

Module: Introduction**Page: Introduction**

CC0.1**Introduction**

Please give a general description and introduction to your organization.

Established in 1944 as Turkey's first private national bank with a focus on retail banking, Yapı Kredi is today the fourth largest private bank in Turkey with a consolidated asset size of TL 235.3 billion. As one of Turkey's 10 most valuable brands thanks to its customer-centric approach to banking, innovative approach, and a strong focus on sustainable value creation, Yapı Kredi aims to enhance customer satisfaction along with profitable, sustainable growth. Factors such as climate change, globalizing economy and changing stakeholder expectations challenge the business community to act with awareness and responsibility, not only in financial matters but also in environmental, social and broad economic issues, and urges organizations to develop their business models in light of risks and opportunities in these areas. At Yapı Kredi, we evaluate the effect of our performance in areas of sustainability on our business results and shape our business strategy in accordance with the requirements of sustainability policies. We seek ways of minimizing the potential negative impact of our operations on the environment, society and economy, and we continuously strive to create more added value for all our stakeholders and value chain. We draw on the sustainability experience of our main shareholders Koç Holding and UniCredit. With measuring, monitoring, evaluating and reporting practices, the scope and efficiency of which are constantly improving, we ensure positive performance momentum of our sustainability performance and present our performance results in this area to our stakeholders through transparent and effective communication tools.

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.

TRY

CC0.6

Modules

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

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

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

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

In 2014, a Sustainability Committee was formed at Yapı Kredi to formulate Yapı Kredi's sustainability strategy and policies in economic, social and environmental areas, to integrate this strategy and policies into the operations of the company, and to monitor the sustainability performance. Represented by a member at the Board of Directors level, the Committee manages the decision-making processes behind operations in the area of sustainability. Meeting twice a year to monitor and guide developments in sustainability, the Sustainability Committee reports annually to the Executive Committee and to the Board of Directors annually.

A Sustainability Working Group and sub-working groups were formed with the participation of relevant departments in various areas of expertise to coordinate the efforts and reporting activities of the Committee. The Sustainability Working Group operating under the Committee cooperates with other units for the implementation of decisions. The Working Group is responsible for following up on goals and performance, consolidating relevant information, and evaluating matters in accordance with Yapı Kredi goals.

In addition, Yapı Kredi holds an ISO14064 certificate since 2012. As per the requirements of ISO 14064, the Bank has a thorough process of calculating its emissions and the validation of calculations since that year

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:	Other non-monetary reward		During the reporting period, we provided 100 person*hours of training to 100 employees in areas of environment, pollution and outcomes, air pollution and control, climate change, noise pollution and control, water pollution and control, soil pollution and control, waste management, and medical waste management. Meanwhile, we provided 13.5 person*hours of training on environmental issues. During the reporting period we provided 113.5 person*hours of training to 127 stakeholders in total.

Further Information**Attachments**

<https://www.cdp.net/sites/2016/60/21160/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC1.Governance/sustainability governance structure.png>

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 or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Yapı Kredi's operations in Turkey are considered.	1 to 3 years	There are two approaches defined for management of climate change risks and opportunities. Asset level approach considers loan portfolio and company level approach considers operational activities. In addition, the Bank follows the validation procedures as per the ISO 14064 requirements. The environmental impact procedure of the Sustainability Management System (SMS) under development also focuses on the management process of the environmental risks.

CC2.1b

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

The risks and opportunities at company level are identified by the Sustainability Committee, where Sustainability Working Group and its sub - groups support the Committee. Potential risks and opportunities are presented to the Committee. Following the completion of the decision making process by the Committee, Sustainability Working Group and sub-working groups cooperate with other units for implementation of these decisions and achievement of designated goals and undertaking of reporting activities.

On the asset level, thorough assessments are conducted on all projects evaluated for financing, taking into account their environmental and social aspects. Social and environmental analyses of independent experts shape management and action plans, which are included in as commitments in loan contracts, helping us minimize the social and environmental impacts associated with the project.

Implementing the principles stipulated by the Social and Environmental Management System (SEMS), Yapı Kredi secures funds from the IFIs and the German Investment and Development Corporation (DEG). In line with the conditions of the funds secured from these organizations, projects that are harmful to the natural habitat, polluting environment and causing relocation of the local population as well as projects related to manufacturing and trading of wood and forestry products outside the sustainable forests are categorized as banned projects. Every factor harming the wildlife and social life is evaluated and the projects undertaken in banned sectors are not funded.

Moreover, Yapı Kredi has launched a Sustainability Management System project, which will be finalized by the end of 2016. The system involves identifying risks and opportunities to set targets, screen environmental and social risks of the Bank's direct and indirect impacts and combat global warming and climate change.

CC2.1c

How do you prioritize the risks and opportunities identified?

