



# AKKEBANIK

Global Analyst &  
Investor Day 2021

ESG Strategy

January 5, 2021

# Akbank's sustainability performance at a glance

## Sustainable finance

Supporting our businesses for a more sustainable economy

### Environmental and Social Impact Assessment

for project finance & new investment loans

### Environmental and Social Management System

for SME customers

### First Green Bond

USD 50 mio issued in 2020 with c. 4 yrs maturity

### 100% of energy generation

Loans to renewables since 2016 <sup>(1)</sup>



## People & Culture

Reskilling our people for future of work

**53%**

women employees

**37%**

women executives

**24 hrs**

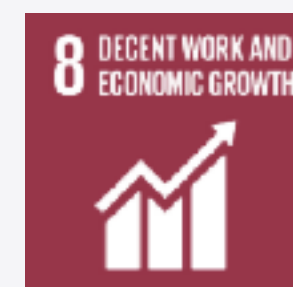
training per employee

### Women's

### Empowerment

### Principles, 30% Club

signatory



## Climate change

Reducing our impact on environment

### First company in Turkey to

- be featured in CDP 2010 Global 500 Report
- become signatory of UN Global Compact, Carbon Price Communique

### LEED Gold

Green Building Certification for Akbank's new Data Center

Clear, transparent emissions reporting & targeting since 2012



## Community investment

Creating shared value

### Long-running Arts & Culture initiatives

- Akbank Jazz Festival (30 yrs)
- Akbank Children's Theatre (48 yrs)
- Akbank Art Center (27 yrs)

