

# Climate Change 2016 - ŞEKERBANK T.A.Ş.

## Module: Introduction

### Page: Introduction

#### CC0.1

##### Introduction

##### **Please give a general description and introduction to your organization.**

Şekerbank T.A.S. was founded in 1953 as the "Sugar Beet Cooperative Bank" in Eskişehir, Turkey. The founding mission of the bank was to fund the needs of sugar beet producers, farmers and the sugar industry in order to finance agriculture, rural development and local production. Today, Şekerbank has a well-penetrated branch network and broad geographical coverage with its 63 years of experience. With its Community Banking mission, spanning from village to city, Şekerbank is one of the leading banks to service the agriculture sector, micro, small and medium enterprises (MSMEs) and to support initiatives and production. Throughout its 63-year journey Şekerbank has carried out its activities under the framework of sustainable development and has been committed to creating economic, social, and cultural value and improving local and rural development especially in Anatolian region in Turkey.

Positioning itself as 'Turkey's key bank' in the international scene through niche and local banking services, Şekerbank pursues its mission of supporting producers and offering broad-based banking services to segments lacking sufficient access to financial services, especially unbanked segments under the scope of financial inclusion. Within its sustainable development strategy, in 2009, Şekerbank developed a leading product in Turkey called EKOkredi (EKoloan) for the financing of energy efficiency projects (waste management, renewable energy projects, modern irrigation etc.) by individuals, SMEs, industrial and agricultural enterprises under favourable conditions. Through EKOkredi the Bank has introduced over 80 thousand people to energy savings thus far. EKOkredi, selected one of the best sustainability practices to represent Turkey at Rio+20, continues to be one of the Bank's key business initiative and a strategic standpoint for raising energy awareness and efficiency at national levels. Through EKOkredi, Şekerbank provides foreign resources obtained from international financial institutions for the financing of energy efficiency projects and passes these resources on to its broad-based customer profile.

Şekerbank, as part of its strategy to operate as a sustainable bank, has supported international initiatives such as COP 21, and signed the Caring for Climate platform and the Carbon Pricing Leadership Index initiative in Paris, as well as embraced the IFC (International Finance Cooperation) Social and Environmental Performance Standards. In addition to this, Şekerbank complies with the Social and Environmental Exclusion Risk of European Investment Bank and the EBRD (European Bank for Reconstruction and Development). In the scope of combating climate change, we signed the "Energy Efficiency in Buildings" charter on January 10, 2013, by invitation of the Turkish Business Council for Sustainable Development (TBCSD). We are committed to setting targets and policies to achieve energy efficiency improvements in our offices and to reduce our carbon emissions as a member of TBCSD, which is a branch of the World Business Council for Sustainable Development (WBCSD). Last year, the Sustainable Development Department was established under the Strategy EVP, reflecting the strategic importance of sustainable development both in the Bank's history and in its vision of the future. The SDB department's main functions include incorporating and aligning the global Sustainable Development Goals into Bank projects, as well as analyzing Bank projects through the lens of the banks' sustainable development strategy. In addition, every member of our credit committees, from the branch-level to top-tier management, takes into consideration the responsibilities underlined by the Social and Environmental Management System Regulations (SEMS), which was recently updated by the Sustainable Development Banking Department.

Also, as part of our internal strategy to reduce our environmental footprint, all electronic waste collected within Şekerbank is delivered to professional recycling companies and eliminated under conditions in accordance with human health and environmental conservation. Throughout 2015, the total amount of technological waste collected in our Bank was 8029 kilograms, which was delivered to licensed waste disposal companies. As part of the waste disposal program and in partnership with TEMA's (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) tree planting initiative, 1039 oak sapling trees were planted respectively. Lastly, in August 2015, Şekerbank moved its HQs to a new building that was intentionally designed as more energy and resource efficient and has obtained its Energy Performance Certificate and is planning to obtain its LEED certificate accordingly.

#### CC0.2

##### Reporting Year

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

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

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

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

Enter Periods that will be disclosed

Thu 01 Jan 2015 - Thu 31 Dec 2015

### 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.

USD(\$)

### CC0.6

#### Modules

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

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

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

#### Further Information

## Module: Management

### Page: CC1. Governance

#### CC1.1

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

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

##### CC1.1a

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

The highest-ranking officer at Şekerbank responsible with executing climate change issues is the Executive Vice President of Strategy and Corporate Communications who reports to the CEO and Chairman strategically in the field of sustainability.

As of April 2015, the offices under the Executive Vice President of Strategy and Corporate Communications were expanded to include the newly established Sustainable Development Banking Department. The Sustainable Development Banking (SDB) department is deliberately integrated within the EVP of Strategy as well as other business units in order to better integrate sustainable development measures and goals spanning from Bank strategy, operations, functions and services.

