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 271.1 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. We secure the positive momentum of our sustainability performance through measuring, monitoring, evaluation and reporting activities, which are continuously developed upon in terms of scope and efficiency. We also share our performance in this area with stakeholders through transparent and effective communication channels.

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Turkey

CC0.4

Currency selection

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

TRY

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.
If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

Yapı Kredi Sustainability Committee was established in 2014 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 of the Board of Directors, the Committee is the highest authority that manages the decision-making processes of activities in the area of sustainability. Meeting twice a year to monitor and guide developments with regards to sustainability, the Sustainability Committee reports annually to the Executive Committee and to the Board of Directors.

A Sustainability Working Group and sub-working groups were formed with participation of relevant departments in various areas of expertise to coordinate the activities of the Committee. Sustainability sub-working groups focus on matters below:

- Direct Environmental Impacts
- Indirect Environmental Impacts

- Responsible Procurement
- Human Rights
- Anti-Bribery and Anti-Corruption
- Sustainable Products

Corporate Social Responsibility and Sustainability team coordinates the activities of the working group and works in cooperation with other departments to execute the decisions taken by the Committee. Additionally, Corporate Social Responsibility and Sustainability team is in charge of goal and performance monitoring, consolidation and assessment of the collected information.

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 verification 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
Environment/Sustainability managers	Recognition (non-monetary)	Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	Energy and emission management is among the business priorities of Yapı Kredi. In 2016, Yapı Kredi Sustainability Principles, Environmental and Social Policy, and Responsible Purchasing Policy documents have been approved and entered into force, which demonstrates that emission reduction and mitigation of climate change are integrated in the company’s strategy.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
All employees	Other non-monetary reward	Emissions reduction target Energy reduction target Efficiency project Behavior change related indicator	During the reporting period, we provided 1,345 person*hours of training to 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. The staff of 56 contractor companies also attended these training sessions. As a result of our awareness raising activities, our energy intensity has decreased by 2.5% compared to 2015, ending up at 27.21 GJ/person.
Energy managers		Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	As energy and emission reduction targets are identified as part of the related staff's annual goals, achievement of these targets are being considered during the annual bonus evaluations.

Further Information

Page: CC2. Strategy

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly 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.	> 6 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 14001 and 14064 requirements. The environmental impact procedure of the Sustainability Management System (SMS) under development also focuses on the management process of the environmental risks. The Sustainability Committee, reporting to the Board of Directors, evaluates the environmental performance and takes both short and long term decisions for improvement of the environmental performance. By showing that the Bank has a procedural system to manage the environmental risk of its lending activities, the Bank fulfills environmental and social performance standards to receive loan lines from IFIs.

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, with the support of Sustainability Working Group and its sub – groups, which are coordinated by CSR and Sustainability team. 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 relevant teams for implementation of these decisions. The CSR and Sustainability team monitors the achievement of the designated goals and undertakes related 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 loan contracts as commitments, providing support on minimization of the social and environmental impacts associated with the project. Implementing the principles stipulated by the Social and Environmental Management System (SEMS), 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. In addition, the Sustainability Management System project is planned to be finalized by the first quarter of 2017. The system involves identifying risks and opportunities at asset level to set targets, screen environmental and social risks of the Bank's direct and indirect impacts and combat global warming and climate change. ISO14064 certificate system adopted by Yapi Kredi helps the

Bank to manage its emissions and to set targets for constant reduction of its environmental impact. In this respect, different projects are developed and put into practice.

CC2.1c

How do you prioritize the risks and opportunities identified?

There are five basic resources that Yapı Kredi draws on to “create value” for all stakeholders. These five basic resources are Financial Capital, Human Capital, Social Capital, Intellectual Capital, and Natural Capital. Risks and opportunities regarding climate change are evaluated within the scope of natural capital. Risks and opportunities with regards to climate change are determined according to the results of the materiality analysis.
In 2016, external stakeholders were consulted about material sustainability issues and a large-scale survey involving Yapı Kredi’s key stakeholder groups was conducted. Customers, suppliers, NGO representatives, academicians, and university students participated in this survey. These stakeholders identified most important material sustainability aspects for Yapı Kredi within a broad universe of issues. In the second stage, the survey results were evaluated with a workshop attended by Yapı Kredi Sustainability Working Group and the importance of these issues for Yapı Kredi was determined. The relevant medium and long-term objectives for all material issues were designated.
With another practice developed in 2016, Yapı Kredi’s material issues were aligned with the United Nations Sustainable Development Goals. By correlating these goals with Yapı Kredi’s corporate priorities, the performance regarding the resolution of these global problems started to be shared with the stakeholders.
As a part of the environmental and social risk assessment process, Yapi Kredi categorizes the risks associated with the projects it finances. Actions to be taken per each risk category level is pre-defined, therefore the Bank takes action according to the identified risk level. This helps the Bank to prioritize the risks taken into consideration within the scope of the business strategy and all capitals.

CC2.1d

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

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

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

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

Reflections of global warming direct Yapı Kredi towards mitigation and adaptation of climate change. Yapi Kredi closely monitors recent developments with regards to climate change related regulations. Taking these developments and COP 21 outcomes into account, Yapı Kredi works for complete integration of climate change issues into its business strategy through adaptation of all business and decision making processes. In this regard, Yapı Kredi has launched the Sustainability Management System project in 2015. The project is planned to be finalized by the first quarter of 2017. The system involves identification of risks and opportunities at asset level, determination of targets, screening against environmental and social risks of the Bank's direct and indirect impacts towards the aim of combatting global warming and climate change. Within the scope of this project, Yapı Kredi Sustainability Principles and other related policies such as Environmental and Social Policy and Responsible Procurement Policy approved by the Board and the Sustainability Committee in 2016. These policies reflect Yapı Kredi's business strategy on combatting climate change.

