we

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
connected generator or Power Purchase Agreement (PPA), where electricity attribute certificates do not exist or are not required for a usage claim			have a bilateral agreement with a 100% renewable electricity producer named as 'Bereket Enerji'. We try to maximize our use of renewable energy as much as possible. Please see the attached document about our use of renewable energy.

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
66239.70	66239.70	0.00	0.00	0.00	Most of our emissions were sourced from electricity purchased and consumed. We put importance on decreasing our carbon footprint, therefore we wanted to switch to renewable energy. We had a bilateral agreement with a 100% renewable electricity producer named as 'Bereket Enerji' to do so. At the moment 86% of our electricity sourced from Bereket Enerji. We try to maximize our use of renewable energy as much as possible inline with regulation limits. Please see the attached document about our use of renewable energy.

Further Information

Attachments

<https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC11.Energy/Bereket Enerji - Renewable Energy Producer's Statement-2016.pdf>

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	5	Decrease	We put great importance and emphasis on Carbon Management and especially our Environmental Management Service, a team of 9 full-time employees, has a focused effort to decrease Vakıfbank's environmental footprint. With the help of emission reduction activities 5% of decrease in emissions is achieved. That means an absolute emission of 2,045 tCO ₂ e. In 2016, in order to modernize and/or move our branches, approximately 85 Million TL is invested in constructional works. According to our experience and calculations 30% of this sum were used to increase the energy and emission efficiency. Therefore, we consider that roughly 25 Million TL is invested for our emission reduction activities and renovation in more than 100 branches were performed. In addition to that, we also modernize our ATM inventory by 20%. These new ATMs consume less electricity than old ones.
Divestment	0	No change	We assume no divestment is done.
Acquisitions	0	No change	No acquisitions took place during reporting process.

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Mergers	0	No change	No mergers took place during reporting process.
Change in output	0	No change	We are working in banking industry so that we could assume that there is no effect of change in output.
Change in methodology	17.7	Decrease	Some changes and improvements in term of accuracy are applied to GHG Inventory calculations in 2016. As a result of it, 4,023 tCO2e of emission is decreased in GHG Inventory calculations, which means 17.7%.
Change in boundary	0	No change	We assume that there is no change in during reporting process.
Change in physical operating conditions	8.3	Increase	As Vakıfbank ,we provide deposit banking services all around Turkey. Turkey is a country, where diversified climate conditions are encountered even at the same time period of the year. On the other hand, climate change is a reality and the impacts of Climate Change is experienced more and more day by day. In line with that, we experienced the difficulties in managing climate change effects. Weather extremities and change in mean temperatures were observed in Turkey in 2016. (Please see the attached report of Turkish Meteorology Institute about the 'Climate Evaluation of 2016 in Turkey') These factors particularly affect our electricity and fuel consumptions. Therefore, change in physical operating conditions adversely impact both direct and indirect emissions released by Vakıfbank. Therefore, with our assumptions and calculations it is determined that 2,045 tCO2e of Vakıfbank's emissions, which means 8.3% of its overall emissions, were increased due to change in physical operating conditions
Unidentified	0	No change	There is no unidentified factors in change.
Other	0	No change	There is no other factor in 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
2.2297	metric tonnes CO2e	2703	Location-based	27	Decrease	Please hence that revenue written in the denominator is Million TL. Therefore, the revenue is 2,703,042,000 TL. As the combined Scope 1 and Scope 2 emissions in 2016 decreased by 14.56%, our revenue increased by 40% compared to 2015. The increasing denominator and the decreasing numerator lead to a decrease of the intensity figure by 39% for 2016. Besides, emission reduction activities put into practice by our company were also effective in the decreasing combined emissions figure.

CC12.3

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
1.0724	metric tonnes CO2e	full time equivalent (FTE)	15574	Location-based	14	Decrease	In 2016, the number of FTE employees decreased by 1.3%, combined Scope 1 and

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
		employee					Scope 2 emissions decreased by 14.56% causing an almost equivalent decrease by 14% of the intensity figure.