The SDB department's main functions include incorporating and aligning the global Sustainable Development Goals into Bank projects, as well as analysing Bank projects through the lens of the global goals. The SDB department is made up of six officers at the head office, who daily manage with the bank's sustainable development projects and activities, and twenty-six field officers. The SDB department's main functions are to develop, monitor, and manage sustainability initiatives within the bank's head office and branches, as well as encourage improving the Bank's operations relating to sustainability. The department also provides employees with in-depth trainings for middle management and e-learning training for branch officers on sustainability as part of the internal initiative to improve the overall understanding of sustainability and climate change and incorporate it as a top-down strategy. In addition, the SDB department coordinates the Environmental and Social Management instructions manual which evaluates the social and environmental impacts of loans. Recently, the SDB developed a comprehensive database system to monitor its carbon and water footprints. The SDB department reports to the Executive Vice President of Strategy and Corporate Communications who reports directly to the CEO and Chairman.

### 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
Business unit managers	Monetary reward	Emissions reduction project Efficiency project Behaviour change related indicator Other: Other incentivized performance indicators include the ones indicated in the comment box.	Through its support of energy efficiency investments, Şekerbank has introduced energy savings to almost 80,000 people and businesses through EKOkredi (EKOLOan) since 2009. As part of the overall sustainable banking strategy, the Bank has KPI's defined under the EKOkredi (EKOLOan) product that aims to encourage the relative business units in their sales of the energy efficiency loans with the overall affect of contributing to raising awareness across Turkey on energy efficiency, lead to energy savings, and indirectly contribute to reducing the Bank's environmental footprint. In order to incentivize branch unit managers a monetary reward is attached to achieving these KPI's that is part of the overall premium system that is in place.

#### 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
Annually	Board or individual/sub-set of the Board or committee appointed by the Board	Turkey	> 6 years	Reviewed under two areas: asset level and other/company/physical level. Asset level risks and opportunities are associated with the loan portfolio, these are managed through the Social and Environmental Management System instructions manual; at the company level risks and opportunities are associated with the Bank's physical branches and buildings, these are managed under the direction of the related departments (Construction) with advisory from the board of directors. As an example, Şekerbank has started the process of attaining "Enerji Kimlik Belgesi" (EKB) or Energy Performance Certificates for all of its buildings, in line with both national regulations and the Bank's climate change strategy.

#### CC2.1b

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

Şekerbank uses the Social and Environmental Management System Instructions manual (SEMS), which analyses the environmental and social impacts of the projects financed by Şekerbank. The system aims at mitigating the adverse environmental and social impact of loans. Under the new SEMS, every member of our credit committees, from the branch-level to top-tier management, takes into consideration the Social and Environmental Management System Regulations (SEMS). Following this evaluation, the embedded risks are taken into consideration in line with SEMS and the loan allocation process is completed. Credit officers review Environmental Impact Assessments on a project basis and specifically review those highly risked projects. By the feedback provided to our clients as an outcome of this process, they are able to monitor their own sustainability and environmental risks.

In addition; the Construction Department identifies site-specific energy/carbon reduction opportunities related to the company's buildings, infrastructure, and technology.

At the company level Şekerbank continuously explores new business and banking products taking into consideration the new climate targets, as an example Şekerbank's EKOkredi product is a loan that finances energy efficiency investments under favourable terms. Farmers make up a significant segment of our customers so we have designed the EKOkredi Agricultural loans to encourage energy and water efficiency in agriculture and help farmers combat climate change.

At the company level, the Sustainable Development Banking Department (SDB) was established in April 2015 to manage and identify areas in the Bank to reduce energy emissions, increase energy efficiency, and create projects and partnerships related to sustainability both at the national and global level.

#### CC2.1c

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

Risks are identified through the risk analysis and evaluation procedures of the company, and based on this approach prioritized accordingly. For now, we prioritise our risks based on time. All risks and opportunities are put in a time scale. Urgent issues are addressed. Yet, another module for prioritisation based on cost/benefit ratio is under development.

Prioritization is made considering the impact and probability of those risks. Prioritized risks are reviewed, actions are defined. Implementations of actions and results are monitored and reported. For example, agricultural clients comprise a significant amount of our loan portfolio and we take into consideration at-risk regions in relation to seasonal risks in the context of climate change during the risk prioritization process.

#### 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**

Şekerbank recognizes the climate change issue as being one of the key elements in developing new banking products for their clients who are mostly small-scale business owners, SMEs and farmers. Envisioning the new mechanisms for a sustainable economy, we focus on developing new products that aim to assist our clients in their transition to the needs of a new economic scheme, namely the "low carbon economy". Structuring special banking products for financing energy efficiency and sustainable energy investments/ expenditures as well as promoting low carbon technologies in the agro-business were the first steps of this strategy.