Direct Impact: The impact generated through Yapı Kredi's operational activities is identified as the direct impact. Yapı Kredi continuously seeks ways of minimizing the potential negative impact of its operations on the environment, society and economy, and continuously strives to create more value for all of its stakeholders and value chain. Climate change is integrated into long term and short term strategy through setting emission/energy reduction targets and keeping track of these targets. In order to meet these targets various energy and resource efficiency projects are conducted. Detailed information about emission reduction initiatives of Yapı Kredi can be found in CC3.b. Furthermore, Yapı Kredi has been calculating and managing its greenhouse gas inventory in accordance with the ISO 14064 Greenhouse Gas Reporting Standard. Documentation and independent third party verification of this process is carried out on an annual basis. As a testament to the importance Yapı Kredi attaches on the environment, in 2016 an environmental management system was established for the head office buildings, and the ISO 14001 certification was completed. An Environmental Management System Team has been formed in order to ensure the efficiency of the environmental management system, performance improvement, and follow up on practices and procedure. The job descriptions of this team's members have been expanded to include their responsibilities within the scope of the environmental management system. Within the scope of the system annual environmental goals and targets are determined. The targets are reviewed at biannual management review meetings and evaluated at the end of each year. Additionally, Yapı Kredi aims to extent the positive effect of its sustainability practices to its whole value chain. In this respect, Yapı Kredi has started to include additional clauses in the contracts with all of its suppliers requesting them to comply with Yapı Kredi's Sustainability Principles and Environmental and Social Policy.

Indirect impact: Yapı Kredi is aware that climate change brings financial risks to its financing operations. Inadequate infrastructure or harsh climate conditions may result in failure/damage of investment projects, which means that these investments may be unable to repay themselves. Therefore, Yapı Kredi takes climate change aspects into account during credit evaluation processes. As a part of the Sustainability Management System, Yapı Kredi's lending activities are aimed to be monitored and managed in terms of their environmental-social risks and impacts. With this purpose Yapı Kredi is currently establishing its Environmental and Social Risk Assessment Model, which requires environmental and social standards beyond the legal requirements. This assessment will constitute a part of regular credit assessment. The model involves determining the risk category of the project in question, and developing action and monitoring plans accordingly and it categorizes risks under three groups: high, moderate, and low risk. Additionally, climate change concerns create demand for green products in the banking sector. Yapı Kredi considers financing of energy efficiency, renewable energy and afforestation projects as green products. In 2016, Yapı Kredi procured USD 4.1 billion in financing to 114 renewable energy projects with a cumulative installed capacity of 6,182 MW. Assuming a capacity utilization rate of 30%, these no-emission plants prevent 10,073 tons of CO2e emissions every year compared to plants using non-renewable resources. Yapı Kredi's strategy brings competitive advantage when working

with international financing institutions such as IFC, EIB, EBRD and AFD, which require an environmental screening beyond local legislative requirements. As a result of the effort to integrate climate change strategy into the business strategy, Yapı Kredi is able to provide good financing options to its clients, an outstanding case, which makes it favorable among other competitors. For instance, in the last years, over 350,000,000 USD has been utilized from IFIs. An Additional 375,000,000 USD is planned to be signed with IFIs in 2017.

The positive momentum of Yapı Kredi's sustainability performance is secured through measuring, monitoring, evaluation and reporting activities, which are continuously developed upon in terms of scope and efficiency. The performance in this area is also shared with stakeholders through transparent and effective communication channels.

CC2.2b

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

CC2.2c

Does your company use an internal price on carbon?

No, 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 on carbon

CC2.3

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

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

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). TBA aims to develop and support good practices in the banking industry among its members. There is a working group named "Role of the Financial Sector in Sustainable Growth" which Yapı Kredi is an active member of. The aim of the working group is to create a general framework approach for banks with regards to protection of environment to be	Yapı Kredi is an active member of the Role of the Financial Sector in Sustainable Growth Working Group. The Bank is actively involved in the activities of the working group to create a framework and guidance for financial institutions for environmental and social protection in their lending activities, attending meetings and providing input to publications.

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?
		implemented in lending activities and other services. The working group has issued a sustainability guidance manual which is publicly available to all financial institutions in Turkey in Turkish and English for Banks to integrate climate change management into their governance structure.	

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 channelled towards NGOs for implementing their projects on environmental preservation.

Support for WWF's Earth Hour Campaign: Each year Yapı Kredi participates in the Earth Hour movement to raise awareness of all stakeholders on climate change. Yapı Kredi participates in the global movement by turning off all lights in its head office buildings, with the exception of security areas, for one hour. The Bank conducts internal communication efforts to encourage employees to participate personally as well.

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 its main shareholders Koç Holding and UniCredit, as well as the responsibilities and obligations stemming from it.

UNEP FI: In order to strengthen its commitment towards sustainable development Yapı Kredi joined the United Nations Environment Programme Finance Initiative (UNEP FI) by signing the Environment and Sustainable Development Statement. As being a global joint effort, UNEP FI plays a key role in the development of policies and tools that are designed to enable the finance sector manage its environmental and social risks.

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?

Yapı Kredi Sustainability Committee is the highest authority that manages the decision-making processes of activities in the field of sustainability. The committee meets twice a year to monitor and guide developments with regards to sustainability. Within the scope of the monitoring efforts, direct and indirect activities are evaluated in terms of their consistency with the overall climate change strategy.

