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# Climate Change 2017 - ALBARAKA TÜRK KATILIM BANKASI A.Ş.

**Module: Introduction**

**Page: Introduction**

**CC0.1**

**Introduction**

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

Albaraka Turk Participation Bank, the first financial institution and the pioneer in the field of interest-free (participation) banking, completed its establishment in 1984 and commenced operations in the beginning of 1985. Albaraka Turk, in line with the principles of participation banking production and trade financing mission most efficiently activities.

Albaraka Turk was founded by Albaraka banking Group (ABG), one of the prominent groups of the Middle East, Islamic Development Bank (IDB) and a native industrial group of Turkey, which served the Turkish economy for more than half a century. As of 31.03.2016, in the partnership structure of Albaraka Turk, foreign partners are 65.98%, native partners are 9.20% and shares open to the public is 24.82%.

Albaraka Turk considers its corporate culture and vision only with a sustainable future by providing opportunities for realization of initiatives that decrease the

greenhouse gas emissions effectively. Maintaining resource efficiency with profound saving policies on the path of sustainable banking is also a primary issue for Albaraka Turk . With the vision of becoming the world's best participation bank, Albaraka Turk is aware that all activities they perform, their products and services they provide interact with the environment and aims to minimize the effects of this interaction on the climate change. As the pioneer in the field of interest free banking, we aim to take part in the industry's major players by assuming a leading role to combat climate change. The climate change management at Albaraka is considered at three levels; awareness, institutional capacity building and leadership. In 2016, Albaraka started a joint awareness and internal capacity building program in 2016 through training programs and implementation of climate change management modules within the departments of Credit Risk Management, Strategic Planning, Administrative Affairs and The Sustainability Committee that was established by the attendance of staff from those departments received various capacity building trainings to construct a road map for leadership in climate change risk management. As a result, the credit departments at the HQ as well as all 213 branches marketing loan products started giving specific consideration to sustainable energy and resource efficiency projects while embedding the risks of carbon intensive industries and other businesses threatened by the physical damage of climate change. Ultimately, we plan to set science-based targets for emission reduction in near future and adopt a carbon pricing policy while matching our reporting standards with TCFD (Task Force on Climate related Financial Disclosures) recommendations in near future.

In addition, as Albaraka we ultimately care about our own carbon footprint and other resource efficiency while planning our business operations. Our HQ building has been awarded with LEED Gold Certificate making it the first HQ building in the banking industry in Turkey.

Albaraka Turk is the member of Participation Banks Association of Turkey (TKBB) and our CEO is the Chair of the Board at the association. Based on our climate change awareness and capacity building activities, we aim at taking a leadership role in climate change at two levels. First, we are now introducing the concept to our peers at TKBB and encourage them to take a strong role in combating climate change. Second, at the global level, we aim at drawing the attention of our parent company ABG to the issue and use our experience to expand the work across all group companies. All in all, as a participation banking should regard the community interests at the highest level, we are aware that climate change is the most important sustainability threat faced by the communities we serve.

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## 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](mailto:respond@cdp.net).

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below 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

The highest level of responsibility for climate change lies within the Albaraka Turk's Board of Directors. The CEO organizes regular meetings with the staff from

departments involved with sustainability risks to assure that environmental and social issues are integrated in the decision making processes and the overall business strategy of the bank. Apart from that, The Sustainability Committee reports to the CEO regularly where the outcome of that communication is reported to the Board by the CEO regularly.

## CC1.2

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

Yes

### CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Business unit managers	Monetary reward	Emissions reduction project Energy reduction project Efficiency project	Realization of climate change related revenue opportunities is one of the key performance indicators where lines of business that focus directly on climate change and environment-related revenue streams are priority in staff evaluation. For example, Albaraka Turk Bank supports business with firms in Energy Services, Resource Efficiency and Sustainable Energy (energy efficiency, solar & wind equipment finance).