In line with its strategy, Şekerbank developed EKOkredi (EKOlloan) to finance energy efficiency projects (waste management, renewable energy projects etc.) for individuals, SMEs, industrial and agricultural enterprises with favourable conditions. As an innovative banking product, EKOkredi has become a model for other banks to develop similar products. Şekerbank has reached more than 80 thousand customers and introduced them to energy efficiency; the total volume of EKOkredi has reached over USD 243 million. Thereby 72,609 individual customers, in addition to 7,822 SMEs, craftsmen, farmer and small business owners have been funded for their energy efficiency investments thus far. Marketing communication efforts for EKOkredi including customers' testimonials show increased awareness and engagement amongst society toward energy efficient investments. Waste management and renewable energy usage projects funded with loans within the context of EKOkredi have provided significant contribution to the preservation of the environment and natural resources in Turkey. Within the scope of EKOkredi, Şekerbank has created partnerships with companies in the real sector, federations (Energy Federation of Turkey), and associations (İZODER Association of Insulation for Heating, Cooling, Sound and Fire), and signed protocols with local Chambers of Commerce and Industry and Chambers of Artisans, Small Business and Self-Employers and Chambers of Agriculture that are located in Anatolia. The amount of energy saved by customer projects financed by EKOkredi is estimated as 23.2 billion kilowatt-hours of energy saved as of March 2016.

In line with its mission of Community Banking, the bank extended its energy efficiency studies to a wider base. Turkey imports 72% of its energy and studies show that the demand for energy will be doubled by 2020. Research shows that approximately 40% of total energy in Turkey is consumed in buildings. Meanwhile awareness about energy efficiency is low and options are presumed to be expensive. However, with the support of Şekerbank's communication efforts, nearly 111,750 houses were insulated by EKOkredi, resulting in saving 207 million sm<sup>3</sup> in natural gas; in all segments and various energy efficiency investments combined, EKOkredi has resulted in decreasing CO<sub>2</sub> emissions by 5 million tons. Thanks to the Bank's reputation in the area of financing sustainable development, Şekerbank acquires 19.7% of its foreign resource in its balance sheet to provide financial support for energy efficiency and renewable energy investments. Apart from transferring our environmental awareness into loan facilities with our innovative products such as EKOkredi, we contribute to increasing social awareness on energy efficiency with communication studies and by cooperating with NGOs. Şekerbank also collaborates with the real sector to extend energy efficiency investments and to create business models for financing sustainable development. Furthermore, we have invested in developing a comprehensive database to track greenhouse gas emissions caused by our own activities and more effectively monitor our environment footprint. Lastly, Şekerbank actively participates in platforms to combat climate change like COP 21 in Paris, and have recently signed initiatives like Caring for Climate platform and the Carbon Pricing Leadership Index to which we were among the initial signatories in Turkey, to support better national and international climate change mitigation schemes and practices.

**CC2.2c**

**Does your company use an internal price of carbon?**

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

**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

**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	Şekerbank has participated in the process of promoting legislation of financing energy efficiency investments as a stakeholder along with NGOs and other real sector associations.	As part of the meetings and discussions, Şekerbank proposed that in order to encourage energy efficiency projects on a broader level, incentives need to be included, in particular, we suggested not to collect some of the indirect taxes and funds charged to consumers who receive energy efficiency loans. In line with these

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
			efforts, it is expected that the related proposal will be discussed with the appropriate authorities this coming year.

### 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?**

Şekerbank takes special interest in the area of energy efficiency financing, and considers itself a role model in the sector. Thus significant importance is placed on these issues from top-management who follow these issues, stay in contact with the related ministries, encourage the Bank's departments to follow up with meetings, thus keeping such engagements on the agenda.

### Further Information

## Page: CC3. Targets and Initiatives

### CC3.1

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

Intensity target

### CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	100%	5%	Metric tonnes CO2e per unit FTE employee	2014	3.04	2020	No, but we anticipate setting one in the next 2 years	5% reduction in emission intensity target has been declared for the Bank. As part of emission reduction objectives, Şekerbank continuously implements improvement oriented studies. The Bank has moved its headquarters to a more efficient building in line with this target. Efforts not only include Bank's internal operations but also its external impacts such as its supply chain and its financed emissions. Şekerbank has a plan in place which it reviews its borrowers environmental and social performances.

### 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	Increase	10	No change	0	The current target is to achieve a 5% decrease on CO2e emissions per FTE by 2020. The Bank's focus this year has been on improving the quality of its CO2 inventory in terms of completion and accuracy. Once this review has

ID	Direction of change anticipated in Scope 1+2 emissions at target completion?	% change in absolute Scope 1+2 emissions	Direction of change anticipated in Scope 3 emissions at target completion?	% change in absolute Scope 3 emissions	Comment
					been completed the Bank will reassess its target as to whether it can be made more ambitious for next year.

### CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	33%	0%	The main reason why progress towards the target has not yet been achieved is because the bank has invested substantial time and resources in improving its data collection and reporting systems in order to improve the completion and accuracy of its inventory. Since 2014, the Bank has been renewing many branches and regional offices and spread to a wider area in order to improve conditions and better serve customers. Furthermore, 2015 was one of the coldest winter in the last 37 years in Turkey, which resulted in increased fuel use in our buildings and branches.

### 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	Within its community banking strategy, Şekerbank developed EKO kredi (EKOLOan), for the financing of energy efficiency projects (waste management, insulation, solar panels, modern efficient irrigation systems, renewable energy projects etc.) of individuals, SMEs, and industrial and agricultural enterprises.	Low carbon product	Other: Şekerbank developed EKO kredi (EKOLOan), for the financing of energy efficiency projects.	5%	Less than or equal to 10%	The total volume of EKO kredi has reached USD 243.6m. Thereby 72,609 individual customers, in addition to 7,822 SMEs, craftsmen, farmer and small business owners have been funded with favorable conditions for their energy efficiency investments. Marketing communication efforts for EKO kredi including customers' testimonials increased awareness and engagement among the society for energy efficient investments. With the support of Şekerbank's communication efforts, nearly 111,750 houses have been insulated by EKO kredi, resulting in a saving of 207 million sm <sup>3</sup> natural gas; 23.2 billion kilowatt-hour energy savings, and in all segments and various energy efficiency investments combined,

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
						<p>financing made through EKOcredi has resulted in preventing 5 million tons of CO2 emissions. In the agriculture sector, farmers, especially of small-scale, have been introduced to over 6552 financing opportunities in sustainable agriculture projects that include greenhouse insulation, efficient irrigation, solar power and water saving technology implementation. As a part of the EKOcredi initiative, more than 610 projects have been financed with farmers who have been introduced to the solar power systems of SER-GUN, a UN accredited supplier of solar energy equipment. South East Europe Energy Efficiency Fund/Green for Growth Fund selected Şekerbank as the first bank to be funded by them in the region of Southeast Europe as a result of the bank's efforts for creating awareness and providing finance in the area of energy efficiency with the help of EKOcredi. Thanks to its sustainable development strategy, Şekerbank acquires 19.7% of its foreign resource in its balance sheet to provide financial support for energy efficiency and renewable energy investments. In 2015, Şekerbank started "Family Farming Banking" program to encourage resource efficiency projects in the farming sector. Şekerbank funds 100% of modern irrigation systems in agriculture so that farming families can increase their productivity and continue to farm efficiently on their lands, thus choosing to remain in their hometowns rather than migrate to city centers to earn a better livelihood. Family farming is at the heart of the Turkish agriculture business however, the profitability of small-scale farming has been diminishing, as is the case in many emerging countries.</p>

**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*	4	332
Not to be implemented		

**CC3.3b**

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Every year Sekerbank renovates or renews a certain percentage of its buildings and branches, giving priority to areas where maximum energy savings and costs can be actualized. Last year, 421 air conditioning units were renewed or replaced across all Sekerbank buildings or branches in order to increase energy efficiency and savings. The new air conditioning units operate at the industry's best/most efficient levels (A+ or higher) resulting in savings of both energy use and cost.	332	Scope 2 (location-based)	Voluntary	100000	350000	4-10 years	6-10 years	Renewing old and energy intensive equipment with new generation, energy efficient equipments.

**CC3.3c**

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

Method	Comment
Dedicated budget for energy efficiency	Sekerbank renovates or renews a certain percentage of its buildings and branches, giving priority to areas where maximum energy savings and costs can be actualized.

**Further Information**

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	Page 3, Page 9	<a href="#">ŞkB annual reports 2015.pdf</a>	Şkerbank 2015 Annual Report
In voluntary communications	Complete	Page 23, 46,48	<a href="#">sustainabilityreport2013-.pdf</a>	Şkerbank 2013 Sustainability Report
In voluntary communications	Complete	Page 6, 7	<a href="#">ŞkB GAZETE 62 YIL WEB.pdf</a>	Şkerbank Media Communications