Yapı Kredi Sustainability Working Group and its sub-working groups, formed with participation of relevant departments in various areas of expertise, work for putting the Sustainability Committee's decisions into practice. Sustainability sub-working groups focus on matters below:

- Direct Environmental Impacts
- Indirect Environmental Impacts
- Responsible Procurement
- Human Rights
- Anti-Bribery and Anti-Corruption
- Sustainable Products

Corporate Social Responsibility and Sustainability team coordinates the activities of the Sustainability Working Group and works in cooperation with other departments to execute the decisions taken by the Committee. Data consolidation, goal and performance follow up and, compliance with corporate sustainability policies (including climate change policy) are monitored by the Corporate Social Responsibility unit and reported regularly to the Committee.

Yapı Kredi has also 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. As a part of this system, its direct and indirect activities are monitored and managed in terms of their environmental risks and impacts. This procedure is a part of the Bank's overall sustainability strategy that includes climate change strategy as well.

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 2 (location-based)	100%	5%	2015	15480.62	2020	No, but we anticipate setting one in the next 2 years	Taking the energy consumption and changing climatic conditions as well as the reporting boundary into account, a sound analysis was conducted. As the result of this analysis the 5 year emission reduction target was determined as 5%. Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero.

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

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

CC3.1d

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

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

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	20%	0%	During the reporting period, Yapı Kredi performed some activities serving for energy efficiency such as annual maintenance, renovations and energy efficiency improvement projects in head office buildings (Plaza D Block and Banking Base). As a consequence of these activities, the indirect energy consumption was reduced by 4.1% (1,000,393 kWh/year). However, Yapı Kredi updated the grid emission factor for electricity in 2016. The grid emission factor was increased by 4.9% due to this update. As the result of this increase, indirect GHG emissions generated through energy consumption are 1.6% higher than the target emission value set for 2016.

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

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*	0	0
Implementation commenced*	2	5637
Implemented*	9	159563
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. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy	0	Scope 2 (market-based)	Voluntary	412094	0	<1 year	Ongoing	Although CO2e saving was achieved through the use of green energy, estimated annual CO2e savings could not be calculated, since the location based grid emission factor was used in calculations. The grid emission factor does

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
	portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero.								not take the green energy usage into account.
Transportation: use	Emission reduction and energy efficiency topics are among the aspects which Yapı Kredi attaches great importance to in its business operations. Yapı Kredi performed optimization of 80 routes used in employee	121	Scope 3	Voluntary	32000	16000	<1 year	1-2 years	Currently, Yapı Kredi can not calculate all Scope 3 greenhouse gas emissions within the scope of its operational boundaries due to lack of data. Therefore, the calculated Scope 3 emissions are limited to the operations for which

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
	transportation, reducing overall Scope 3 CO2e emissions by 121 tons in 2016.								sufficient data was available. The calculated Scope 3 emissions include emissions generated through employee transportation, business travels (flights) and paper consumption. Scope 3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity does not appear 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 our fleet was reduced from nine to four, while the average age for 45-passenger vehicles was reduced to ten from the previous fifteen years	5000	Scope 3	Voluntary	1341567	675000	<1 year	11-15 years	Currently, Yapı Kredi can not calculate all Scope 3 greenhouse gas emissions within the scope of its operational boundaries due to lack of data. Therefore, the calculated Scope 3 emissions are limited to the operations for which sufficient data was available. The calculated Scope 3 emissions include emissions generated through

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
	old. Additionally, Yapı Kredi optimized 155 of the routes used in employee transportation. As a result of these two projects, fuel consumption was reduced by 1,871,491 liters and Scope 3 CO2e emissions were decreased by 5000 tons.								employee transportation, business travels (flights) and paper consumption. Scope 3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity does not appear in the greenhouse gas inventory of Yapı Kredi.
Energy efficiency: Building services	Since 2015, energy efficient LED lighting materials have been used in the Data Center and Plaza D Block. The early warning and monitoring systems have being used to identify potential breakdowns in the electrical and mechanical components of HVAC units in the Data Center. Additionally, during the reporting period, energy efficient new pumps and A++ energy saving elevators have been put into use in the Yapı Kredi Banking Base	144	Scope 2 (location-based)	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. The maintenance activities of cooling units have also been performed in the reporting period.								
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 tons of CO2 emissions in 2016.	123	Scope 2 (location-based)	Voluntary	85701	3100800	>25 years	11-15 years	
Energy efficiency: Building services	In the reporting period, within the scope of energy efficiency studies carried out in the head offices (Plaza D Block and Banking Base), Yapı Kredi reduced greenhouse gas emissions caused by energy consumption by 637.32 tons of CO2e and achieved an energy saving of 4.13%	637	Scope 2 (location-based)	Voluntary	157807	705622	4-10 years	11-15 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
	compared to 2015, with the help of annual maintenance, renovations and energy saving practices in chiller units. As a result of these efficiency projects carried out in 2016, Yapı Kredi saved 4,635 GJ of energy.								
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, Yapı Kredi placed containers at its head office buildings to collect waste paper. Waste paper collected in these containers is delivered to selected recycling firms licensed by local municipalities. Yapı Kredi ensured that all paper waste generated during its banking operations is	42995	Scope 3	Mandatory	0	0	<1 year	Ongoing	Currently, Yapı Kredi can not calculate all Scope 3 greenhouse gas emissions within the scope of its operational boundaries due to lack of data. Therefore, the calculated Scope 3 emissions are limited to the operations for which sufficient data was available. The calculated Scope 3 emissions include emissions generated through employee transportation, business travels (flights) and paper consumption. Scope 3 emissions are not verified according to ISO 14064-3 by a third