### Founding sponsor of

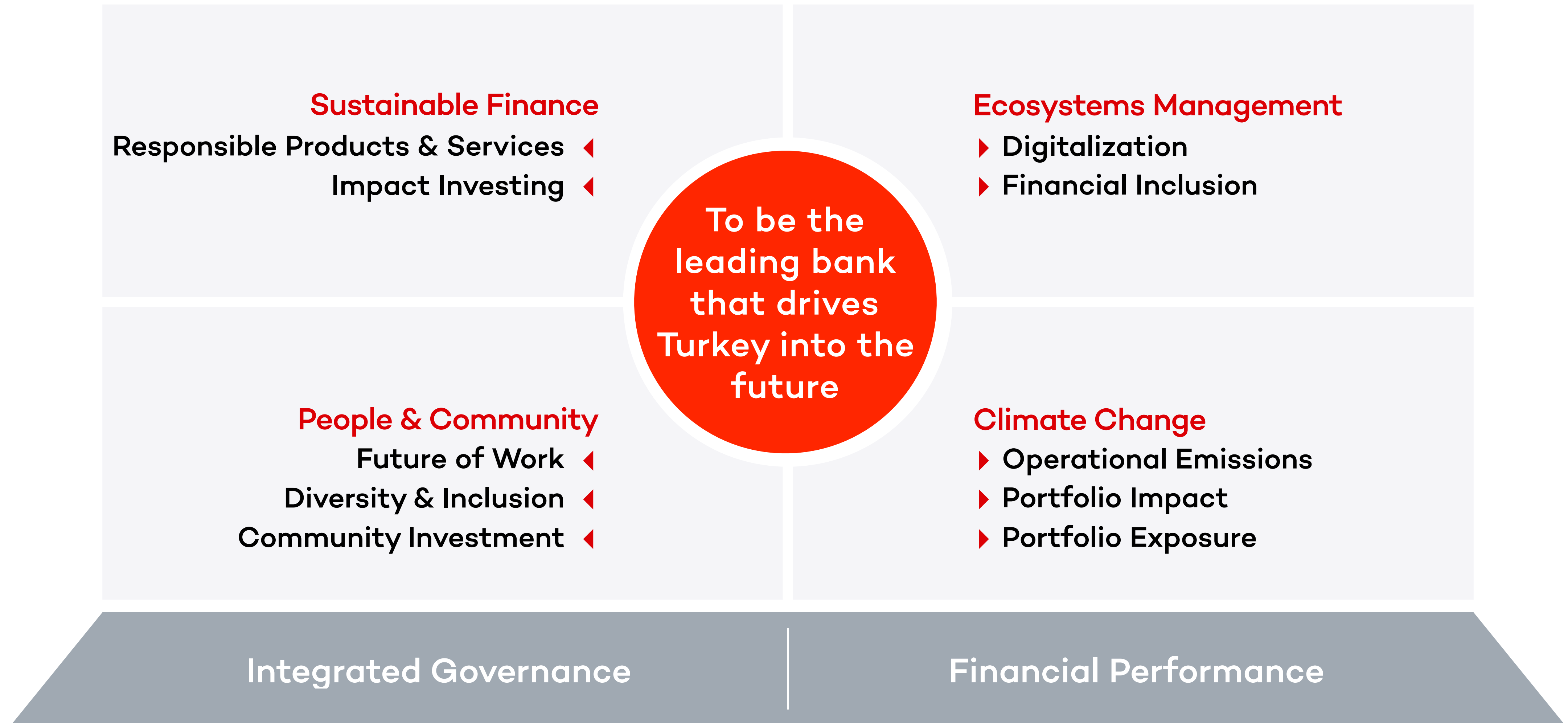
Endeavor Turkey

**+ 1K**

Akbank volunteers



# ESG Strategy: Mitigate environmental footprint while increasing positive impact



# Actionable targets for positive impact

## SUSTAINABLE FINANCE

Supporting a more sustainable economy

TL 200 bn Sustainable loan financing until 2030

TL 15 bn AuM Sustainable investment funds 2030



Increase sustainable financing secured by the bank until 2030

## ECOSYSTEMS MANAGEMENT

Enhancing businesses & financial health

Extend digital & innovative products & services



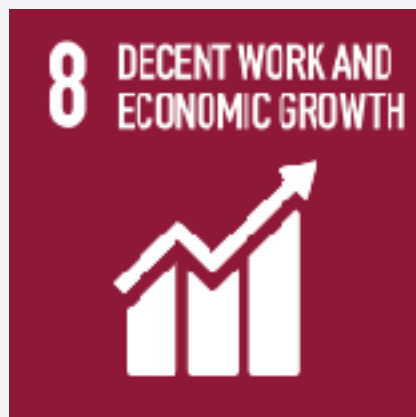
Increase number of financially empowered people

## PEOPLE & COMMUNITY

Empowering our people and communities

Improve the effectiveness of investment on our people

Increase Social Return on Investments for community investments



Enhance the effectiveness of Akbank volunteerism in community investments

## CLIMATE CHANGE

Mitigating operational emission & portfolio impact

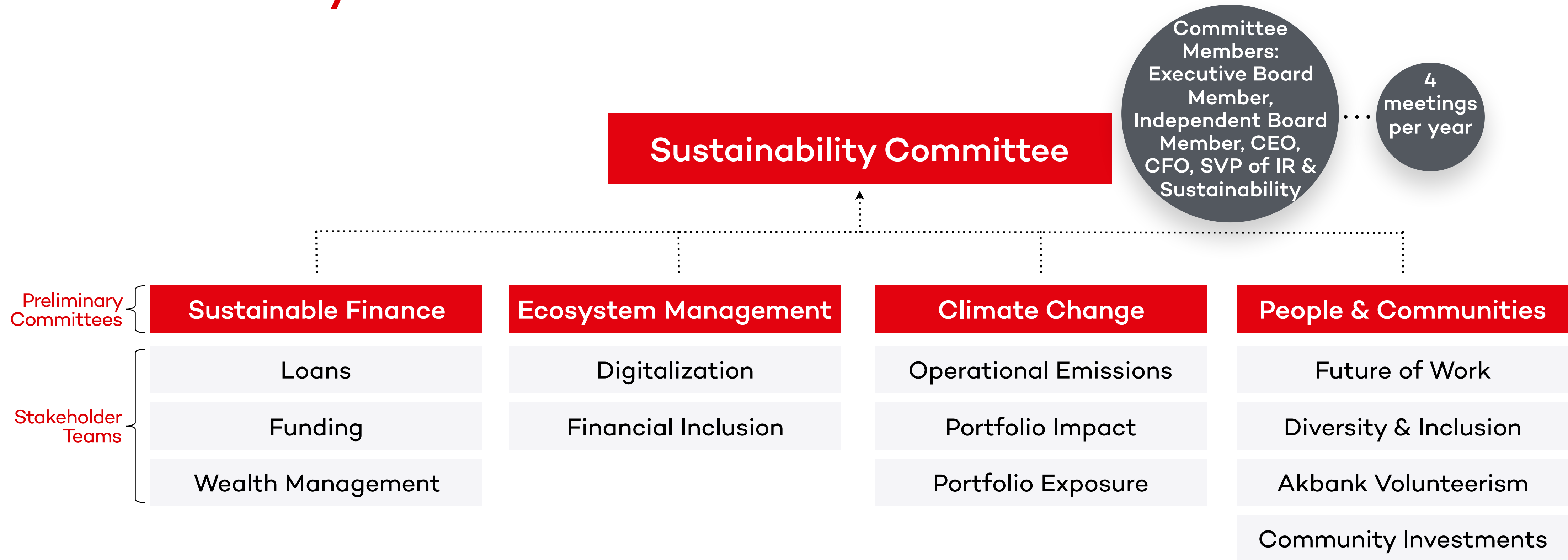
Become a carbon-neutral bank through eliminating operational emissions until 2025