Yapı Kredi's sustainability activities benefit from the understanding of "Value Creation". There are five basic resources that Yapı Kredi draws on to "create value" for all stakeholders. These five basic resources that form the foundation of Yapı Kredi's achievements and influence the operations' effectiveness, products and services are:

- Financial Capital
- Human Capital
- Social Capital
- Intellectual Capital
- Natural Capital

Risks and opportunities regarding climate change are evaluated within the scope of natural capital. With "creating value for all stakeholders" point of view, Yapı Kredi leans the prioritization of risks and opportunities on its materiality analysis. Risks and opportunities with regards to climate change are determined according to the results of the materiality analysis.

For determining the material issues, Yapı Kredi Sustainability Working Group, with the participation of senior management, created a driving force, composed of issues with potential priority with regards to Yapı Kredi's sectoral and operational characteristics. In the second stage, the main topics within the aspect universe were presented to the evaluation of middle and high-level managers in the form of a questionnaire. The issues were evaluated under the headings "Importance for Yapı Kredi" and "Importance for our Stakeholders" as well as in terms of their position in the value chain, leading to identification of the initial materiality analysis results.

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

Factors such as climate change, globalized economy and changing stakeholder expectations challenge the business community to act with awareness and responsibility, not only in financial aspect but also in environmental, social and broad economic issues, and urge organizations to develop their business models in light of risks and opportunities in these areas. At Yapı Kredi, we evaluate the effect of our performance in sustainability on our business results and shape our business strategy in accordance with the requirements of sustainability policies.

We seek ways of minimizing the potential negative impact of our operations on the environment, society and economy, and we continuously strive to create more added value for all our stakeholders and value chain. With measuring, monitoring, evaluating and reporting practices, the scope and efficiency of which is constantly improving, we ensure positive performance momentum of our sustainability performance and present our performance results in this area to our stakeholders through transparent, effective communication tools.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

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

CC2.2d

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

CC2.3

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

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
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CC2.3b

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

Yes

CC2.3c

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

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
The Banks Association of Turkey (TBA)	Consistent	Yapı Kredi's CEO is a board member of the Banks Association of Turkey (TBA).	Yapı Kredi is a member of the Role of the Financial Sector in Sustainable Growth Working Group. The aim of the working group is to create a general framework approach for banks with regards to protection of environment to be implemented in lending activities and other services.

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

Support for WWF Turkey's Soul Campaign: Yapı Kredi establishes partnerships in the field of sustainability with various stakeholders including civil initiatives, NGOs, universities, and public agencies. In this context, Yapı Kredi has been supporting the World Wildlife Fund's (WWF) "Turkey's Soul" campaign since 2014, which aims to raise awareness on Turkey's bio-diversity and generate funds for projects aiming to preserve natural resources. The campaign includes a grant fund created by donations from individuals and organizations, and channeled towards NGOs for implementing their projects on environmental preservation.

UN Global Compact: Yapı Kredi acts in full compliance with environmental laws and regulations and accepts the main principles and norms stated by the UN Global Compact, also signed by our main shareholders Koç Holding and UniCredit, as well as the responsibilities and obligations stemming from it.

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?

A Sustainability Working Group and sub-working groups are composed of representatives from relevant departments in various areas of expertise to coordinate the efforts and reporting activities of the Committee. Operating under the Committee, the Sustainability Working Group cooperates with other units in the implementation of decisions. The Working Group is responsible for following up on goals and performance, consolidating relevant information, and evaluating matters in accordance with Yapı

Kredi goals.

Yapı Kredi has launched a Sustainability Management System project with the objective of conducting all operations in compliance with the principles of sustainability, and at the same time, to shape its corporate governance structure in accordance with these principles. The project is aimed to be finalized by the end of 2016.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Absolute 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	Scope 1+2 (location-based)	100%	1.5%	2014	19385.74	2015	Don't know	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 17% of its energy portfolio is renewable energy. Additionally, Yapı Kredi green electricity consumption of 2015 is 25.54% of the total consumption. Therefore, total electricity consumption has been considered as location based and emission factor is taken as grid emission factor.

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
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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
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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
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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	100%	27%	For the reporting period, Yapı Kredi performed the energy efficiency activities such as annual maintenance, renovations and energy development projects in headquarter buildings (Plaza D Block and Banking Base). The energy indirect GHG emissions were reduced by 267.2 tons CO2e. However, total greenhouse gas emissions of 2015 are 27% higher than

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
			the target emission value set for 2015. Compare to previous year and base year, total emissions are increased by 25% and 18%, respectively due to unfavourable weather conditions. Natural gas consumption was increased because of lower temperatures encountered during winter.

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?