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
	recycled via a licensed recycling firm. In the reporting period; 1,194,262 kilograms of paper was sent for recycling, preventing 42,995 tons of CO2e emission, saving 20,302 trees and 31,050 cubic meters of water.								party. Therefore, this emission reduction activity does not appear in the greenhouse gas inventory of Yapı Kredi.
Waste recovery	Since 2011, Yapı Kredi has been collecting plastic waste. Collected plastic waste is delivered to selected recycling firms licensed by local municipalities. In the reporting period; 19,050 kilograms of plastic was sent for recycling, providing an energy saving of 266,700 kWh, and saving 83,4 tons of crude oil.	45.7	Scope 3	Mandatory	0	0	<1 year	Ongoing	Currently, Yapı Kredi can not calculate all Scope 3 greenhouse gas emissions within the scope of its operational boundaries due to lack of data. Therefore, the calculated Scope 3 emissions are limited to the operations for which sufficient data was available. The calculated Scope 3 emissions include emissions generated through employee transportation, business travels (flights) and paper consumption. Scope 3 emissions are not verified according to ISO 14064-3 by a third

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
									party. Therefore, this emission reduction activity does not appear in the greenhouse gas inventory of Yapı Kredi.
Waste recovery	Since 2011, Yapı Kredi has been collecting glass waste. Collected glass waste is delivered to selected recycling firms licensed by local municipalities. In the reporting period; 1,174 kilograms of glass was sent for recycling, providing an energy saving of around 3,131 kWh.	0.37	Scope 3	Mandatory	0	0	<1 year	Ongoing	Currently, Yapı Kredi can not calculate all Scope 3 greenhouse gas emissions within the scope of its operational boundaries due to lack of data. Therefore, the calculated Scope 3 emissions are limited to the operations for which sufficient data was available. The calculated Scope 3 emissions include emissions generated through employee transportation, business travels (flights) and paper consumption. Scope 3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity does not appear in the greenhouse gas inventory of Yapı Kredi.

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
Waste recovery	Since 2011, Yapı Kredi has been collecting metal waste. Collected metal waste is delivered to selected recycling firms licensed by local municipalities. In the reporting period; 58,090 kilograms of metal was sent for recycling, saving 929,440 liters of water, and preventing 116,180 tons of CO2e emission.	116180	Scope 3	Mandatory	0	0	<1 year	Ongoing	Currently, Yapı Kredi can not calculate all Scope 3 greenhouse gas emissions within the scope of its operational boundaries due to lack of data. Therefore, the calculated Scope 3 emissions are limited to the operations for which sufficient data was available. The calculated Scope 3 emissions include emissions generated through employee transportation, business travels (flights) and paper consumption. Scope 3 emissions are not verified according to ISO 14064-3 by a third party. Therefore, this emission reduction activity does not appear in the greenhouse gas inventory of Yapı Kredi.
Behavioral change	Since 2015, as part of Green IT initiatives, all computers in Yapı Kredi branches have been centrally shutting down	282.20	Scope 2 (location-based)	Voluntary	171598	0	<1 year	Ongoing	This emission reduction activity covers all branches of Yapı Kredi. However, the verified greenhouse gas

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	from 00:00 to 08:00. The annual energy saving was achieved as 30%.								inventory does not include Yapı Kredi branches according to the operational boundary, and this emission reduction is not included in the table reported in Section 3.3a.

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.
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 constitutes 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 2017’s first quarter. The system involves identifying risks and opportunities to define targets, screening environmental and social risks of the Bank’s direct and indirect impacts and combat global warming and climate change.

Method	Comment
Financial optimization calculations	Yapı Kredi attaches great importance to energy saving projects, since these projects allow CO2 emission reductions 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

Please find attached Entek's statement of support for supplying approximately 41 % of its portfolio from renewable energy sources.

Attachments

https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC3.TargetsandInitiatives/Renewable energy.msg

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	Internal Announcement Poster and Fliers	https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/CC4.1/23--2015-GERI-DONUSUM-DUYURUSU---3.jpg	As a part of its transparent communication strategy, Yapi Kredi announces its environmental performance and targets with its staff through announcement posters and fliers. In 2016, we reported our progress on recycling performance through posters circulated via email and intranet sharing platform “Bizler Plus”.
In voluntary communications	Complete	Sustainability Report 2016 pages 55-63, 80-81	https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sürdürülebilirlik Raporu 2016.pdf	Yapı Kredi reports its annual greenhouse gas emissions and energy consumptions publicly in its sustainability report. This information is included in the environmental performance tables. Yapı Kredi reports also the measures taken along with the new initiatives on efficiency. Sustainability Report 2016 can be also be accessed at he below link https://www.yapikredi.com.tr/en/sustainability/reports