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Chief Purchasing Officer (CPO)	Other non-monetary reward	Emissions reduction project Energy reduction target Efficiency project Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	The CPO is expected to operate a procurement process based on resource efficiency criteria. For instance all purchases of paper, stationary and other resources should be evaluated with a resource efficiency and waste minimization perspective.
Risk managers	Monetary reward	Behavior change related indicator	All risk managers are expected to embed sustainability and climate change risks in risk evaluation process.
All employees	Other non-monetary reward	Emissions reduction project Emissions reduction target Efficiency target Behavior change related indicator	All employees in Albaraka Turk are encouraged to adopt a behavioral change in resource management and sustainability. They are expected to address all issues of resource management and waste minimization by developing solutions and offering innovation. Also, a new module introduced among the staff for individual GHG assessment and reductions based on an award scheme which will raise further awareness in climate change.

### Further Information

### Page: CC2. Strategy

#### CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

### CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Board or individual/sub-set of the Board or committee appointed by the Board	Turkey	> 6 years	Albaraka considers climate related risks by integrating the potential outcome of GHG sensitive business operations, especially loan decisions, into an already existing risk assessment tool. The integration is based on literature review such as identifying certain parameters of climate risks from the experience of the financial sector as well as building a learning curve within Albaraka Turk itself.

### CC2.1b

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

Climate change is a business issue for us. Banks' reputation, legal responsibilities, regulatory obligations, financial reporting, operations and supply chains can be affected. As the effects of climate change play out globally, demand for products and services to manage climate risks will also rise.

At the company level, the identification process is mainly done by the Sustainability Committee in cooperation with the Strategy Department. The identification is based on assessment of daily business operations as well as looking into a horizon of ten years for potential issues. Some reports such as CDP reporting are completed also with assistance from the consultants.

At the asset level, we regularly review the assets of the bank with a climate change

perspective during the financial disclosure process which is quarterly. A sub-report notes the issues of potential risk and opportunity for future reference while setting new business strategies for the bank.

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### **CC2.1c**

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

The risks and opportunities are prioritized by being incorporated in daily business decisions of Albaraka. Externally, the risks and opportunities are reflected on loan decisions, customer relationships and investment criteria. Project finance and all other investment risks are now also discussed within the climate change risks and opportunities perspective. Internally, Albaraka has reconsidered its business processes by incorporating climate and related sustainability issues. As a result, Albaraka has become the first bank in Turkey with a HQ building with LEED certificate, minimized its paper and water consumption via hardware and software improvements.

Potential impact and likelihood are appraised in detail for different cases of risk by a rating of 1 to 5 for 1,5 being the highest. The multiplication of rates of these two parameters give out a ranking in the priority of the issue identified.

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### **CC2.2**

#### **Is climate change integrated into your business strategy?**

Yes

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### **CC2.2a**

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

With the loan that Albaraka Bank has been granted from the World Bank, the projects that are harmful to the environment, waterways and basins and have effects to these regions have never been financed and for the all projects that are planned to be financed have been requested Environmental Impact Assessment (EIA) Reports to determine positive and negative environmental effects. Albaraka Turk Bank has continued its works to develop a corporate policy in providing finance for sustainable projects.

Accelerating its corporate social responsibility activities through a protocol signed with the Solidarity Association of Environmental Organizations (ÇEKÜD) in 2007, Albaraka Türk broadly involved itself in ÇEKÜD's reforestation project and supported the planting of the Albaraka Türk Memorial Forest. According to a report published by ÇEKÜD in 2011, of the 2,000 saplings planted in the reforestation project successfully carried out jointly by Albaraka Türk and ÇEKÜD in the Durusu district of Çatalca, 1,950 took root yielding an overall sapling survival rate that was above the national average in Turkey.

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### **CC2.2c**

#### **Does your company use an internal price on carbon?**

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

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**CC2.3**

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

Direct engagement with policy makers

**CC2.3a**

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

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	Albaraka Turk Bank has participated in the process of promoting legislation of financing energy efficiency investments as a stakeholder along with NGOs and other real sector associations.	Albaraka Turk emphasized the critical position of micro business during the discussions for the proposed legislation. Potential tax incentives to attract very small businesses into the energy efficiency innovation process was highlighted.

