

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

Akbank was founded as a privately-owned commercial bank in Adana with the core objective to provide funding to local cotton growers in 1948. In 1954, after relocating its Head Office to Istanbul, the Bank rapidly expanded its branch network and had automated all banking operations by 1963.

Floated to the public in 1990, Akbank shares began trading on international markets and as an American Depository Receipt (ADR) after its secondary public offering in 1998.

Akbank's core banking activities consist of consumer, commercial and SME, corporate and private banking services as well as foreign exchange, foreign trade financing and treasury transactions. The Bank's subsidiaries provide non-banking financial services alongside capital markets and investment services. Equipped with state-of-the-art IT systems and a staff of experienced professionals, Akbank provides top quality services to an extensive portfolio of consumer and corporate banking customers.

With a strong and extensive domestic distribution network of 961 branches and 16,315 employees, Akbank operates from its Head Office in Istanbul and 23 regional directorates across Turkey. In addition to offering services through branches, the Bank's traditional delivery channel, Akbank also serves customers through its Consumer and Corporate Internet Branches, the Telephone Banking Center, 4,026 ATMs and more than 300,000 POS terminals as well as other high-tech channels.

Akbank conducts overseas operations through its subsidiaries in Germany (Akbank AG) and Dubai (Akbank Dubai Limited) as well as a branch in Malta.

Akbank renders non-banking financial services through AKSecurities, AKAssetManagement and AKLease, all of which are the Bank's subsidiaries.

OUR APPROACH TO SUSTAINABILITY

The concept of sustainability takes deeper roots in the procedures, services, and products of our Bank every passing day. Thanks to the dialogue platforms established between our stakeholders and our Bank, we receive feedback on issues material to stakeholders. In the light of such feedback we aim to continuously improve our business processes and sustainability performance. We monitor our Bank's performance by implementing our sustainability strategy and commitments both in our operations and products. With our annual Sustainability Report, we communicate our practices and performance regarding our social, environmental,

ethical and economic responsibilities parallel to the expectations of our stakeholders.

Our Sustainability Vision

Our sustainability vision is to become the leader in Turkey and one of the leading institutions in the world.

Our Sustainability Strategy

The key to achieving our sustainability vision depends on our Bank's capability to manage environmental, social, ethical, and economic; in short sustainability risks and opportunities that we see in our products, services and operations. We made a list of these risks and opportunities by performing a materiality analysis in our GRI Report. Thanks to this effort, we identified material issues that our stakeholders expect good performance from our Bank and that are required for our Bank to succeed. In other words, we created our strategy by focusing on issues that are material to both our stakeholders and our Bank.

As a bank standing on strong financial foundations and attaching importance to stakeholder relations and transparency, our strategy is to support economic growth of our country and customers, to offer products and services that improve social welfare without sacrificing our ethical and secure banking principles, and to reduce environmental impact of our activities.

0.2

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

Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Turkey

0.4

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

0.6

Modules

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

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

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

Module: Management [Investor]

Page: 1. Governance

1.1

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

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

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

In order to handle sustainability issues in a holistic manner at the senior management level, a Corporate Governance and Social Responsibility Committee (CGSRC) that directly reports to the Board of Directors was established in Akbank in 2009. In early 2012, "remuneration" task was also given to the Committee and thus its name was changed to "Corporate Governance, Remuneration and Social Responsibility Committee" (CGRSRC). In early 2013 "nominating candidates" was included in the Committee's tasks and inline with the new commercial law compliance efforts; the name was updated briefly as "Corporate Governance Committee" (CGC).

The chairman and majority of the members of the Committee are independent Board Members. The Committee is headed by Mr. Hayri ÇULHACI - Vice Chairman and Executive Board Member. CGC meets at least twice a year; however, if needed, meetings may be held more frequently. Among the items in 2012 agenda were the analysis of the Bank's current position in terms of sustainability, assessment of future steps, climate change strategies and action plan, and social responsibility projects as community investments.

The Corporate Governance Committee assumed the responsibility to improve the Bank's corporate performance in sustainability, to integrate the areas of responsibility into our decision-making mechanisms, to increase awareness among employees, and to light the way to carry out reporting in line with the international standards as per our transparency principle.

In addition to the CG Committee, Akbank International Advisory Board also adds value to our Bank's sustainability vision. Mr. Kemal Derviş, former Vice President of the World Bank (1996-2001) and President of the United Nations Development Programme (UNDP) in 2005-2009, is the Chairman of the Advisory Board. Among the Advisory Board members is Lord Nicholas Stern, acknowledged for his global climate change report entitled "Stern Review on the Economics of Climate Change". Since April 2008 Lord Stern is also the President of Grantham Research Institute that does researches on climate change and the environment.