No

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
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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	0	0
To be implemented*	2	0
Implementation commenced*	0	0
Implemented*	10	37844
Not to be implemented	0	0

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Low carbon energy purchase	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 17% of its energy portfolio is renewable energy. Additionally, Yapı Kredi's green electricity consumption in 2015 is 25.54% of the total consumption. Total electricity consumption has been considered as location based and emission factor is taken as grid emission factor. Therefore the emission reduction is determined as zero.	0	Scope 2 (location-based)	Voluntary	201038	0	<1 year		Although CO2e saving was achieved due to use of green energy, estimated annual CO2e savings could not be calculated, since the grid emission factor was used in calculations. The grid emission factor does not take the green energy usage into account.
Transportation: use	Emissions reduction and efficiency are among the two aspects Yapı Kredi assigns great importance to in its business operations. During the	120.8	Scope 3	Voluntary	0	0	<1 year		Yapı Kredi does not calculate all Scope-3 greenhouse gas emissions in its operational boundaries and Scope-3

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
	reporting period, Yapı Kredi optimized 80 of the routes used in employee transportation, reducing its overall Scope 3 CO2e emissions by 120.8 tons.								emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity is not in the greenhouse gas inventory of Yapı Kredi.
Transportation: fleet	Carbon emissions were reduced even further through the replacement of aged vehicles with new vehicles featuring next generation engines. After the replacement, the average age of 17-27 passenger vehicles in the fleet was reduced from 9 to 4, while the average age for 45-passenger vehicles was reduced to 10 from the previous 15 years old.		Scope 3	Voluntary	0	0	<1 year		Yapı Kredi does not calculate all Scope-3 greenhouse gas emissions in its operational boundaries and Scope-3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity is not in the greenhouse gas inventory of Yapı Kredi. Estimated annual CO2e savings with regards to this activity could not be calculated because of insufficient data.
Energy efficiency:	Lighting in the Data Center and D Blok Plaza	144	Scope 2 (location-	Voluntary	100441	599787	4-10 years	16-20 years	

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
Building services	was also replaced with energy efficient LED lighting. The early warning and monitoring systems were installed to identify potential breakdowns in the electrical and mechanical components of HVAC units in data center. In Plaza D Block and Banking Base buildings, inefficient pumps were renewed with efficient ones and existing elevators were replaced by A++ energy saving elevators and additionally, maintenance activities of cooling units have been performed in the reporting period.		based)						
Energy efficiency: Building services	Energy saving efforts also targeted the Data Center, where devices at the end of their life cycles were physically removed, and new virtualization technologies were implemented, resulting in approximately 936 GJ of energy saved, preventing	123	Scope 2 (location-based)	Voluntary	85701	3100800	>25 years	16-20 years	

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
	123 tons of CO2 emissions in 2015.								
Waste recovery	Yapı Kredi has actively continued its activities within the Recycling Movement initiated in 2011 across Koç Group companies to ensure efficient use of resources. As part of this project, recycling boxes were placed at the headquarter buildings to collect paper. Waste collected in these recycling boxes is delivered to the recycling firms licensed by local municipalities. Yapı Kredi ensures that all paper waste generated during its banking operations is recycled via a licensed recycling firm. In the reporting period;1032570 kilograms of paper was sent for recycling, preventing 37173 tons of CO2e emission, saving 17554 trees and 26847 cubic meters of water.	37173	Scope 3	Voluntary	0				Yapı Kredi does not calculate all Scope-3 greenhouse gas emissions in its operational boundaries and Scope-3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity is not in the greenhouse gas inventory of Yapı Kredi.
Waste recovery	Since 2011, Yapı Kredi	22.7	Scope 3	Mandatory	0				Yapı Kredi does not

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
	has collected plastic wastes and delivered to the recycling firms licensed by local municipalities. In the reporting period, 9461 kilograms of plastic was sent for recycling, providing an energy saving of 132454 kWh, and saving 41.4 tons of crude oil.								calculate all Scope-3 greenhouse gas emissions in its operational boundaries and Scope-3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity is not in the greenhouse gas inventory of Yapı Kredi. Estimated annual CO2e savings with regards to this activity could not be calculated because of insufficient data.
Waste recovery	Since 2011, Yapı Kredi has collected glass wastes and delivered to the recycling firms licensed by local municipalities. In the reporting period, 730 kilograms of glass was sent for recycling, providing an energy saving of around 1942 kWh.	0.15	Scope 3	Mandatory	0				Yapı Kredi does not calculate all Scope-3 greenhouse gas emissions in its operational boundaries and Scope-3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity is not in the

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
									greenhouse gas inventory of Yapı Kredi.
Waste recovery	Since 2011, Yapı Kredi has collected metal wastes and delivered to the recycling firms licensed by local municipalities. In the reporting period, 141 kilograms of metal was sent for recycling, saving 2256 liters of water, and preventing 282 tons of CO2e emission.	282	Scope 3	Mandatory	0				Yapı Kredi does not calculate all Scope-3 greenhouse gas emissions in its operational boundaries and Scope-3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity is not in the greenhouse gas inventory of Yapı Kredi.
Behavioral change	In 2015, as part of Green IT initiatives, Yapı Kredi replaced all computers in its branches with models that support its environmental strategies. In addition, by centrally shutting down all computers in branches from 00:00 to 08:00, Yapı Kredi achieved an annual energy saving of 30%.	269	Scope 2 (location-based)	Voluntary	187486				This emission reduction activity covers all the branches of Yapı Kredi. However, the verified greenhouse gas inventory does not include Yapı Kredi branches according to the operational boundary.