Decrease impact of loan portfolio on climate change until 2030



Mitigate climate-related risks & impact on portfolio

# Sustainability Governance



## Investor Relations & Sustainability Department:

- ▶ Holistic ESG approach in coordinating bank-wide efforts to achieve shared sustainability goals
- ▶ Conducts materiality analysis to identify key issues, periodically rethinking and improving sustainability strategy

# Financial inclusion: Empowering businesses through partnerships



- ▶ HR solutions for SMEs
- ▶ Personnel & payroll management, performance evaluation analytics
- ▶ Integrated salary payment option via akbank.com



- ▶ Digital accounting solutions for micro SMEs
- ▶ Value-added offers for invoice & e-invoice management
- ▶ Online income and expense monitoring
- ▶ Payments via akbank.com

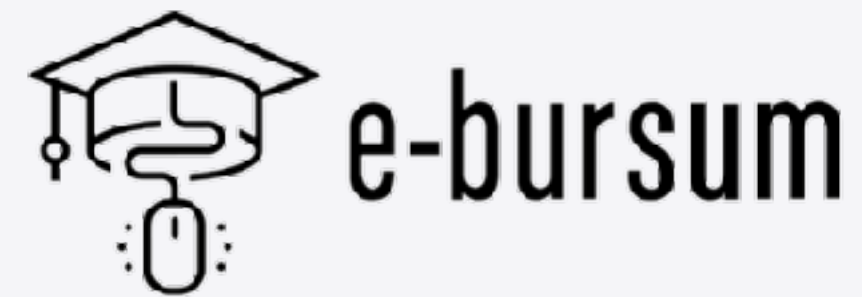


- ▶ Affordable platform to operate in online commerce
- ▶ Special offers: competitive POS commission rates, cashback, commercial installment loans with favorable interest rates

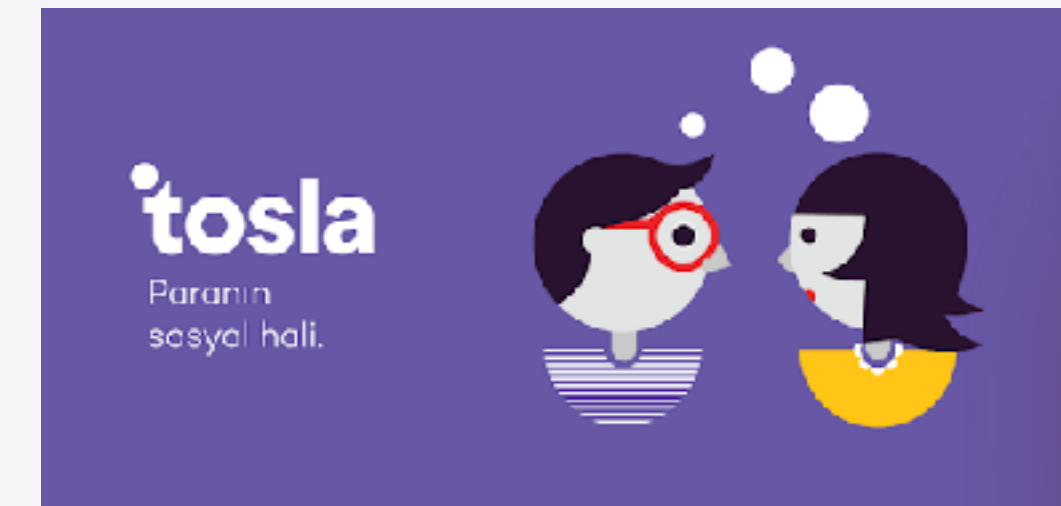
# Financial inclusion: Empowering youth (3Q20)



- ▶ Akbank FAV<sup>(1)</sup> for university students under 26
- ▶ Free membership via Akbank Mobile
- ▶ No fees for daily banking transactions
- ▶ Overdraft accounts w/ 0% interest rate for weekends
- ▶ Special discount & cashback offers for debit/credit card transactions



- ▶ Turkey's first online scholarship platform with 1.2 mio students
- ▶ Digital account opening integrated with E-bursum
- ▶ Automated Akbank FAV membership for Akbank account owners
- ▶ Online Training Platform - 6,259 students