Further Information

Please see the attached report of Turkish Meteorology Institute about the 'Climate Evaluation of 2016 in Turkey. The change in mean temperatures are stated at page 1. Please see the graph in the document "The comparison of mean temperatures in Turkey"

Attachments

[https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC12.EmissionsPerformance/The comparison of mean temperatures in Turkey.docx](https://www.cdp.net/sites/2017/58/21158/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC12.EmissionsPerformance/The%20comparison%20of%20mean%20temperatures%20in%20Turkey.docx)

[https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC12.EmissionsPerformance/2016-Climate Report of Turkey \(iklim-raporu\).pdf](https://www.cdp.net/sites/2017/58/21158/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC12.EmissionsPerformance/2016-Climate%20Report%20of%20Turkey%20(iklim-raporu).pdf)

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
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CC13.1b

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

CC13.2

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

No

CC13.2a

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

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
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Further Information

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	3798.25	Paper, water consumption and postage activities are calculated under this section. For water consumption both tap water and bottled water is considered. ISO 14064 methodology is used. The emission factors for tap water and paper are gathered from Defra/DECC GHG reporting factors for 2016.	100.00%	Although we are a bank with a wide span of branch network all around Turkey, thanks to our care on environment, we monitor our paper use, tap water use and drinking water use. Besides, we took necessary measures to decrease them.
Capital goods	Relevant, not yet calculated	0	It is not calculated.	0.00%	We are willing to enlarge the number of items included into our GHG Inventory, however there is insufficient infrastructure and data in Turkey to calculate these emissions. Besides, it needs extensive working hours to do so. Therefore, Scope 3 emissions sourced from capital goods are not calculated yet. We are willing to do so in the future.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, calculated	0	It is not relevant for us.	0.00%	Vakıfbank is a bank providing deposit banking services. Therefore, it is not relevant for vakıfbank.
Upstream transportation and	Relevant, not yet	0	It is not relevant for us.	0.00%	We are willing to enlarge the number of items included into our GHG Inventory, however there is

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
distribution	calculated				insufficient infrastructure and data in Turkey to calculate these emissions. Besides, it needs extensive working hours to do so. Therefore, Scope 3 emissions sourced from upstream transportation and distribution are not calculated yet. We are willing to do so in the future.
Waste generated in operations	Relevant, calculated	7.35	DEFRA methodology is used to calculate the GHG Inventory for waste paper disposal and waste oil.	100.00%	As we are a bank, the biggest amount of waste needs to be focused and treated is paper. We send waste papers to recycling processes to third parties. In addition to paper wastes, waste oil is formed from canteen at the HQ buildings.
Business travel	Relevant, calculated	852.49	Calculations are done by using EPA (2008) passenger emissions factors. Flight data are gathered and the distance of the each flight leg was determined. It is calculated with the appropriate emission factor based on the distance of the flight.	100.00%	Vakıfbank is a deposit bank with a wide span of branch network all around Turkey. The Bank has 923 branches and 23 HQ buildings in Turkey. Although, alternative channels such as videoconferencing and teleconferencing are applied to avoid emissions, business air travels are used for audit and business purposes.
Employee commuting	Relevant, calculated	1381.42	To estimate the emissions from employee commuting, initially the total distance of each route is calculated. Then, the emission factor for appropriate vehicle is taken from Defra/DECC GHG reporting factors for 2016.	100.00%	Vakıfbank provides employee commuting to its employees for their well-being and also to decrease the number of employees using their own cars for commuting. If employees use their own cars individually, then the carbon footprint could increase.
Upstream leased assets	Not relevant, calculated	0	We are deposit bank and there is no emissions in Scope 3 resulted from the upstream leased assets.	100.00%	We are deposit bank and there is no emissions in Scope 3 resulted from the upstream leased assets.
Downstream transportation and distribution	Relevant, calculated	45.36	Postage emission per delivery is taken from "The Facts of Our Value Chain" report of European Mail Industry Platform.	100.00%	As we are a bank, our relevant downstream transportation and distribution is resulted from the mailing (courier/cargo) activity. Therefore we calculated the emissions released by that activity.