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
Uncertainty surrounding new regulation	The Ministry of Environment and Urbanization has been undertaking a project with World Bank PMR for the Market Readiness for Carbon Markets. The project is finalized on May 2017. The final report of the project can be evaluated in a possible policy regulation towards carbon markets and mandatory carbon trading systems. This can in turn change the demand for carbon intensive projects, resulting in a	Reduced demand for goods/services	1 to 3 years	Indirect (Client)	Likely	Medium-high	Any new carbon market regulation may impose a financial cost to Yapi Kredi's operations. While a carbon tax or an ETS has not yet been imposed, the possible initial impact can be on the carbon intensive loan portfolio, reaching nearly 2 billion USD.	Yapi Kredi closely monitors the updated regulations and develops alternative business strategies for any possible new regulations. Additionally, Yapı Kredi has also launched a sustainability Management System project. As a part of this system, Yapı Kredi's lending activities are aimed to be monitored and managed in terms of their environmental-social risks and impacts. The environmental-social risk assessment model is planned to be integrated to Yapı	Monitoring updated regulations and business development is a part of full time staff therefore it does not need additional management costs. Furthermore, the cost of the consultancy for the establishment of the environmental and social risk model is approximately 300,000 TL.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	reduced demand for Yapi Kredi's goods and services towards carbon intensive industry loans.							Kredi's overall sustainability strategy that involves climate change strategy as well. Considering risks related to climate change, Yapı Kredi plans to employ an environmental and social sustainability risk specialist to handle these risks properly by its environmental and social risk management model.	
International agreements	Paris Agreement has been signed but not yet been ratified by the Turkish Parliament. Once it is ratified, there will be implications on each sector in order to reach the INDC target. This will impose specific measures on relevant	Increased capital cost	3 to 6 years	Indirect (Client)	Very likely	Medium	Any regulation targeting carbon intensive industries in order to reduce emissions will decrease demand for new loans, therefore increasing capital costs.	Yapı Kredi is following international developments and developing new and competitive renewable energy and energy efficiency financing products. Additionally, Yapı Kredi has also launched a sustainability Management System project. As	Developing new thematic loans and services is a part of the related full time staff's duty. It does not require any additional costs of management. Furthermore, the cost of the consultancy for the establishment of the

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	industries, which Yapi Kredi finances. Yapı Kredi's loan portfolio includes industry projects, therefore any regulation regarding Paris Agreement will increase capital costs for Yapı Kredi.							a part of this system, Yapı Kredi's lending activities are aimed to be monitored and managed in terms of their environmental-social risks and impacts. The environmental-social risk assessment model is planned to be integrated to Yapı Kredi's overall sustainability strategy that involves climate change strategy as well. Considering risks related to climate change, Yapı Kredi plans to employ an environmental and social sustainability risk specialist to handle these risks properly by its environmental and social risk management model.	environmental and social risk model is approximately 300,000 TL.

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	Change in temperature alters 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. As the result of this situation, natural gas and electricity consumption in Yapı Kredi headquarter buildings and branches may increase due to heating and cooling purposes.	Increased operational cost	1 to 3 years	Direct	Likely	Medium	Increase in energy consumption would lead to increase in average operational and overhead costs for each department and branch. In order to calculate the estimated financial implication in case of 1 degree temperature change, energy consumed in 2016 in the head office buildings and branches are taken into acount as well as the number of employees. The estimated cost is calculated as nearly 3 million TL in case of the usage of same	Yapı Kredi develops energy and resource efficiency projects in order to minimize the increased costs due to increased energy consumption and reduce greenhouse gas emissions in order not to create an additional negative impact on climate change. Within the scope of energy efficiency studies carried out in the head offices (Plaza D Block and Banking Base), greenhouse gas emissions caused by energy consumption were reduced by 637.32 tons of CO2e and	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 2016 is 705,622 TL. Additionally, the expenditure on climate change related issues within the scope of certification activities, consultancy, and taining is around 54,000 TL. Moreover, Yapı Kredi Banking Academy has prepared an online training program in order to raise awareness about climate change

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							energy resources and constant unit prices of these energy resources.	compared to 2015, an energy saving of 4.13% was achieved with the help of annual maintenance, renovations and energy saving practices. As the result of the efficiency projects conducted in 2016, 4,635 GJ of energy was saved.	related issues. In 2016, 2,804 employees were provided with 1,345 person*hours of environmental training. 56 employees of contractor companies also attended this training. Preparation of this online training program did not generate any additional management costs, since this constitutes a part of the duty of the full time employees at the Yapı Kredi Banking Academy.
Change in precipitation extremes and droughts	Change in precipitation extremes and droughts will have negative impacts on certain sectors such as agriculture, tourism, and renewables	Inability to do business	1 to 3 years	Indirect (Client)	Likely	High	Increased project finance risks due to the change in physical conditions which will result on being unable to achieve projected income. This will increase Yapı	Yapı Kredi's project evaluation team evaluates each project according to its project-specific conditions, region, and maturity. Possible climatic impacts are also	More sensitive evaluation of projects will result in increased tasks for the project evaluation teams. The costs of such management will be the labor costs and fees paid for

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	(mainly hydropower). Projects Yapı Kredi finances in these sectors will have increased risk potential.						Kredi's credit risk which is estimated as 3.6 billion USD.	included in this evaluation.	external consultants for such evaluations.

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 behavior	As the impact of climate change becomes more visible in daily life, clients' awareness of climate change and their sensitivity towards it increases. Changing consumer behavior requires banking sector to be more open on	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 hard to estimate. However, loss of customers due this inability could cost up to nearly 4.1 billion USD.	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 institutions like IFC, EIB and EBRD, Yapı Kredi increases its efforts

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	developing green products, create or develop new climate-friendly credit lines.								on financing low carbon economy. Management costs with regards to these funds are minimal and correspond to less than 1% of the funding amount.