#### 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 parameters  
 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
International agreements	International agreements that could impose measures on Turkey to reduce its GHG emissions significantly thus imposing new regulations on the banking sector.	Increased capital cost	>6 years	Indirect (Client)	Likely	High	Requirements in operational and asset level reductions in energy consumption could require the bank to decrease energy consumption by a negligible amount (or 10%) leading to additional operational costs of up to USD 10,000,000 in order to comply with national reduction targets (or the 2 degrees obligations)	Designing new financial instruments and directing the investments to climate friendly projects. As an example, increasing targets and customer segments for EKOkredi, the loan product that finances energy efficiency investments. In addition giving priority to renewable energy projects at the Bank's facilities.	Annual renewable energy projects implemented in 7 to 10 facilities would approximately cost USD 1,125,000 to 1,600,000. There is no significant cost to increase the segment base for EKOkredi.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Turkey's Regulation on Energy Efficiency came into force in April 2007 and was followed up with the Energy Performance in Buildings requirement that came into force in December of 2009. As of January 2011, all qualifying new and current buildings must meet minimum design requirements for energy efficiency.	Increased capital cost	1 to 3 years	Direct	Virtually certain	Medium-high	Obtaining an EKB certificate for Sekerbank buildings, which do not yet have this certificate, costs approx. 40,000 USD. As our Construction department has completed renovations in a significant number of buildings already and renovates about 10 buildings per year fully in line with energy cost savings, a significant number of energy improvement projects are already completed. However, EKB certificates suggest ways to improve energy efficiency, and at a minimum we expect these costs to include changing two units to sensory faucets which for branches cost USD 220,000 plus complete renovation of 10 buildings at about USD 125,000 per building, is approximately USD 1,510,000 in costs in upgrading to energy efficient buildings.	During the relocation of Şekerbank's headquarter building last year, constructing a building that meets minimum national energy efficiency requirements was part of the planned projects under management's guidance, thus taking early action toward the implementation of this future risk. In addition, foreseeing regulations about existing buildings, Şekerbank began attaining energy identification certificates (EKB) for its current facilities in order to begin energy efficiency improvement projects.	There are no additional costs for management of this risk because it is already part of the current management process.

#### CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in temperature extremes	Change in mean temperature could impact agrobusiness yields and thus increase the	Reduction/disruption in production capacity	>6 years	Indirect (Client)	Likely	High	Being a bank that started from the savings of cooperative beet farmers in Anatolia a significant portion our loan portfolio	In order to manage this climate change based crisis we should aim to increase the number of EKOcredi farming	Training cost is approximately \$100,000 for 500 personnel for two days, and includes

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost management
	number of high risk loans and customers (farmers), as well as lead to higher percentage of irregular loan payments and loan defaults.						is made up of farmers. We encourage farmers to begin to use energy saving technologies like modern irrigation systems, solar panels, and agricultural greenhouses to protect and increase the efficiency of their fields. However, under conditions of extreme changes in precipitation the number of farming customers under Family Farming Banking (and not using EKOcredi) loan product that will fall into high risk will be approximately over 30,000 farmers, and loans affected are approximately USD 204,000,000.	customers who will fare better under extreme temp situations as their fields and crops will have utilised energy and cost saving technology that will help them to adapt and mitigate in face of such a crisis. Also through EKOcredi we can continue encouraging customers to make better choices toward mitigating and adapting to changes in extreme temperatures (in their respective regions). In addition, under the SEMS (social and env. Management system) manual as a management method we can increase training for our credit officers (approx. 500 personnel) on temperature changes who will apply this knowledge in agro-project evaluations, this in turn will help to spread awareness through our customer network, particularly farmers.	hotel, transport, costs of hiring a consulting firm, and factors in lost labor hours.
Change in precipitation extremes and droughts	Change in precipitation extremes could impact agro-business yields and thus increase the number of high risk loans and	Reduction/disruption in production capacity	>6 years	Indirect (Client)	Likely	High	Being a bank that started from the savings of cooperative beet farmers in Anatolia a significant portion our loan portfolio is made up of farmers. We encourage farmers to begin to use energy	In order to manage this climate change based crisis we should aim to increase the number of EKOcredi farming customers who will fare better under extreme temp situations as their	Training cost is approximately \$100,000 for 500 personnel for two days, and includes both hotel, transport, costs of hiring a consulting

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost management
	customers (farmers), as well as lead to higher percentage of irregular loan payments and loan defaults plus increase in operational costs plus economical impacts.						saving technologies like modern irrigation systems, solar panels, and agricultural greenhouses to protect and increase the efficiency of their fields. However, under conditions of extreme changes in precipitation the number of farming customers under Family Farming Banking (and not using EKOcredi) loan product that will fall into high risk will be approximately over 30,000 farmers, and loans affected are approximately USD 204,000,000.	fields and crops will have utilised energy and cost saving technology that will help them to adapt and mitigate to changes in extreme temperatures (in their respective regions). In addition, under the SEMs (social and env. management system) manual as a management method we can increase training for approx. 500 personnel that includes our credit officers as well as upper-management on the topic of climate change who will enforce the regulations more strongly and apply this knowledge in agro-project evaluations. This in turn will help to spread awareness through our customer network, particularly farmers.	firm, and factors in lost labor hours.