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
		0			Postage emission per delivery is taken from "The Facts of Our Value Chain" report of European Mail Industry Platform.
Processing of sold products	Not relevant, calculated	0	We are deposit bank and there is no processing for our sold products.	100.00%	Vakıfbank provides banking services, therefore processing of sold products is not relevant.
Use of sold products	Not relevant, calculated	0	We are deposit bank and there is no emissions resulted from the use of our sold products.	100.00%	Vakıfbank provides banking services, therefore the use of sold products is not relevant.
End of life treatment of sold products	Not relevant, calculated	0	We are deposit bank and there is no emissions resulted from the end of life treatment of our sold products.	100.00%	Vakıfbank provides banking services, therefore the end of life treatment of our sold products is not relevant.
Downstream leased assets	Not relevant, calculated	0	We are deposit bank and there is no emissions in Scope 3 resulted from the downstream leased assets.	100.00%	We are deposit bank and there is no emissions in Scope 3 resulted from the downstream leased assets.
Franchises	Not relevant, calculated	0	We are a deposit bank and we have no franchises.	100.00%	We are a deposit bank and we have no franchises.
Investments	Relevant, not yet calculated	0	We are willing to enlarge the number of items included into our GHG Inventory, however there is insufficient infrastructure and data in Turkey to calculate these emissions. Besides, it needs extensive working hours to do so. Therefore, Scope 3 emissions sourced from our investments are not calculated yet. We are willing to do so in the future.	0.00%	We are willing to enlarge the number of items included into our GHG Inventory, however there is insufficient infrastructure and data in Turkey to calculate these emissions. Besides, it needs extensive working hours to do so. Therefore, Scope 3 emissions sourced from our investments are not calculated yet. We are willing to do so in the future.
Other (upstream)	Not relevant, explanation provided	0	We have no other upstream GHG emission sources.	100.00%	We have no other upstream GHG emission sources.
Other (downstream)	Not relevant, explanation	0	We have no other downstream GHG emission sources.	100.00%	We have no other downstream GHG emission sources.

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
	provided				

CC14.2

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

Third party verification or assurance process in place

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/CC14.2a/VakifBank_2016 GHG Inventory Verification Statement_Final Signed.pdf	1	ISO14064-3	100

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
Business travel	Emissions reduction activities	14	Decrease	Vakıfbank is a deposit bank with a wide span of branch network all around Turkey and business air travels are used for audit and business purposes. We are putting effort to decrease the number of business air travels. Instead, alternatives such as video conferencing and teleconferencing are promoted to avoid emissions in accordance with our emission reduction activities.
Waste generated in operations	Emissions reduction activities	0.1	No change	Although the number of branches and employees were increased, the waste generated during operations remained almost the same with the help of emission reduction activities.
Purchased goods & services		62.4	Increase	Even though the footprint of postage services are excluded as a separate category under downstream transportation and distribution, the increase is mainly due to the slight increase in paper use and drinking water.
Employee commuting	Change in methodology	22.7	Increase	Even though, it seems that there is an increase of 22.7% in the emissions resulted from employee commuting. It is totally because of the change in the methodology. At the prior years; the relevant emission factor the employee commuting vehicles were 0.22520, which is for large cars. This year the relevant emission factor is taken as 0.28453, which is for vans. This value will be providing more appropriate information. Therefore, the emission factor increased 26%, but the emissions 22.7%. As a conclusion, there is 3.3% decrease in routes of employee commuting services with the help of optimization efforts driven in parallel to our emission reduction activities.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Downstream transportation and distribution	Change in methodology	0.7	Increase	As we are a bank, our relevant downstream transportation and distribution results from the mailing (courier/cargo) activity. Last year courier/post services were included in the "purchased goods and services". This year the value is isolated as downstream transportation and distribution.