**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?**

Albaraka Turk targets to place itself at a trendsetting role for sustainability and climate change risk management among all other participation banks. Interest free banking prioritizes community benefits and sustainability is at the center of that with combating climate change. We assure that our feedback for all public policies focuses on that goal where shifting public policies to a level where there are sound incentives for those communities to take an active role in combating climate change while protecting their welfare.

**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?**

No

**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**

2016 is the year when Albaraka Turk decided to take action for leadership in sustainability and climate change management and set an example for all other participating banks not only in Turkey but also globally. It is true that most of the other regular banks and financial institutions are relatively early starters. Hence, an accelerated process of data collection, GHG estimation, institutional capacity building for climate change management entailed with various trainings at different levels of management including the branches have started. For us, year 2016 is also the year for taking a snapshot picture of where we have been standing in terms of climate oriented business strategy and our GHG emission inventory. The



picture became very clear in 2017 and we expect that we will set realistic and substantial targets based on that picture.

We forecast that our emissions will decrease by 5 percent from 2016 in intensity (tCO<sub>2</sub> per employee) by 2018. We also forecast that our emissions will decrease by 10 percent from 2016 in intensity of revenue (tCO<sub>2</sub> per unit revenue in TRY).

### CC3.2

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

Yes

### CC3.2a

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

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Com
Group of products	Sustainable Energy and Energy Efficiency Loans	Avoided emissions	Low Carbon Investment (LCI) Registry Taxonomy	15%	Less than or equal to 10%	Starti 2015, Albar: Turk priorit busin susta energ recou efficie Starti 2016, Albar: starte GHG emiss reduc capac those loans
		Avoided emissions				

### 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)**

No

### CC3.3d

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

The design of initiatives are still under discussion as part of our strategy and road map planning for climate change oriented business.

### Further Information

**Page: CC4. Communication**

### CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	Page 10	<a href="#">Albaraka Türk 2016 Annual Report.pdf</a>	

### 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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
International agreements	Paris Agreement, 2015 and Turkey's INDC (Intended Nationally Determined Contributions)	Increased capital cost	3 to 6 years	Indirect (Client)	Likely	High
Cap and trade schemes	Implementation of a cap and trade scheme for businesses	Increased capital cost	3 to 6 years	Indirect (Client)	Likely	High

Risk driver	Description include the bank's clients	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
Carbon taxes	Carbon tax on carbon intensive products.	Increased capital cost	3 to 6 years	Indirect (Client)	More likely than not	High
Fuel/energy taxes and regulations	New taxes on carbon could result in higher cost of fuel and energy.	Increased operational cost	3 to 6 years	Direct	More likely than not	High

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
Product efficiency regulations and standards	Turkey's Regulation on Energy Performance in Buildings came into force in December of 2008. As of May 2020, all qualifying new buildings must meet minimum design requirements for energy efficiency.	Increased operational cost	3 to 6 years	Direct	Very likely	High

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
Voluntary agreements	Standard disclosure for climate related issues will be essential for financial institutions in near future. Task Force on Climate Related Financial Disclosure is paving the way towards that goal. Albaraka Turk understands that adopting these standards is crucial for good business.	Increased operational cost	1 to 3 years	Direct	More likely than not	High

**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
Change in temperature extremes	Agro-business, water related business, logistics could be impacted severely.	Increased capital cost	3 to 6 years	Indirect (Client)	Very likely	High

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
Change in mean (average) temperature	Increase in operational cost for the bank because of cooling and heating expenses.	Increased operational cost	3 to 6 years	Direct	Very likely	High
Sea level rise	Logistics and business that depends on logistics and transportaton could be impacted severely because Turkey is surrounded by water.	Increased capital cost	>6 years	Indirect (Client)		

**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	Magnitu of impa
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Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitu of impa
Changing consumer behavior	Bank clients maybe favoring new business and banking products in line with their own climate strategy. Customers have shown a huge behavioral change with regard to switching to digital banking, and paperless e-statements. This has shone a light on the need for Albaraka Bank to stay in touch with the various expectations of its customers and any attitude to broader environmental issues.	Reduced demand for goods/services	3 to 6 years	Direct	Likely	Medium-high