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

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

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Renewable energy regulation	The new energy and mining strategy of Turkey acknowledged by the Minister of Energy and Natural Resources lays	Increased demand for existing products/services	>6 years	Indirect (Client)	Very likely	High	Plans for increasing renewable energy capacity will increase demand for renewable energy loans	Yapi Kredi is increasing its renewable energy and energy efficiency loan portfolio by adding alternative	Yapi Kredi considers business development as a part of its daily business strategy. Developing climate

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	out aggressive plans to increase Turkey's energy supply safety. This involves adding 10 GW solar and wind power each to the system and increasing efficiency projects. This directly brings new financing opportunities to Yapı Kredi.						Yapi Kredi offers. The market for the Bank's renewable energy and energy efficiency products and services will increase. Four new financing lines from IFIs covering over 200,000,000 USD is ready to be disbursed for energy efficiency and renewable energy investments.	sources from international financial institutions in order to meet the increasing demand for renewable energy investments. For example, the Bank has two credit lines with EIB specifically on climate change signed in 2010 with maturity dates of 2026 and 2027.	friendly products is a fundamental part of this business development strategy. This is undertaken by the full time staff of the Bank that does not require any additional costs of management.

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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 licensing 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.	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 2016, Yapı Kredi procured USD 4.1 billion in financing to 114 renewable energy projects with a cumulative installed capacity of 6,182 MW. Assuming a capacity utilization rate of 30%, these no-emission plants prevent 10,073 tons of CO2e emissions every year compared to plants using non-renewable resources.	As part of Yapı Kredi's goal to lead sustainable development, thorough assessments are conducted on all projects evaluated for financing, taking into account their environmental and social aspects. Yapı Kredi provides significant amount 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. Consultancy services are also received from	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. In this process, Yapı Kredi anticipates its experts to have additional site visits and desk research, and to employ external experts for specific projects. Furthermore, the cost of the consultancy for the establishment of the environmental and social risk model and due diligence studies undertaken is approximately 800,000 TL.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								environmental experts to identify potential environmental and social impacts, and to determine the measures to be taken in case a negative impact is identified. Yapı Kredi cooperates with the Renewable Energy Support Mechanism (YEKDEM) to increase funding diversity and to lend its support to projects that can offer a reliable supply.	
Change in temperature extremes	Changes in temperature extremes as well as average temperatures have impacts on the agricultural production. The climate enables production of new crops, or in some cases	New products/business services	>6 years	Indirect (Client)	Likely	Medium	The increasing demand for innovative agricultural methods and investments led to an increase in Yapı Kredi's services and revenues in this area. During 2016, the Bank has offered 137	In line with the thematic funds, Yapi Kredi offers three different products for agricultural banking to convert this changing consumer behavior into a business opportunity. The	Yapi Kredi considers business development as a part of its daily business strategy. Developing climate friendly products is a fundamental part of this business development

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	facilitates larger revenues. This encourages farming sector to start new investments, which creates a business opportunity for Yapi Kredi in agricultural banking.						million TL credit through its agricultural banking services.	Bank has developed a) green house and green house development, b) agricultural investment and c) organic farming credits, and serves its clients through these services.	strategy. This is undertaken by the full time staff of the Bank that does not require any additional costs of management.

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	Average seasonal temperatures are changing in Turkey and the impacts are becoming more visible in daily life. This change has also an impact on	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	Yapı Kredi is committed to developing and promoting products and services that are both environment-friendly and capable of generating	Yapi Kredi considers business development as a part of its daily business strategy. Developing climate friendly products is a fundamental

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	business life due to increased energy consumption. SMEs are the main backbone of the Turkish economy, contributing to approximately more than half of the national economy. The increasing energy demand and prices forces SMEs to adopt new energy efficiency measures. Energy efficiency becomes an important issue for small enterprises to increase profit.						loans. This is expected to result in an increase in Bank's SME client portfolio, which may have a maximum financial implication of 10,000,000 USD.	sustainable long-term value for the Bank and the local communities. Yapı Kredi's SME unit constantly develops and enriches the product portfolio based on client needs. Yapı Kredi uses financial expertise to support its customers across various business lines and to develop projects and technologies that help reduce environmental impacts and mitigate climate change. Credit lines signed with EIB and EBRD for the energy efficiency investments of SMEs are good indicators for the management of this parameter.	part of this business development strategy. This is undertaken by the full time staff of the Bank that does not require any additional costs of management.

CC6.1d

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

CC6.1e

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

CC6.1f

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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	4092.18
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	15744.57
Scope 2 (market-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	0

CC7.2

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

Please select the published methodologies that you use
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
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

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	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
Other: Please see the attached table below. All references with regards to 7.2 and 7.3 are provided in the attached excel sheet.		Other: Please see the attached table below. All references with regards to 7.2 and 7.3 are provided in the attached excel sheet.	

Further Information

Please see the attached table for emission factors. All references are provided in the Parts 7.2 and 7.3.

Attachments

https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/7.4. Attachment-EFs.xlsx

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

CC8.1

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

Operational control

CC8.2

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

11814

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We have no operations where we are able to access electricity supplier emissions factors or residual emissions factors and are unable to report a Scope 2, market-based figure	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero.

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
15578	0	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero.

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 cards sales offices, regional	Emissions are relevant but not	Emissions are relevant but not	Emissions are relevant but not	The organizational boundaries have been defined by using operational control approach. Based on this approach, all branches,

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
headquarters, medical centers, warehouse and ATMs located in domestic and foreign regions	yet calculated	yet calculated	yet calculated	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 sufficient and reliable data with regards to these sources could not be collected. 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 and calculated, but not disclosed	No emissions from this source	No emissions from this source	The refrigerant R-22 emissions have been determined as 61.4 tons in the reporting period. Since it consitutes only 0.5% of Yapı Kredi's total GHG emissions, this source was not included in the Yapı Kredi's GHG inventory.
Yapı Kredi Yeniköy High Forest	No emissions from this source	No emissions from this source	No emissions from this source	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 determined as 6.1% 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 determined as 9.9% for the grid electricity consumed during the reporting period.
Scope 2 (market-based)	Less than or equal to 2%	No Sources of Uncertainty Other: Scope 2 market based emissions could not be calculated due to lack of data with regards to the emission factor	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero. Due to the data gap with regards to the emission factor of the electricity sourced from hydroelectric power plants, the Scope 2 market based emissions could not be calculated as mentioned in CC8.3. As a consequence of this, the uncertainty related to Scope 2 market based emissions is also considered as zero.