#### 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 management
Reputation	Şekerbank's shareholders and customers are important to the Bank, and among the material issues that are important to these stakeholder groups are environmental and sustainability related topics. In this regard, Şekerbank has the	Reduced demand for goods/services	1 to 3 years	Direct	About as likely as not	Medium-high	Withdrawals based on reputational damage on controversial issues can be 1.46 million \$ as estimated to be 0.3% of the 2015 Annual revenue as reported on page 97 of	Provide 3-day training to employees in specific credit department on developing the Bank's Social and Environmental Management Regulations (SEMS) manual and implementing the guidance with stronger credit	Training cost is 50,000.-USD for 150 personnel, 3 days training.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Social and Environmental Management Regulations (SEMS) which it applies to loan projects. However, if Şekerbank were misled or provided misinformation by project clients, which resulted in financing a project that could highly negatively impact the environment in its credit portfolio this could in return have an indirect but negative effect on the Bank's reputation as a sustainability leader bank.						Şekerbank's 2015 Annual Report and is based on the economic value of energy efficiency related business.	assessment during project evaluations with regard to environmental impact, in particular for loans that can be used by individuals or companies to finance high risk or projects determined to be in credit exclusion lists (ie. high GHG emitting projects).	

#### 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 physical climate regulation parameters

Opportunities driven by changes in other climate-related developments

#### CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Renewable energy regulation	In Turkey, the Renewable Energy Law, amended in 2010 encourages individuals, companies, and SMEs to build projects producing up to 1 MW of energy and help create a renewable	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	As required by the Energy Efficiency law, insulation in buildings must be complete by 2017, thus we expect an increase in the EKOkredi loans as it is one of the primary loan products financing energy efficiency in	The management of this opportunity is achieved through the awareness raising marketing of both the EKOkredi loan product and the potential savings that can be attained by customers through energy efficiency and	Marketing cost USD 0.9 – 1.1 million minimum.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	energy market in Turkey. As well the Energy Efficiency law (2011) requires all new buildings to have insulation installed in buildings by 2017. These regulations directly and indirectly affect the Bank through its EKOLoan product which is a loan financing energy efficiency projects.						Turkey. Since 2009, EKOkredi has shown a steady increase in customer growth to over 223% thus far, and in line with previous years growth, EKOkredi loans targeting 'individuals' and 'apartment' segments is expected to grow another 10% within the next fiscal year.	renewable energy projects. As an example, we already have several award winning EKOkredi (EKOLoan) commercials that raise awareness and encourage potential customers to seek such projects.	

#### CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Businesses, especially the agro-business sector may need new energy and water efficiency systems/projects to adapt to new climate conditions and thus need financing of these projects.	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	Medium-high	Being a bank that started from the savings of cooperative beet farmers, we are one of the banks of Anatolia and a significant portion of our loan portfolio is made up of farmers. We encourage farmers to begin to use energy saving technologies like modern irrigation systems, solar panels, and agricultural greenhouses to protect and increase the efficiency of their fields. Under conditions of extreme changes in precipitation the we presently have access to over 30,000 farmer	Designing new banking products and updating existing banking products to meet higher demand needs caused by changes in climate. As an example, broadening the EKOLoan and Family Farming Banking products services.	Expanding or adding new banking products under the EKOkredi or Family Farming Banking loans may not necessarily require additional IT infrastructure. However, to expand or develop new products would require at least two full-time employees dedicated to build, design, test and launch the product over a minimum of four months is approximately \$15,000, plus commercial and media costs which is roughly \$750,000. This would result in approximately \$750,000 to design and launch

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							customers under the Family Farming Banking product and can encourage them to consider EKO kredi loans toward energy efficient systems on their farms leading to approximately USD 204,000,000 in new financing opportunities.		banking products that can both respond to climate change needs and help consumers to mitigate them.

#### CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Change in consumer behaviour may lead to interest in new and existing banking products that offer both energy efficiency and cost savings.	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	As one of the first Bank's in Turkey to offer a loan that specifically finances energy efficiency and raises awareness on the issue since 2009, current Sekerbank EKO kredi customers specifically choose Sekerbank to finance their energy efficiency needs whether they are individuals, farmers, SMEs etc. With stronger regulations that encourage energy efficient products and buildings for consumers, and with increased coverage and awareness campaigns on the issues we can see and expect changes in	Designing new banking products and updating existing banking products to meet higher demand needs caused by changes in climate. As an example, broadening the EKOLoan and Family Farming Banking products services.	Expanding or adding new banking products under the EKO kredi loans may not necessarily require additional IT infrastructure. However, to expand or develop new products would require at least two full-time employees dedicated to build, design, test and launch the product over a minimum of four months is approximately \$15,000, plus commercial and media costs which is roughly \$750,000. This would result in approximately \$750,000 to design and launch banking products that