CC3.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Compliance with the local legislation such as Energy performance of buildings and Law on Energy Efficiency is a driving force for Yapı Kredi to conduct energy efficiency studies in buildings. Details of projects with regards to energy efficiency are provided in section CC3.b. There are additional energy efficiency projects which are planned to be implemented.
Employee engagement	Yapı Kredi Sustainability Committee together with Sustainability Working Group, its sub-working groups and CSR & Sustainability department work for enhancing Yapı Kredi's sustainability performance. Climate change constitute one of the material sustainability issues of Yapı Kredi. Therefore, comprehensive studies are being conducted to improve Yapı Kredi's performance in this area. Awareness raising activities for employees are conducted to serve for behavioral change. Additionally, Yapı Kredi has launched a Sustainability Management System project, which will be finalized by the end of 2016. The system involves identifying risks and opportunities to set targets, screen environmental and social risks of the Bank's direct and indirect impacts and combat global warming and climate change.
Financial optimization calculations	Yapı Kredi place great importance to energy saving projects, since these projects allow to reduce CO2 emissions and at the same time they ensure cost efficiency. Details of projects with regards to energy efficiency are provided in section CC3.b. There are additional energy efficiency projects which are planned to be implemented.

CC3.3d

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

Further Information

Page: CC4. Communication

CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	73 - 81, 90 - 91	https://www.cdp.net/sites/2016/60/21160/Climate Change 2016/Shared Documents/Attachments/CC4.1/Sustainability Report 2015.pdf	We report our annual GHG emissions, energy consumptions, and publicly in our sustainability report. This information is included in our environmental performance tables. We also report the measures we take, along with the new initiatives on efficiency. Sustainability Report 2015 can be also be accessed at he below link https://www.yapikredi.com.tr/en/corporate-social-responsibility/sustainability-report.aspx

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
International agreements	Turkey became a signatory to COP21 agreement, which means Turkey's INDC will come into force. Adaptation of Turkey's INDC will require an action plan for the manufacturing industry and especially for the energy intensive sectors. The strategy to reduce national GHG emissions is expected to have sanctions on energy intensive industries. Yapı Kredi's clients in the energy intensive sectors might face a challenge, and this might pose a risk for Yapı Kredi's future lending activities.	Increased operational cost	1 to 3 years	Indirect (Client)	Very likely	Medium-high	New requirements on investment will create a financial burden on clients of financed projects, therefore on Yapı Kredi. Since the exact requirements are not yet publicly disclosed, it is not possible to provide an exact amount for impact.	Yapı Kredi has a robust risk assessment structure with its relevant committees. Two of the sustainability working groups; Direct Environmental Impacts and Indirect Environmental Impacts aim to screen environmental risks such as climate change and set targets to manage these risks.	Additional due diligence reports during assessment period and additional monitoring reports during construction and operation period will require additional travel and operational activities. It will be possible to evaluate the exact cost management process after the disclosure of new regulations. Right now, the cost management of assessments are conducted during the project evaluation phase by Yapı Kredi's expert team. Since Yapı Kredi's clients are likely to be directly impacted by the new regulations for the implementation of INDC, this might

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									lead to a decrease in demand of Yapı Kredi's current goods and services in the short run.
Carbon taxes	<p>According to World Bank's Partnership for Market Readiness report on carbon markets in Turkey, due to its limited experience with market-based instruments, Turkey is considering non-market based measures. Creation of a possible carbon tax in Turkey will have implications for the projects Yapı Kredi finances in the carbon intensive sectors. Exposures as of 31.12.2015 for Renewable Energy Projects is 3.62 billion USD and for total energy projects</p>	Increased operational cost	1 to 3 years	Indirect (Client)	Likely	Medium	<p>Establishment of a carbon tax would increase operational costs for clients. It is not however possible to calculate the exact financial implications a carbon tax will have on Yapı Kredi before knowing the exact structure of the carbon tax and the exact sectors tax will be levied on.</p>	<p>Yapı Kredi has a robust risk assessment structure with its relevant committees. In this framework, any future risk is evaluated based on its likelihood and relevance to Yapı Kredi activities.</p>	<p>Additional due diligence reports during assessment period and additional monitoring reports during construction and operation period will require additional travel and operational activities. It will be possible to evaluate the exact cost management process after the disclosure of new regulations. Right now, the cost management of assessments are conducted during the project evaluation phase by Yapı Kredi's expert team. It has adopted fostering resource and energy efficient sectors and</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	6,44 is billion USD.								developing sustainable products for the market within its sustainability strategies. Together with its loan agreements with international financial institutions like IFC, EIB and EBRD, Yapı Kredi increases its efforts on financing low carbon economy.