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/CC8.6a/8.6. Attachment-certification.pdf	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 Emission Monitoring Systems (CEMS)

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

CC8.7

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

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/CC8.7a/8.6. Attachment-certification.pdf		ISO14064-3	100

CC8.8

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

Additional data points verified	Comment
Other:	Within the scope of the independent assurance study conducted for the Sustainability Report 2016 the following indicators are independently assured by EY. - Total energy consumption within the organization, in joules or multiples as per GRI 302-1. - Energy intensity (Total Energy Consumption within the organization in Giga Joules/Total Employees) as per GRI 302-3. - Scope 1 GHG emissions in metric tonnes of CO2 equivalent as per GRI 305-1. - Scope 2 location-based GHG emissions in metric tonnes of CO2 equivalent as per GRI 305-2. - Scope 1 GHG emissions intensity ratio for the organization (metric tonnes of CO2 equivalent/ total number of employees) as per GRI 305-4. The assurance statement can be found below in the "Further Information" section.

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

4330.27

Further Information

Please find attached Entek's statement of support for supplying approximately 41 % of its portfolio from renewable energy sources. The independent assurance statement provided by EY can be found in the attachment.

Attachments

https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData(1Jan2016-31Dec2016)/Renewable energy.msg
https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC8.EmissionsData(1Jan2016-31Dec2016)/YKB 2016 SR Assurance Statement.pdf

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

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

No

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e

CC9.2

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

By 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)

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	1968	41	29
Banking Base	9300	40	29
Bayramoğlu Education Facilities	368	40	29
Darıca Archive Facilities	166	40	29
Yapı Kredi Yeniköy Facilities	12	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	4304
CH4	9
N2O	18
HFCs	7483

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Natural gas boiler	3295.89
Transportation	865.86
Cooling units	7484.17
Generators	168.52

Further Information

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

CC10.1

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

No

CC10.1a

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

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

CC10.2

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

By facility
By activity

CC10.2a

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

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

CC10.2b

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Plaza D Block	3071	0
Banking Base	11733	0
Bayramoğlu Education Facilities	380	0
Darıca Archive Facilities	341	0

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Yapı Kredi Yeniköy Facilities	53	0

CC10.2c

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

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Electricity	15578	0

Further Information

Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero. Please find attached Entek's statement of support for supplying approximately 41 % of its portfolio from renewable energy sources.

Attachments

https://www.cdp.net/sites/2017/60/21160/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC10.Scope2EmissionsBreakdown(1Jan2016-31Dec2016)/Renewable energy.msg

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	MWh
Heat	16770
Steam	0
Cooling	0

CC11.3

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

3888.79

CC11.3a

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

Fuels	MWh

Fuels	MWh
Diesel/Gas oil	3888.79

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Direct procurement contract with a grid-connected generator or Power Purchase Agreement (PPA), where electricity attribute certificates do not exist or are not required for a usage claim	12902.52	0.495	Since 2011, Yapı Kredi has been using green electricity produced by hydroelectric power plants of Entek Energy. 41% of Entek's energy portfolio is renewable energy. Taking the share of renewable energy in Entek's energy portfolio into account, Yapı Kredi's green electricity consumption in 2016 was considered as 41% of the total electricity consumption. In the calculation of the total electricity consumption, the location based grid emission factor was used. As a result of this, the emission reduction obtained through green electricity usage could not be reflected to the total electricity consumption. Therefore, the green electricity usage is considered as zero.

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
31469.55	31469.55	0	0	0	Yapı Kredi does not produce electricity. 100% of electricity consumed by Yapı Kredi has been purchased from Entek Energy. 41% of Entek's energy portfolio is sourced from hydroelectric power plants.

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	22.65	Decrease	In the reporting period, within the scope of energy efficiency studies carried out in the head offices (Plaza D Block and Banking Base), Yapı Kredi reduced greenhouse gas emissions caused by energy consumption by 637.32 tons of CO2e compared to 2015, with the help of annual maintenance, renovations and energy saving

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			practices in chiller units. As a result of efficiency projects carried out in 2016, Yapı Kredi saved 4,635 GJ of energy. 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 Yapı Kredi's fleet was reduced from nine to four, while the average age for 45-passenger vehicles was reduced to ten from the previous fifteen years old. Additionally, Yapı Kredi optimized 155 of the routes used in employee transportation. As a result of these two projects, fuel consumption was reduced by 1,871,491 liters and Scope 3 CO2e emissions were decreased by 5000 tons.
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	9.69	Increase	In order to ensure employees' thermal comfort, during the reporting period the natural gas consumption increased by 1.2% as a consequence of the increased need for heating due to weather conditions. This led to increase 0.16% in total Scope 1 and Scope 2 emissions compared to 2015. The diesel consumption in the reporting period was 34% higher compared to the diesel consumption during the previous reporting period, whereas the gasoline consumption was decreased by 13% compared to the previous reporting period. Although the gasoline consumption was decreased, the greenhouse gas emissions generated through the car fleet were increased by 0.58% compared to the previous reporting period due to occurrence of longer travel distances. The 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, power failures encountered. Fuel consumption was occurred in generators due to these power failures. There were fewer power failures in 2016 compared to 2015, therefore the fuel consumption in generators is less compared to the previous reporting year. As the result of this, the stationary combustion emissions from generators decreased by 0.14% compared to the previous year. In the reporting period, Yapı Kredi Plaza D Block and Banking Base facilities encountered wrong alerts in the fire-extinguishing system. Therefore, there was a HFC-227EA consumption of 140 kg and 1859 kg in these facilities, respectively. Compared to the previous year, fugitive emissions increased by 10.38%. On the other hand, refrigerant gas leakage in the