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							consumer behaviour toward energy efficiency products. In addition, with Sekerbank's own campaigns that highlight EKOkredi has financed a total of USD 243.5 million in projects that have averted 5 million tons of CO2, we would expect a minimum of 10% increase in customer growth in EKOkredi consumer and apartment management segments as awareness increases, especially in the energy efficiency of buildings required by 2017 deadline.		can both respond to climate change needs and help consumers to mitigate them.
Reputation	Şekerbank's shareholders and customers are important to the Bank, and among the material issues that are important to these stakeholder groups are environmental and sustainability related topics. Since its foundation Şekerbank's vision has focused around sustainable development and created products along these lines.	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	As one of the first Bank's in Turkey to offer a loan that specifically finances energy efficiency and raises awareness on the issue since 2009, current Sekerbank EKOkredi customers specifically choose Sekerbank to finance their energy efficiency needs whether they are individuals, farmers, SMEs etc. As of last year we financed USD 243.5 million worth of projects in energy	In the banking sector Şekerbank will continue to develop products and services that will strengthen its reputation as a leader in financing sustainability. In addition, the bank will continue to take part in climate change platforms, create partnerships with government, non-profit and public institutions, and global efforts to support international	There are no additional costs for management of this opportunity because it is already part of the current management process.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							efficiency which is approximately 4% of the total credit portfolio. This is estimated to be approximately USD 1.6 million. Thus with increased reputation we would expect at least a 10% increase in growth in EKOredi across all segments.	agreements in line with combating climate change.	

#### Further Information

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

#### Page: CC7. Emissions Methodology

##### CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	4450
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	8793
Scope 2 (market-based)		

##### CC7.2

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

**Please select the published methodologies that you use**

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

##### CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

##### CC7.3

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

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)

**CC7.4**

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
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**Further Information**

Şekerbank Emission Factors data is disclosed in the attached Excel spreadsheet.

**Attachments**

[CC7.4.Şekerbank Emission Factors\\_2015\\_CDP.xlsx](#)

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

**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

6898

**CC8.3**

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

No

**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
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9062		
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**CC8.4**

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

No

**CC8.5**

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Assumptions	Minor differences stem from the assumptions and conversion factors which were used in the calculation of consumptions and emissions.
Scope 2 (location-based)	Less than or equal to 2%	Assumptions	Minor differences stem from the assumptions and conversion factors which were used in the calculation of consumptions and emissions.
Scope 2 (market-based)			

**CC8.6**

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

No third party verification or assurance

**CC8.7**

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

No third party verification or assurance

**CC8.8**

**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**

<b>Additional data points verified</b>	<b>Comment</b>
No additional data verified	

**CC8.9**

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

No

**Further Information**

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

**CC9.1**

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

No

**CC9.2**

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

By  GHG  type  
By activity

**CC9.2c**

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

<b>GHG type</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
CO2	4561
CH4	8
N2O	33
HFCs	2295

**CC9.2d**

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

<b>Activity</b>	<b>Scope 1 emissions (metric tonnes CO2e)</b>
Heating	2367
Vehicles	1921
Power Generators	314
ACs and Fire Extinguisher	2295

#### Further Information

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

##### CC10.1

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

No

##### CC10.2

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

By facility

##### CC10.2b

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

Facility	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Head Quarters (HQ)	400	
Branches & Regional Management Buildings	8663	

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

##### CC11.3

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

19318

##### CC11.3a

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

Fuels	MWh
Diesel/Gas oil	8278
Lignite	496
Natural gas	9597
Motor gasoline	947

##### CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0	

#### 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
19158.94	19158.94	0	0	0	There was no produced electricity by Şekerbank in 2015.

#### Further Information

### Page: CC12. Emissions Performance

#### CC12.1

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

Increased

#### 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	2.51	Decrease	We have installed 421 new AC units that are more energy efficient. These units provided tCO2e savings of 332. Calculation: Savings in tCO2e: 332 2014 Abs S1+S2 emissions: 13243 tCO2e (-332/13243)*100= -2.51
Divestment	0	No change	
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	0	No change	
Change in methodology	0	No change	
Change in boundary	21	Increase	The bank has invested substantial time and resources in improving its data collection and reporting systems in order to improve the completion and accuracy of its inventory. Calculation: ((2015 Abs S1+S2 emissions) - (2014 Abs S1 + S2emissions)) / (2014 Abs S1 + S2 emissions) (15960-13243)/13243= +21%
Change in physical operating conditions	4	Increase	More adverse climate conditions resulted in increased use of fuel for heating and AC for cooling in most of the buildings of both regional Management units and almost all branches. Calculation: ((2015 Abs S1Heating+S1Electricity emissions) - (2014 S1Heating+S1Electricity emissions)) / (2014 S1Heating+S1Electricity emissions) (11429-11055)/11055= +4%

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Unidentified	0	No change	
Other			

#### CC12.1b

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

Location-based

#### CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.000033	metric tonnes CO2e	488928214	Location-based	18.5	Increase	As a result of investment in creating a database to collect and manage our environmental footprint we saw an increase resulting from more accurate calculations. In addition increasing emissions resulted from harsh winter conditions in Turkey.