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 mean (average) temperature	According to the IPCC estimations, Turkey is in a geographical zone that will face significant global	Increased operational cost	1 to 3 years	Indirect (Client)	Very likely	Medium	Increased project finance risks due to the change in physical conditions which will result on being	Our project evaluation team evaluates each project according to its project-specific	More sensitive evaluation of projects will result in increased tasks for the project

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	warming implications. The temperature increase will likely be higher than the globally desired 20C average. Increase in average temperatures will have negative impacts on certain sectors such as agriculture, tourism, and renewables (mainly hydropower). Projects Yapı Kredi finances in these sectors will have increased risk potential.						unable to achieve projected income. This will increase Yapı Kredi's credit risk but the estimation of its magnitude is rather difficult. It is not yet possible to calculate the absolute impact of change in physical conditions on Yapı Kredi's projects.	conditions, region, and maturity. Possible climatic impacts are also included in this evaluation.	evaluation teams. The costs of such management will be the labor costs and fees paid for external consultants for such evaluations.
Change in temperature extremes	Change in temperature extremes alter the average weather conditions people are accustomed to. This impacts the comfort level of employees, and forces the institution to take the necessary measures to ensure comfortable working conditions.	Increased operational cost	1 to 3 years	Direct	Likely	Medium	Increase in energy consumption would lead to increase in average operational costs and overhead for each department.	Yapı Kredi develops energy and resource efficiency projects in order to minimize the increased costs due to increased energy consumption and reduce GHG emissions in order not to create an additional	The efficiency projects are developed on an ongoing basis and Yapı Kredi will continue to develop new projects based on need. The current expenditure on efficiency projects during 2015 is 4383692 TL.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	As a result, natural gas and electricity consumption in Yapı Kredi headquarters and branches increase for heating and cooling.							negative impact on climate change.	

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
Changing consumer behaviour	As the impact of climate change becomes more visible in daily life, clients' awareness of and sensitivity towards climate change increases. Changing consumer behavior requires banking sector to be	Reduced demand for goods/services	1 to 3 years	Direct	More likely than not	Low-medium	As behavior change is a dynamic process, its financial impacts on the institution is a developmental process.	As a part of its stakeholder engagement process, Yapı Kredi is in regular contact with its clients and analyzes the feedback it receives to understand the changes and new needs of its clients.	Yapı Kredi has adopted fostering resource and energy efficient sectors and developing sustainable products for the market within its sustainability strategies. Together with its loan agreements with international financial

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	more open on developing green products, create new climate-friendly credit lines or develop new projects.								institutions like IFC, EIB and EBRD, Yapı Kredi increases its efforts on financing low carbon economy.
Other drivers	Visible impacts of climate change causes stakeholders to be more sensitive towards climate change. Different stakeholders such as NGOs, regulatory bodies, and the government might have different demands from financial institutions for the national effort to combat climate change.	Other: Demand for new services	1 to 3 years	Direct	Likely	Medium	Understanding the changing stakeholder expectations will require additional interaction channels and/or increased interaction frequency with stakeholders. Depending on the new channel to be developed, this might have a financial implication on the institution but this impact is not expected to be a major one.	As a part of its stakeholder engagement process, Yapı Kredi is in regular contact with all of its stakeholders and analyzes the feedback it receives to better shape its new services according to the needs of the stakeholders.	Increased stakeholder engagement and analysis might have an additional financial impact on the institution depending on the method of engagement.

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

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

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	Establishment of an emissions trading system in Turkey is one of the possibilities that are being considered by policy makers. Such an ETS would create additional business opportunities for the banking sector, such as creating new products and services.	New products/business services	3 to 6 years	Indirect (Client)	More likely than not	Low-medium	Based on the scope of the emission trading system, there will be a need for emissions certificate projects. This will create an opportunity for Yapı Kredi to take part in new green projects, and develop financial services tailored for clients to minimize their risks. The financial benefit of these new services can be estimated after the scope of the ETS is	Yapı Kredi's strategy and business development process considers all possible business opportunities, their prospective time frame and implications for the Bank (financially, environmentally and socially). In this framework, the Bank supports the development of energy efficiency and resource efficient energy sectors. As a part of the capacity building activities based on future business	The cost associated with new services are commensurate with the extent of the new projects. In addition, Yapı Kredi supports the development of resource efficient sectors by providing 3.62 billion USD lending to hydro, wind, geothermal, solar and energy-efficiency projects.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							defined.	opportunities, research and relevant capacity building activities on ETS are being followed. Yapı Kredi has launched a Sustainability Management System project, which will be finalized by the end of 2016, with the objective of conducting all operations in compliance with the principles of sustainability, and at the same time, to shape its corporate governance structure in accordance with these principles. The system involves identifying risks and opportunities to set targets, screen	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								environmental and social risks of the Bank's direct and indirect impacts and combat global warming and climate change.	