In our Bank, Investor Relations & Sustainability Department (IRSD) is in charge of managing sustainability issues in coordination with internal and external stakeholders. In line with this purpose, a Corporate Social Responsibility Sub-group was established within the Department in 2010 and an experienced professional was assigned as a manager. In addition, a Sustainability Task Force of all business units contributing to sustainability reporting operates under the leadership of the Sustainability Manager. Sustainability is implemented in a holistic manner at our Bank by IRSD and supervised by CGC. The holistic management covers issues such as integrating environmental, social and ethical sustainability issues into our products and services with a strategic view and developing sustainability policies. An example is that our banking and procurement units internalize sustainability by integrating environmental and social elements that are defined as material issues by the Bank into their own processes and products. Environmental loans for corporate and SME customers and environmental and social criteria applied to our suppliers are the results of our policies within this category. In addition, there are various social elements handled by related units within the scope of our general business management. They cover issues such as employee performance management, employee satisfaction, customer satisfaction, and information security.

Although these elements are managed on the basis of related units, they are included in the sustainability report due to their influence on our sustainability performance. By including environmental and social factors into its "Occupational and Ethical Principles", Akbank ensured that sustainability management becomes a procedure. Thus, all of our employees are expected to comply with and adopt the mentioned principles. Our Bank continues its communication and operations with external stakeholders at various levels via the management organs mentioned above. Within the scope of this approach, our Bank plays an active role in numerous national and international associations and initiatives.

Please find the attached document to see the "Sustainability Management at Akbank" chart depicted.

1.2

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

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Board/Executive board	Recognition (non-monetary)	Board of Directors has the top level responsibility about the overall sustainability performance of the Bank.
Corporate executive team	Recognition (non-monetary)	Corporate Governance Committee (CGC) is an Executive Committee focused on sustainability directly reporting to BoD and has the ultimate goal of increasing the overall sustainability performance of the Bank. A performance related compensation model is applied to employees in Akbank. Therefore; as similar to other indicators, achievement of the sustainability related indicators will provide employees a performance related monetary compensation.
Environment/Sustainability managers	Monetary reward	Sustainability is conducted by Sustainability Team which bears managers from all relevant functions of Akbank. The management of Climate Change is of importance among the KPIs of the "Sustainability Manager" of Akbank; Particularly with CDP reporting, sustainability management & reporting, management of CDP Turkey sponsorship, and managing the Environmental Management System among Akbank supported by PE International's CDP approved SoFi software. Compensation is linked to the achievement of the KPIs, therefore there is monetary reward.
Public affairs managers	Monetary reward	In the Public Relations Department, there is a specialized group for "Sponsorships & Corporate Social Responsibility (CSR) Communication". Communicating on climate change issues, CDP, CDP Turkey-which is a sponsorship of Akbank-are of these employee's important KPIs. Compensation is linked to the achievement of the KPIs, therefore there is monetary reward.
Business unit managers	Monetary reward	Sustainability is driven in a holistic manner with the considerable efforts of Sustainability Team, which is headed by Sustainability Manager and consists of managers from all relevant functions of Akbank. Vice Presidents or Managers from following business units are in Sustainability Team: Core business units (retail, SME, commercial, corporate finance, project finance, private banking, credit cards), PR, IT, International Banking, Strategy, Credits, Purchasing, HR, Training, Operation, Architectural Works, Alternative Delivery Channels. Performance of the members are evaluated among their KPIs, therefore there is monetary reward.
Other: Branch Managers	Monetary reward	Akbank has 961 branches all around Turkey and Environmental Management System is established with the support of SoFi software. With the help of this system; it is planned to include the natural source consumptions and release of carbon emissions will be measured and monitored among all branches of Akbank. The topic is planned to be included in KPIs' for all branch managers. Eventually; monetary reward will be committed by bonus.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
All employees	Monetary reward	A performance related compensation model is applied to employees in Akbank. Therefore; as similar to other indicators, achievement of the sustainability related indicators will provide employees a performance related monetary compensation.

Attachments

[https://www.cdproject.net/sites/2013/49/449/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/1.Governance/Akbank Sustainability Management Model.docx](https://www.cdproject.net/sites/2013/49/449/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/1.Governance/Akbank%20Sustainability%20Management%20Model.docx)

Page: 2. Strategy

2.1

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

2.1a

Please provide further details

Risk Management

Basic Responsibilities

In order to be able to conduct risk management processes and utilize opportunities in an effective way, it is essential that global and local (Turkey) risks are defined and delegations and responsibilities regarding the formation, implementation and monitoring processes of policies and strategies are drawn. In this sense, the Board of Directors is primarily responsible for the establishment and operation of an efficient risk management system throughout Akbank. The Board performs necessary actions to ensure that the Bank's basic approach to risks, risk policies, risk-taking levels are decided and updated, as well as to make sure that risk measurement, monitoring and reporting systems are created.

Significant risks & opportunities from climate change are traced in multiple channels in Akbank and mainly evaluated by the Corporate Governance Committee (CGC) and the Board of Directors (BoD) if necessary. Akbank's International Advisory Board (IAB) is a value adding asset with this respect. IAB members are

globally well-known leaders some of whom are Lord Nicholas Stern, Kemal Derviş (Chairman) - Former Executive Head of UNDP. CGC and IAB meet at least twice a year and BoD meets at least 12 times a year, nearly monthly.