CC14.4

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

- Yes, our suppliers
- Yes, our customers
- 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

Vakıfbank is a public bank and therefore it is sensitive to develop business lines which is in favor of Turkey and to make the whole society (all economic level from all around Turkey) benefit from them. Vakıfbank had realized that Climate Change (CC) is a reality and to create and/or involve in CC mitigation & adaptation is a necessity. Besides, developing green finance in Turkey was a motivation for our strategies. Furthermore, make the society utilize them. As one of the biggest organizations of Turkey, we Vakıfbank could create a positive impact among its value chain. Please find our strategy and some examples of engagements with our customers, suppliers, employees.

Therefore; Vakıfbank supports and encourages its stakeholders & clients for their sustainable energy projects and investments, regardless of the size of the investment. According to Vakıfbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides, the loan programmes originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs and project owners to support their sustainability projects.

Vakıfbank is among few Turkish banks which streamline international sustainable energy financing mechanisms to renewable energy & energy efficiency projects in Turkey. With its support to Sustainable Energy Financing, "Sustainable Energy Finance Award of Excellence" given by EBRD. Vakıfbank provided 30.7 Million EUR

Loan for EE & RE projects which has total investment cost of 41.5 Million EUR, under TurSEFF last year. The projects will save an estimated 40.000 tCO2e/yr.

Vakıfbank is one of the first banks in Turkey through which WB, EBRD and IFC provide loans to energy efficiency and renewable energy projects under Clean Technology Fund (CTF). Turkish Undersecretariat of Treasury provides assurance for Vakıfbank for the management of CTF. Turkey worked closely with the EBRD, members of the World Bank Group (EIBRD, IFC), to design an investment plan that taps USD 250 Million from the Clean Technology Fund (CTF) high-impact energy sector projects. CTF financing is expected to leverage an additional USD 2.25 billion for investments in energy efficiency, renewable energy, and smart grid upgrades to facilitate greater integration of renewable energy.

Vakıfbank provides banking services via alternative channels such as internet banking, mobile banking so that decreases the emissions of its customers. Therefore, we could call them our 'Low Carbon Products'. In 2016, approximately 486 Million of transactions are done via internet banking, mobile banking, which is 30% of overall transactions done in Vakıfbank.

The amount of funds provided in line with our sustainable financing products and the number of projects are our measures of success.

Vakıfbank extends the strategy of emission reduction efforts to its suppliers through purchasing 86% of its electricity from a supplier which produces electricity only from renewable resources. Official letter of electricity provider company is attached. Switching to renewable energy from grid is the measure of our success.

Turkish Banks Association (TBA) is the sectoral association of banks in Turkey and Vakıfbank's CEO is a board member of the TBA. Besides, Vakıfbank is a member of the working group named as "Role of Financial Sector in Sustainable Development". Vakıfbank actively participates and contributes to working group. It is planned to develop a declaration of commitment to adherence to sustainable banking and Vakıfbank fully supports these efforts, as Vakıfbank wants to integrate sustainability prerequisites into all loan programmes.

Our employees are also in our value chain. Vakıfbank puts importance on capacity development of its employees about sustainability. Trainings have vital importance for creating behavioural change for emission reduction activities, risk management and product development to mitigate the effects of Climate Change. Trainings of employees on sustainability have reached to 240,642 hours.

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
Active engagement	1	0.5%	Vakıfbank purchases 86% of its electricity from a electricity producer, which generates electricity from 100% renewable energy. Therefore, Vakıfbank encourages its supply chain to produce and sell renewable electricity.

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

Attachments

[https://www.cdp.net/sites/2017/58/21158/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/Bereket Enerji - Renewable Energy Producer's Statement-2016.pdf](https://www.cdp.net/sites/2017/58/21158/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/Bereket%20Enerji%20-%20Renewable%20Energy%20Producer's%20Statement-2016.pdf)

Module: Sign Off

Page: CC15. Sign Off

CC15.1

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

Name	Job title	Corresponding job category
Caner GENÇELİ	Environmental Management Service Manager	Environment/Sustainability manager

Further Information

CDP 2017 Climate Change 2017 Information Request