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
Induced changes in natural resources	As a part of the policy to implement Turkey's INDC targets and accession to EU energy policy, facilitation of investing in renewable energy policies, easing the licencing	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Likely	Medium	Increased demand for renewable energy investments would create additional demand on Yapı Kredi's energy efficiency loans and services. In 2015, we procured USD 3.6 billion in	As part of our goal to lead sustainable development, we conduct thorough assessments on all projects we evaluate for financing, taking into account their environmental and social aspects. Yapı Kredi provides	Diversifying renewable energy loans and products would require additional assessment and due diligence procedures during project appraisal period, meaning costs in terms of human capital.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>process for customers can expedite the project development phase. This facilitation can create an additional incentive for clients to shift their energy investment preferences from conventional to renewable sources.</p>						<p>financing to 124 renewable energy projects with a cumulative installed capacity of 5,900 MW. Assuming a capacity utilization rate of 30%, these no-emission plants prevent 9,700 tons of CO2e emissions every year compared to plants using non-renewable resources.</p>	<p>significant amounts of financing for renewable energy projects. As with all other projects, loan terms, conditions and payment plans are specifically determined according to the project's feasibility study and the expected cash flow. We also receive consultancy from environmental experts to identify potential environmental and social impacts, and to determine the measures to be taken in case a negative impact is identified. We cooperate with the Renewable Energy Support Mechanism (YEKDEM) to increase funding diversity, lending</p>	<p>In this process, We anticipate for our experts to have additional site visits and desk research, and to use external experts for specific projects.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								our support to projects that can offer a reliable supply.	

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	Average seasonal temperatures are changing in Turkey and the impacts are becoming more visible in the daily life. It also has an impact on the business, as it leads to more energy consumption. SMEs are the main backbone of the Turkish economy, contributing to	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Likely	Medium	As the importance of energy efficiency increases for SMEs, there would be more interest for Yapı Kredi's existing energy efficiency loans. This is expected to lead to an increase in Bank's SME client portfolio.	Yapı Kredi is committed to developing and promoting products and services that are both environment-friendly and capable of generating sustainable long-term value for the Bank and the local communities. We use our Yapı Kredi's SME unit constantly	In the SME Banking segment, Yapı Kredi extended a total loan of around 100 million euros to customers in 43 priority development provinces in Turkey with via the agreements signed with international financial institutions.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	approximately more than half of the national economy. The increasing energy prices and demand forces SMEs to adopt new energy efficiency measures. Energy efficiency becomes an important issue for small enterprises to increase profit.							develops and enriches the product portfolio based on client needs. We use financial expertise to support customers across various business lines and develop projects and technologies that help reduce environmental impacts and mitigate climate change.	

CC6.1d

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

CC6.1e

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

CC6.1f

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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	4092.18
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	13696.91
Scope 2 (market-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	2046.66

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

American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
Other

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

Global Warming Potentials - [Table] Direct (Except for CH4) Global Warming Potentials (GWP) Relative to CO2 (Adapted From Table 2.14, IPCC Fourth Assessment Report (AR4-100 Years), 2007

Turkey Greenhouse Gas Inventory, 1990 to 2009 - Annual Report for Submission Under The Framework Convention On Climate Change - National Inventory Report - Turkish Statistical Institute - Ankara, 2011

Regulation on Enhancement of Energy Efficiency for Use of Energy and Energy Resources (Official Gazette: 27 October 2011/28097) Appendix 2 - Lower Heating Value of Energy Resources and Conversion Factors to Petroleum Equivalent

IEA Statistics-2013 Edition-CO2 Emissions from Fuel Combustions Highlights

CC7.3

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

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	Other: ISO 14064-1 – Global Warming Potential Factors of Greenhouse Gases (Table C.1)

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
Other: Please see the attached table for emission factors			Please see the attached table below. All references are given in the Parts 7.2 and 7.3.

Further Information

Please see the attached table below. All references are given in the Parts 7.2 and 7.3.

Attachments

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

9404.18

CC8.3

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

Yes

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
11526.87	3953.75	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 17% of its energy portfolio is renewable energy. Additionally, Yapı Kredi's green electricity consumption in 2015 corresponds to 25.54% of the total electricity consumption. As the energy provider's portfolio covers 17% renewable energy, the emission factor of electricity supplied from this provider is lower than the grid emission factor, but due to insufficient data this aspect could not be reflected to emissions calculations. Therefore, total electricity consumption is assumed to be location based and a higher emission factor – the grid emission factor – is used in these calculations as a worst case scenario, resulting in higher emission values than the virtual values.