#### 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
3.91	metric tonnes CO2e	full time equivalent (FTE) employee	4078	Location-based	47	Increase	As a result of investment in creating a database to collect and manage our environmental footprint we saw an increase resulting from more accurate calculations. In addition increasing emissions resulted from harsh winter conditions in Turkey.

#### Further Information

Şekerbank Emissions GHG Inventory excel spreadsheet is attached.

#### Attachments

[CC12.3.Şekerbank GHG Inventory 2015 CDP.xlsx](#)

**Page: CC13. Emissions Trading**

#### CC13.1

Do you participate in any emissions trading schemes?

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

#### CC13.2

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

No

Further Information

**Page: CC14. Scope 3 Emissions**

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions methodology	calculation	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	712.5	Environmental Paper Network's emission factors		100.00%	All paper purchased by Şekerbank has been recorded and the average data for the CO2 missions by unit paper (tons) by the Forest Stewardship Council was used.
Capital goods	Not relevant, explanation provided					There were no purchases of capital goods. Not relevant to the banking sector.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided					There are no fuel-and-energy-related activities which is not included in Scope 1 or 2.
Upstream transportation and distribution	Not relevant, explanation provided					There is no transportation from upstream to Şekerbank, not relevant to the banking sector.
Waste generated in operations	Not relevant, explanation provided					There is no significant waste generation from Şekerbank banking activities, not relevant to the banking sector.
Business travel	Relevant, calculated	1826.32	Defra Carbon Factors – Greenhouse Gas Conversion Factor Repository and Approximation		100.00%	All trips by the staff paid by Şekerbank has been recorded. Approximation per airlines mile as data given by Defra was used for calculations.
Employee commuting	Not relevant, explanation provided					There is no employee commuting for major part of the banking locations, not relevant.
Upstream leased assets	Not relevant, explanation provided					There are no upstream leased assets.
Downstream transportation and distribution	Not relevant, explanation provided					There is no transportation from Şekerbank to downstream, not relevant to the banking sector.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions methodology	calculation	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Processing of sold products	Not relevant, explanation provided					We do not sell physical goods, not relevant to the banking sector.
Use of sold products	Not relevant, explanation provided					We do not sell physical goods, not relevant to the banking sector.
End of life treatment of sold products	Not relevant, explanation provided					We do not sell physical goods, not relevant to the banking sector.
Downstream leased assets	Not relevant, explanation provided					Scope 1 and Scope 2 covers leased buildings emissions
Franchises	Not relevant, explanation provided					There are no franchises of Şekerbank.
Investments	Not relevant, explanation provided					No significant investments that would result in Scope 3 emissions.
Other (upstream)						
Other (downstream)						

#### CC14.2

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

No third party verification or assurance

#### CC14.3

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

Yes

#### CC14.3a

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

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Change in output	30	Decrease	-
Business travel	Emissions reduction activities	70	Decrease	Due to emission reduction activities, specifically an emphasized focus on assessing business critical travel as well as utilizing teleconferencing capabilities.

#### CC14.4

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

Yes,

our

customers

Yes, other partners in the value chain

#### CC14.4a

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

Within its sustainable development strategy, in 2009, Şekerbank has developed a leading product in Turkey called EKOkredi (EK Oloan) for the financing of energy efficiency projects (waste management, renewable energy projects, modern irrigation etc.) by individuals, SMEs, industrial and agricultural enterprises under favourable conditions. Through EKOkredi the Bank has introduced over 80 thousand people to energy savings thus far. Şekerbank collaborates with various partners in the public & private sector, and NGOs via EKOkredi. At the Rio+20 United Nations Conference on Sustainable Development, EKOkredi was selected as one of the best sustainability practices to represent Turkey, and continues to be the Bank's key business initiative and a strategic standpoint for raising energy awareness and efficiency at national levels. Through EKOkredi, Şekerbank provides foreign resources obtained from international financial institutions for the financing of energy efficiency projects and passes these resources on to its broad-based customer profile.

#### Further Information

### Module: Sign Off

#### Page: CC15. Sign Off

#### CC15.1

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

Name	Job title	Corresponding job category
Aybala Şimşek	Strategy and Corporate Communications Executive Vice President	Other: Executive Vice President

#### Further Information

CDP: [X][-, -][P2]