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitu of impa
Fluctuating socio-economic conditions	Physical changes may force some of our customers to relocate or change their economic activities which may result in lower ability to repay. Albaraka Bank's performance is dependent on prevailing economic conditions, a depressed market reduces demand for credit and other financial products.	Inability to do business	>6 years	Direct	More likely than not	Medium-high

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitu of impa
Reputation	Over the last decade there has been a marked change in general attitude towards environmental protection and sustainability. Our inclusion on sustainability indices such as the CDP which enhance our reputation as a socially and environmentally responsible company, relies in part on how well we are managing the risks and opportunities associated with climate change	Reduced demand for goods/services	1 to 3 years	Direct	Likely	Medium-high

### 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
International agreements	Paris Agreement and Turkey's INDC (Intended Nationally Determined Contribution)	Increased demand for existing products/services	1 to 3 years	Direct	Likely
Cap and trade schemes	Implementation of cap and trade schemes in Turkey for emission reduction	Increased demand for existing products/services	3 to 6 years	Direct	Likely

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood
Renewable energy regulation	Increased demand for sustainable energy finance in the light of new regulations.	Increased demand for existing products/services	3 to 6 years	Direct	Very likely

**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	Magn of im
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Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magn of im
Change in temperature extremes	Changes in mean temperatures will create demand for new agricultural technology which requires new loan products to finance the innovation. Also, the harvest schedules are likely to change in the long term.	Increased demand for existing products/services	3 to 6 years	Direct	Very likely	Mediu high
Other physical climate opportunities	Another aspect of climate change management for the government and the business will be the adaptation to physical changes by renovating the infrastructure.	Investment opportunities	>6 years	Direct	Likely	Mediu high

**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	Magnitud of impac
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Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impac
Reputation	Demonstrating capacity as a bank that can take an active role in climate finance, adaptation finance and climate related financial disclosure.	Premium price opportunities	>6 years	Direct	Likely	Medium-high

### 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	Fri 01 Jan 2016 - Sat 31 Dec 2016	6312.5
Scope 2 (location-based)	Fri 01 Jan 2016 - Sat 31 Dec 2016	7960.8
Scope 2 (market-based)		

#### CC7.2

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

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

#### CC7.2a

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



IEA (2013). CO2 Emissions from Fuel Combustion, 2013 Edition, Highlights.  
International Energy Agency.

**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)
PFCs	IPCC Fourth Assessment Report (AR4 - 100 year)

**CC7.4**

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

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

Albaraka Turk Bank Emission Factors data is disclosed in the attached Excel spreadsheet.

**Attachments**

[albaraka\\_calculation June 19 2017.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  
6312.5

**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	The electricity in Turkey is generated in multiple locations but provided through a one-grid system to all endusers. Hence, there is one constant emission factor for grid electricity. Market based Scope 2 calculation is not possible because our contracted supplier does not convey GHG information yet.

**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
7960.8		CDP recommends dual reporting but we are unable to access supplier based emission factors. Our supplier do not convey GHG information as GHG Protocol Scope Quality Criteria requires.

**CC8.4**

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

No

**CC8.5**

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

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

**CC8.6**

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

No third party verification or assurance

**CC8.7**

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

No third party verification or assurance

**CC8.8**

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

Additional data points verified	Comment
No additional data verified	

**CC8.9**

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

No

**Further Information**

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

**CC9.1**

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

No

**CC9.2**

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

By GHG type

By activity

**CC9.2c**

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	5943.56
CH4	10.24
N2O	27.71
HFCs	28.68

**CC9.2d**

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Heating	1523.9
Vehicles	1664
Power Generators	2793.7
ACs	330.9

**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

**CC10.2**

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

By facility

**CC10.2b**

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Head Quarters (HQ)	2577.8	
Branches & Regional Management Buildings	5382.8	

### Further Information

#### Page: CC11. Energy

#### CC11.1

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

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

#### CC11.2

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

Energy type	MWh
Heat	15818
Steam	
Cooling	

#### CC11.3

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

15818

#### CC11.3a

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

Fuels	MWh
Diesel/Gas oil	13622
Natural gas	5337
Motor gasoline	508.79

#### 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
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0		

#### CC11.5

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

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
15136.41	15136.41	0	0	0	There was no produced electricity by Albaraka Turk Bank in 2015.