CC8.4

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

Yes

CC8.4a

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

Source	Relevance of Scope 1 emissions from this source	Relevance of 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
All branches, subsidiaries, credit	Emissions are	Emissions are	Emissions are	The organizational boundaries have been defined by using

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
cards sales offices, regional headquarters, medical centers, warehouse and ATMs located in domestic and foreign regions	relevant but not yet calculated	relevant but not yet calculated	relevant but not yet calculated	operational control approach. Based on this approach, all branches, subsidiaries, credit cards sales offices, regional headquarters, medical centers, warehouse and ATMs located in domestic or foreign regions have been excluded from greenhouse gas inventory, since these sources are not under financial and managerial control of Yapı Kredi. Due to this reason, the verification team preferred to apply the control approach in order to generate accurate results. For the upcoming periods, a data collection system is aimed to be established for obtainment of accurate, consistent, and complete data from these excluded sources as well. After completion of this comprehensive data collection system, the scope of the verification is also aimed to be widened.
Refrigerant emissions from R-22	Emissions are relevant but not yet calculated	Emissions are relevant but not yet calculated	Emissions are relevant but not yet calculated	
Yapı Kredi Yeniköy High Forest	No emissions from this source	Emissions are not relevant	Emissions are not relevant	Yapı Kredi has a high forest in Yeniköy located on an area of 72000 m2 and having the forest density of 0.0531 trees/m2. This area has not been taken into account in the calculations as an emission reducing component.

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 5% but less than or equal to 10%	Data Gaps Metering/ Measurement Constraints Sampling Data Management	Yapı Kredi determined the uncertainty of Scope-1 emissions according to both activity data and emission factors. The uncertainty in the activity data and emission factors has been selected as 7% for all Scope-1 emission sources in the reporting period.
Scope 2 (location-based)	More than 5% but less than or equal to 10%	Assumptions Metering/ Measurement Constraints	Yapı Kredi determined the uncertainty of Scope-2 location based emissions according to both activity data and emission factors. The uncertainty in the activity data and emission factors has been selected as 7% for the grid electricity consumption of reporting period.
Scope 2 (market-based)	More than 5% but less than or equal to 10%	Assumptions Metering/ Measurement Constraints	Yapı Kredi determined the uncertainty of Scope-2 market based emissions according to both activity data and emission factors. The uncertainty in the activity data and emission factors has been selected as 7% for the green electricity consumption of reporting period.

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	Reasonable assurance	https://www.cdp.net/sites/2016/60/21160/Climate Change 2016/Shared Documents/Attachments/CC8.6a/ISO 14064 certificate.png	1/1	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions 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	Reasonable assurance	https://www.cdp.net/sites/2016/60/21160/Climate Change 2016/Shared Documents/Attachments/CC8.7a/ISO 14064 certificate.png	1/1	ISO14064-3	100
Market-based	Annual process	No verification or assurance of current reporting year	Not applicable				

CC8.8

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

Additional data points verified	Comment
No additional data verified	

CC8.9

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

Yes

CC8.9a

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

4181.27

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

CC9.1a

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 facility
By GHG type
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)
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CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Plaza D Block Total Greenhouse Gas Emissions	1311	41	29
Banking Base Total Greenhouse Gas Emissions	7501	40	29
Bayramoğlu Education Facilities Total Greenhouse Gas Emissions	398	40	29
Darıca Archive Facilities Total Greenhouse Gas Emissions	167	40	29
Yapı Kredi Yeniköy High Forest Total Greenhouse Gas Emissions	27	41	29

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	4156
CH4	9
N2O	17
HFCs	5223

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Natural gas boiler	3256.57
Transportation	0.00
Cooling units	721.55
Generators	5222.91

Further Information

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
By activity

CC10.2a

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

Business division	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, 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 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Plaza D Block	2303	790
Banking Base	8661	2971
Bayramoğlu Education Facilities	299	103
Darıca Archive Facilities	232	80
Yapı Kredi Yeniköy High Forest	33	11

CC10.2c

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

Activity	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Electricity	11527	3954

Further Information

Page: CC11. Energy

CC11.1

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

More than 90% but less than or equal to 95%

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	16569.87
Steam	0
Cooling	0

CC11.3

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

3485.78

CC11.3a

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

Fuels	MWh
Diesel/Gas oil	3485.78

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
Grid-connected electricity generation owned, operated or hosted by the company, where electricity attribute certificates do not exist or are not required for a usage claim	8376.59	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 17% of its energy portfolio is renewable energy. Additionally, Yapı Kredi's green electricity consumption in 2015 corresponds to 25.54% of the total electricity consumption. As the energy provider's portfolio covers 17% renewable energy, the emission factor of electricity supplied from this provider is lower than the grid emission factor, but due to insufficient data this aspect could not be reflected to emissions calculations. Therefore, total electricity consumption is assumed to be location based and a higher emission factor – the grid emission factor – is used in these calculations as a worst case scenario, resulting in higher emission values than the virtual values.

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
32797.92	32797.92	0	0	0	Since 2011, 100% of electricity consumed by Yapi Kredi has been purchased from Entek Energy.