- ▶ Mobile platform targeting young users, providing core financial services
- ▶ 24/7, free P2P transfers interactive with feeds, spend & split among friends
- ▶ Digital payments and contactless prepaid card
- ▶ Free and easy top-up & withdrawal
- ▶ Social features: find and follow friends, like, comment, engage

7 <sup>(1)</sup> Akbank FAV addresses the needs and preferences of youth through targeted products and services

# Investing in our future through culture and skills (3Q20)

## ▶ Akbank Academy

- ◉ Next-generation technology & infrastructure
- ◉ 24/7 access to online training
- ◉ 21 hrs training/employee (72% online)
- ◉ Key skills for future of work: social, cognitive and technological
- ◉ Digital trainings during remote work (713 webinars, 20,641 views)
- ◉ Diversity & inclusion trainings

## ▶ Reflection of the Future Program: personalized career training for all our people

## ▶ Centers of Excellence: specific expertise & training in 8 areas (eg. robotics process automation, design-thinking, next-gen marketing)

## ▶ Youth: Future Club, Shadow Program, Generation to Generation Project, Switch (reverse-mentorship)

## ▶ Multi-disciplinary learning culture, with programs to integrate key skills into corporate culture

## ▶ Employee satisfaction & engagement: “Employee Engagement Special Award” by Kincentric



# Akbank Youth Academy

1 Structured Training Programs	Test Quality Engineer	Cloud Technologies	Cyber Security	UI/UX Designer	Digital Marketing	Selected Groups	
	Android Developer	Data Analyst	Full Stack Developer	Uni Challenge	Case Campus		CEF
	UpSchool	Microsoft AI	Kodluyoruz	iab Turkey	Endeavor		Sabancı University
2 Mass Training Programs	Innovation 101	Analytics 101	Design 101	Digital Marketing 101	Cyber Security 101	Mass Groups	
	Entrepreneurship 101	Artificial Intelligence 101	Agile 101	Sustainability 101	Blockchain 101		
3 Complementary & Other Events, Activities	Technical Leaders Presentation	Digital Mentoring	AI/Code Challenge	Digital Internship	Sponsorship in University Club Events	Student Community Meetings	Mass & Other Groups
	Akbank Thinking Club	Trend Talks	Art Courses (Akbank Art Center)	Volunteering Conference	Virtual Career Fair	Programs with 3rd party collaborations	

# Creating shared value by investing in our communities

## Arts & Culture

- ▶ Akbank Art Center (700 events/yr)
- ▶ Akbank Jazz Festival (5K artists, 500K viewers in 30 yrs)
- ▶ Akbank Children's Theater (2 mn children in 48 yrs)
- ▶ Contemporary Art Education Program (30K in 10 yrs)
- ▶ Sakıp Sabancı Museum: Ai Weiwei, Rodin, Dali, Anish Kapoor, Marina Abramovic
- ▶ Contemporary Istanbul (reached 74K people in 2019)

## Entrepreneurship

- ▶ Founding sponsor of Endeavor Turkey
- ▶ Case Campus, ScaleUp Campus, Connect
- ▶ «Good Enterprise Cities»
- ▶ Akbank Entrepreneur Development Program (with Sabancı University)

## Education

- ▶ Center of Excellence in Finance, started online education in 2020
- ▶ Akbank Thinking Club
- ▶ Akbank Children: Heroes of the Economy
- ▶ Family-Owned Business Academy
- ▶ Computer donations (+4K computers since 2015)