### Further Information

#### Page: CC12. Emissions Performance

#### CC12.1

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

This is our first year of estimation

#### CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO<sub>2</sub>e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00643	metric tonnes CO <sub>2</sub> e	2218804	Market-based		N/A	First year of estimation, hence no comparison is available yet.

#### 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
3.7600	metric tonnes CO2e	full time equivalent (FTE) employee	3796	Market-based		N/A

#### 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

##### CC13.2

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

No

#### Further Information

#### Page: CC14. Scope 3 Emissions

##### CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation

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	1310.8	Emissions factors used are based on DEFRA 2015 - Waste Disposal - Paper - closed loop	100.00%	All paper purchased by Albaraka Bank has been recorded and the average data for the CO2 missions by unit paper (tons) was used.
Capital goods	Not relevant, explanation provided				There was no major purchases of capital goods. Not relevant to the banking sector.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				Almost all of our fuel and energy related activities are included in Scope 1 and Scope 2.
Upstream transportation and distribution	Not relevant, explanation provided				As service sector, Albaraka does not have upstream transportation and distribution.

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
Waste generated in operations	Relevant, not yet calculated				Paper is the most significant waste generated by Albaraka. The purchase of paper and the related GHG emissions are included. The waste impact of paper and other paper related products such as packaging will be included later in later reporting years.



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	256.9	EPA Emission Factors for GHG Inventories, Table-7 Business Travel Emission Factors.	100.00%	All business trips by the staff paid by Albaraka Bank has been recorded. The list of flights is taken from agency and distances are defined for every flight track. They are multiplied by relevant emission factors in line with GHG Protocols.

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
Employee commuting	Relevant, not yet calculated				Some of the commuting is included in Scope 1 because the commuting is provided by the bank owned vehicles. Transportation of staff to the HQ is outsourced to a shuttle company with a contract longer than one year. The emissions stemming from outsourced transportation will be included in later reporting years.
Upstream leased assets	Not relevant, explanation provided				There are no upstream leased assets, not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Downstream transportation and distribution	Not relevant, explanation provided				There is no downstream transportation and distribution, not relevant.
Processing of sold products	Not relevant, explanation provided				Albaraka Bank does not sell products, provides services, not relevant to the banking sector.
Use of sold products	Not relevant, explanation provided				Albaraka Bank does not sell products, provides services, not relevant to the banking sector.
End of life treatment of sold products	Not relevant, explanation provided				Albaraka Bank does not sell products, provides services, not relevant to the banking sector.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Downstream leased assets	Not relevant, explanation provided				Albaraka Bank has no assets to leased , therefore it is not relevant
Franchises	Not relevant, explanation provided				Albaraka Bank does not provide any franchising activities.
Investments	Relevant, calculated				All investments were explored. No GHG emitting investment was identified.
Other (upstream)					
Other (downstream)					

**CC14.2**

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

No third party verification or assurance

**CC14.3**

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

No, this is our first year of estimation

**CC14.4**

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

Yes, our suppliers

Yes, our customers

#### CC14.4a

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

Our customers are now subject to Environmental and Social Impact Assessment for loans exceeding certain levels and for specific industries such as manufacturing and energy generation. The due diligence process for environmental and social impact include a section on the GHG aspect of the activity that moves some of our customers to consider the climate risks of their activities and manage those risks.

#### CC14.4b

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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Active engagement	17	12%	We encourage our suppliers for resource efficient and environmentally friendly products. Our procurement process indicates efficiency criteria for all goods and services.

#### 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
Mr. Melikşah Utku	General Manager	Chief Executive Officer (CEO)

#### Further Information

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



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