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	1.3	Decrease	Energy saving efforts also targeted the Data Center, where devices at the end of their life cycles were physically removed, and new virtualization technologies were implemented, resulting in approximately 936 GJ of energy saved, preventing 123 tons of CO2 emissions in 2015. (0.6% decrease) Lighting in the Data Center and D Blok Plaza was also replaced with energy efficient LED lighting. The early warning and monitoring

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			systems were installed to identify potential breakdowns in the electrical and mechanical components of HVAC units in Data Center. In Plaza D Block and Banking Base Buildings, inefficient pumps were renewed with efficient ones and existing elevators were replaced by A++ energy saving elevators. As the result this project implementation, 144 ton CO2 emissions have been reduced. (0.7 % decrease)
Divestment	0	No change	Not relevant
Acquisitions	0	No change	Not relevant
Mergers	0	No change	Not relevant
Change in output	0	No change	Not relevant
Change in methodology	0	No change	Not relevant
Change in boundary	0	No change	Not relevant
Change in physical operating conditions	27.5		Since the average temperature during heating period (during winter) decreased by 1.2oC compared to 2014, emissions with regards to natural gas consumption were increased by 1.8%. During the reporting period, 80 of the routes used in employee transportation were optimized. As the result of this optimization, fuel consumption was reduced enabling 0.3% decrease in emission decrease. Data center carries a great importance in terms of banking operations, therefore it has to be supplied continuously with power in order to prevent any interruptions in operations. During the reporting period, long duration power failures encountered, therefore fuel consumption in generators, which are used to supply power to the data center, has increased. As the result of this increase, stationary combustion emissions from generators has also increased by 0.83% compared to the previous year. In the reporting year, during the maintenance activities of chiller units, refrigerant gas leakages occurred. Additionally, leakages with regards to gases used for fire protection eventuated. Therefore, fugitive emissions increased considerably by 25.17% compared to previous year.
Unidentified	0	No change	Not relevant
Other	0	No change	Not relevant

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
	metric tonnes CO2e					

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
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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
5.6518	metric tonnes CO ₂ e	full time equivalent (FTE) employee	4403	Location-based	25.4	Increase	Yapı Kredi greenhouse gas emissions in 2015 are 25.4% higher than that of previous year. Since there is no change in the number of employees located in the Yapı Kredi buildings within the scope of the inventory compared to 2014, this intensity value also increased by 25.4%.
0.9862	metric tonnes CO ₂ e	square meter	25233	Location-based	25.4	Increase	Yapı Kredi greenhouse gas emissions in 2015 are 25.4% higher than that of previous year. Since there is no change in the number of employees located in the Yapı Kredi buildings within the scope of the inventory compared to 2014, this intensity value also increased by 25.4%.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

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

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
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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 of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	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, not yet calculated				
Capital goods	Not relevant, explanation provided				CO2 emissions with regards to capital goods (within the scope of the inventory) such as headquarter buildings are already covered within calculations fro Scope 1 and Scope 2 emissions. Details of emission calculations are provided in relevant sections.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, not yet calculated				
Upstream transportation and distribution	Relevant, not yet calculated				
Waste generated in operations	Not relevant, explanation provided				Yapı Kredi has established an integrated waste management system for its headquartes buildings. According to this system, waste minimization/prevention and recycling activites are applied. Where these implementations are not possible, waste disposal is performed through authorized disposal companies.
Business travel	Relevant, not yet calculated				
Employee commuting	Relevant, not yet calculated				Route optimization studies are regularly conducted for employee transportation. The amount of CO2 savings obtained as the result of this study are provided in the Section CC3.b. Although these savings cover some part of the Scope 3 emissions, the total CO2 emission amount could

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
					not be calculated due to insufficient data.
Upstream leased assets	Relevant, not yet calculated				
Downstream transportation and distribution	Relevant, not yet calculated				
Processing of sold products	Relevant, not yet calculated				
Use of sold products	Relevant, not yet calculated				
End of life treatment of sold products	Relevant, not yet calculated				
Downstream leased assets	Relevant, not yet calculated				
Franchises	Not relevant, explanation provided				Yapı Kredi does not have any frenchises.
Investments	Relevant, not yet calculated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

CC14.2

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

No emissions data provided

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 (%)
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CC14.3

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

No, we don't have any emissions data

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
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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)

No, we do not engage

CC14.4a

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

CC14.4b

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

Number of suppliers	% of total spend (direct and indirect)	Comment
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CC14.4c

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

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

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

Apart from our annual Sustainability Report, we currently do not engage with our stakeholders such as clients or suppliers on GHG emissions and their climate change strategies. Lack of data on GHG emissions especially on the suppliers' side decreases the value the engagement would have in terms of developing a future

climate strategy. If there are any developments on the future in terms of ease of accessing data and a prospect to develop a cooperative climate change strategy, we then plan to consider engaging with our stakeholders on this issue. The Sustainability Management System project we started is a step towards further engagement with our stakeholders. Action against climate change is a priority for Yapı Kredi and we plan to encourage all of our stakeholders including suppliers to reduce GHG emissions via Sustainability Principles of the Sustainability Management System.

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
Nurcan Erhan	Corporate Social Responsibility and Sustainability Supervisor	Environment/Sustainability manager

Further Information

CDP 2016 Climate Change 2016 Information Request