## Volunteering (3Q20)

Part of who we are /  
corporate culture

Akbank Volunteers from all over  
the country

40 Ambassadors

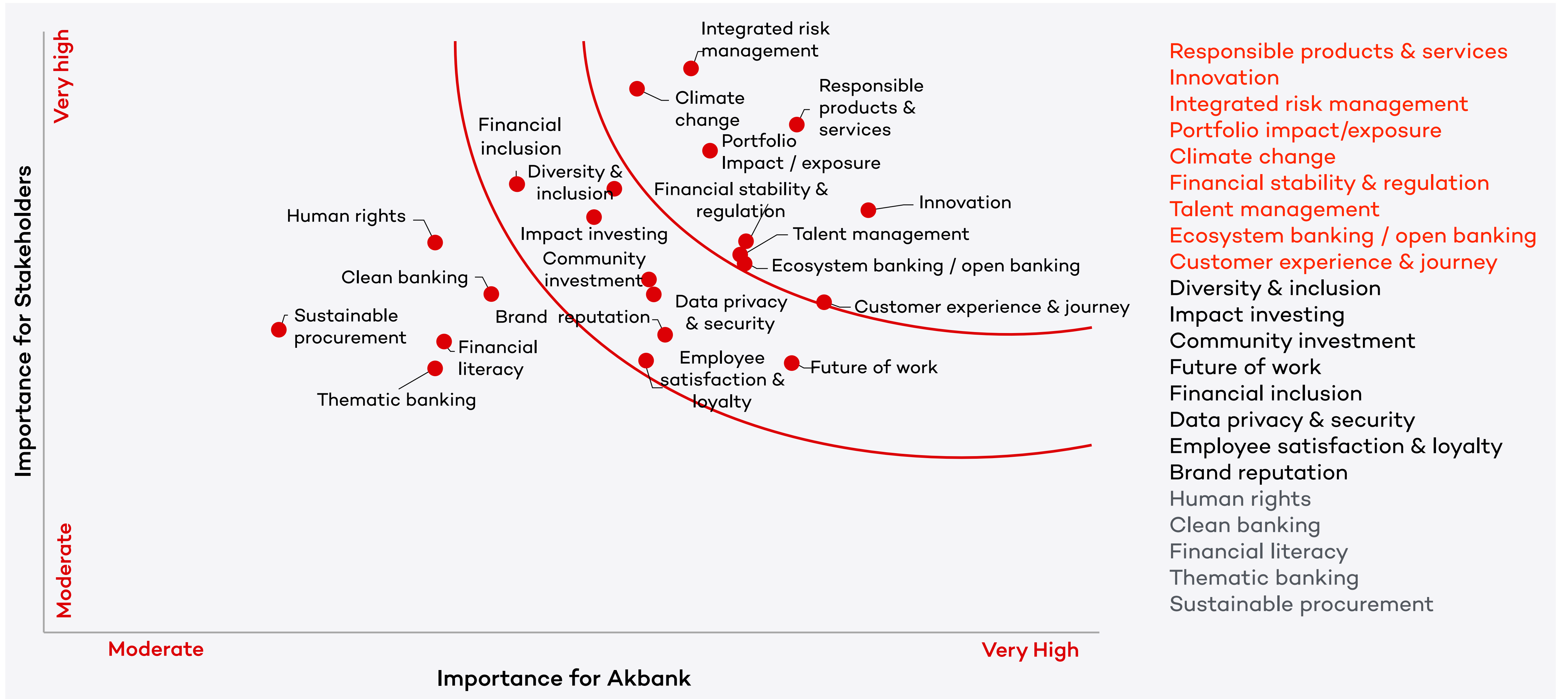
Continuous support during the  
pandemic

«Good State of the City»  
«Good State of Home»  
(6K youth working with  
16 NGOs)

**AKBANK**

## Appendix

# Materiality analysis



# Sustainable finance for a more sustainable economy (3Q20)



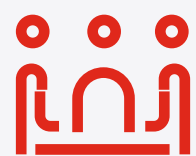
- ▶ Environmental and Social Impact Assessment for project finance and new investment loans with min. USD 10 mn and USD 50 mn total investment, respectively
- ▶ Effective Environmental and Social Management System for SME customers
- ▶ Non-financing Activities List (12 categories of economic activities)



- ▶ 100% of energy generation loans to renewables since 2016<sup>(1)</sup>
- ▶ Total share of renewable energy projects in portfolio at 75%



- ▶ Signatory of largest sustainability-linked loan deal in Turkey totaling EUR 650 mn with environmental and gender KPIs
- ▶ Issued USD 50 mn Green Bond with c. 4 yrs maturity reflecting sustainability goals
- ▶ Obtained USD 75 mn EBRD Coronavirus Solidarity Package for SMEs



- ▶ Export loan support for women entrepreneurs through competitive financing opportunities & consulting services (4Q20)

# Reducing our impact on the environment (2019)

First Turkish company to be featured in CDP 2010 Global 500 Report (founding sponsor of CDP in Turkey)



Minimizing the effect of our loan portfolio on climate change

5.8 mn tons CO2 emissions prevented by renewable projects financed

GHG Emissions reduction: Scope 1+2 emissions in-line with the intensity target set for 2020

Scope 1 & 2 Emissions dropped to 66,955 tons; intensity figure 50% percent less than 2014 base year

Reducing paper use: Digital solutions for efficient natural resource consumption

Saving 27 mn sheets of paper, ~15K trees

Energy-efficient technology & infrastructure: Data and Living Center

1.4 power usage efficiency, LEED Gold Green Building Certification

Waste disposal: Recycling-oriented waste management policy

Technological waste recycled back to economy: Toner cartridges, PCs, monitors, POS equipments

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