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			chiller units reduced by 268 kg (321 tons CO2e, 1.29%) by means of the maintenance activities.
Unidentified	0	No change	Not relevant
Other	23.04	Increase	The emission factor with regards to electricity was 0.472 kg/kWh in the previous reporting period, but during this reporting period the emission factor of electricity was updated to 0.495 kg/kWh resulting in an increase of 0.23 kg/kWh. Due to this revision of the emission factor, the Scope 2 GHG emissions were increased by 97 tons.

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0000023	metric tonnes CO2e	27392	Location-based	6.04	Decrease	Yapı Kredi implemented various emission reduction initiatives during the reporting period. Detailed information about these initiatives can be found in CC3.3b. Despite the emission reduction initiatives, the gross global combined Scope 1 and 2 emissions increased due to the revision of the grid emission factor as explained in CC3.1e. Although the gross global combined Scope 1 and 2 emissions for the reporting year have increased, the intensity figure has decreased. This can be explained through the greater increase rate of the total revenue compared to the increase rate of the emissions.

CC12.3

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
5542	metric tonnes CO2e	full time equivalent (FTE) employee	5116	Location-based	5.27	Decrease	Yapı Kredi implemented various emission reduction initiatives during the reporting period. Detailed information about these initiatives can be found in CC3.3b. Despite the emission reduction initiatives, the gross global combined Scope 1 and 2 emissions increased due to the revision of the grid emission factor as explained in CC3.1e. Yapı Kredi’s

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
							greenhouse gas emissions increased by 10.07% compared to the previous year, whereas the number of employees increased by 16%. Therefore, this intensity value decreased by 5.27%.
10856	metric tonnes CO2e	square meter	25233	Location-based	10.07	Increase	Yapı Kredi implemented various emission reduction initiatives during the reporting period. Detailed information about these initiatives can be found in CC3.3b. Despite the emission reduction initiatives, the gross global combined Scope 1 and 2 emissions increased due to the revision of the grid emission factor as explained in CC3.1e. Yapı Kredi's greenhouse gas emissions increased by 10.07% compared to the previous year, since the total area remained unchanged, the intensity figure also increased by 10.07%.

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

CC13.1b

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

CC13.2

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

No

CC13.2a

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

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

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 calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	1244.42	Environmental Paper Network (EPA)	100.00%	Scope 3 greenhouse gas emissions from paper consumption have been categorized as emissions of purchased goods and services. Within the scope of this calculation, only paper consumption was taken into account due to lack of data with regards to additional sources of emissions in the "emissions from purchased goods and services” category. The calculated Scope 3 emissions are limited to the operations for which sufficient data was available. However, third party verification was not performed on this data, but in the upcoming reporting periods it is aimed to conduct third party verification for Scope 3 greenhouse gas emissions related to paper consumption.
Capital goods	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Upstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Waste generated in operations	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.

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
Business travel	Relevant, calculated	3626.28	DEFRA	30.00%	Scope 3 greenhouse gas emissions resulting from taxi usage, bus travels and air travels have been categorized as emissions from business travels. Related DEFRA emission factors were utilized for calculation of emissions caused by air travels. However, emissions from business travels by taxi and bus could not been determined due to lack of data.
Employee commuting	Relevant, calculated	8268.42	IPCC	100.00%	Scope 3 greenhouse gas emissions resulting from shuttle busses used for employee transportation have been categorized as emissions of employee commuting. Greenhouse gas emissions due to employee transportation were calculated based on the methodology of IPCC.
Upstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Downstream transportation and distribution	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Processing of sold products	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Use of sold products	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
End of life treatment of sold products	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Downstream leased assets	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Franchises	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.

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
Investments	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Other (upstream)	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.
Other (downstream)	Not relevant, calculated	0	There is no specific methodology used for this source.	100.00%	Yapı Kredi does not have such an emission source within Scope 3. Therefore, emissions from this source equal to zero. There has been no third party verification process for this source.

CC14.2

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

No third party verification or assurance

CC14.2a

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

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

CC14.3

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

No, this is our first year of estimation

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

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 engagements 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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement

CC14.4c

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

Apart from the annual Sustainability Report, Yapı Kredi currently does not engage with its stakeholders such as clients or suppliers on greenhouse gas emissions and their climate change strategies. Lack of data on greenhouse gas emissions especially on the suppliers' side decreases the value which the engagement would have in terms of developing a future climate strategy. In case of any future improvements with regards to data accessibility and possibility of cooperative climate change strategy development, Yapı Kredi may consider to engage with its stakeholders on this issue. The Responsible Procurement Policy, approved by the Board of Directors and entered into force in December 2016, constitutes a step towards further engagement with the stakeholders. Action against climate change is a priority for Yapı Kredi, so that stakeholders (including suppliers) are encouraged to reduce greenhouse gas emissions as a natural outcome of the Yapı Kredi Sustainability Principles.

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
H. Faik AÇIKALIN	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

Further Information

CDP 2017 Climate Change 2017 Information Request