Corporate Social Responsibility Manager under the Investor Relations and Sustainability Department conducts relevant tasks and briefs/escalates the issues to the CG Committee, when necessary. The relevant personnel of the Investor Relations and Sustainability Department frequently attend relevant national & international meetings & trainings in order to be updated about recent developments and to track risks & opportunities. Also, Akbank cares to develop and sustain close relationships with its stakeholders. Stakeholder expectations & materiality issues analysis are made periodically. Findings are evaluated by Investor Relations and Sustainability and Corporate Communications divisions to determine the opportunities and risks.

Audit Committee and Executive Risk Committee established within the Board of Directors assist in fulfilling and monitoring responsibilities (Both meet quarterly). Risk Management, Internal Control and Internal Audit units that report directly to the Board are responsible for coordination and assessment in achieving the expected efficiency.

Besides, all units of the Bank are responsible for compliance with policies and strategies drawn by the Board, identification of risks related to their own areas of operation, management of such risks, and taking necessary actions to keep the risks at the minimum level.

Basic Approach

Foreseeing risks and managing them with a professional proficiency have been one of the most prominent superiorities in Akbank's corporate culture since the establishment of the bank. This prudent and visionary approach towards risk-taking also complies with our long-term banking strategies.

The Bank's overall risk strategy is to efficiently manage all risks within the bank's risk profile by prioritizing them from the viewpoint of materiality. Risk is one of the material issues to be considered in decisions regarding business continuity, credit, reputation and regulation.

Risk Policies and Practices

The Bank's risk policies are identified in relation to our long-term strategies and targets as well as to the quality and volume of activities. Risk policies aim to analyze and monitor the risk within appropriate limits and thus include efforts to identify, measure, consolidate, and manage the risk.

Risk Categories

All the risk categories related with the activities of the Bank are identified and defined under coordination of the Risk Management Division and approved by the Board of Directors. Risk categories and definitions are reviewed regularly and updated if deemed necessary.

All Bank employees evaluate the risks they may be exposed to during their own activities and take all required actions or ensure that such actions are taken based upon the results of these evaluations. Bank employees are trained with this respect regularly.

Risk Measurement and Reporting

Executive Risk Committee identifies models to be used in measuring risks for financial risks (e.g. credit risk, market risk) and determines methods and procedures for the management of non-financial risks (e.g. reputation risk). "Expected loss", "Unexpected loss" and "Expected loss under stress" metrics related with the financial risks are calculated the Risk Management Department.

With its qualified and well-equipped staff, the Risk Management Dept. follows regulations & best practices and updates the models to contribute to development of the risk management system.

Risk Limits and Limit Management

Risk limits at employee, unit, bank or group are determined and monitored for purpose of effective risk management and control. Risk limits are determined for different risk categories and they are approved by the Board of Directors. Risk limits are reviewed using scenario analyses, stress tests, and evaluations of related units; updates are performed when deemed necessary.

Regulatory changes and risks are scanned and notified by Legal & Compliance Department to IFC Social and Environmental Management System (SEMS) Team. Credit risks are evaluated by IFC SEMS Team and Credit Risk Committee if relevant.

In the management of operational risks, methods such as control mechanisms, emergency planning, and insurance are employed in addition to the limitation mechanism. Risk Management department, Head of Internal Control, and Board of Internal Auditors cooperate for risk management. Reputation risk is handled as a significant risk in terms of sustainability and all Bank employees, notably the Board of Directors are held responsible for the management of this risk. Strategy and business risks are managed by the Board and the Asset-Liability Committee. In addition to risks identified for existing products and activities, risks that may arise from development of new products and services and that may affect the Bank's overall processes are also evaluated.

Apart from these; Risk Management Dept. systematically identifies risks. Risk mapping including disasters are conducted. Risks including a number of climate change risks are in our Disaster Recovery (DR) plans. Keeping the DR plans updated is DR Committee's responsibility. Committee is headed by the Operations Executive Vice President (EVP), the members of the committee are IT, HR, Corporate Communications and Support Services EVPs and Head of Internal Audit. The DR Committee meets quarterly to discuss the agenda. In those meetings, the aim is to improve the Business Continuity Plans (BCP). In addition to this, on the audit side, those topics are included in the ordinary annual audit plan. Contingency plans for climate change related risks, business continuity and disaster recovery management systems are audited. Beyond national legislation, international standards like BS 25999 standards by British Continuity Institute (BCI) and frameworks like COBIT and ITIL are taken into consideration in the audit processes.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes

Based upon our principle of ethical and reliable banking, our sustainability vision is to be a bank with strong financial foundations having respect for the environment, keeping community investment at high levels and attaching importance to stakeholder relations and transparency. This vision guides our Bank in our sustainability strategies and practices.

In Akbank, Corporate Governance Committee (CGC) on behalf of the Board of Directors has the highest level of responsibility for climate change in Akbank.

The CG Committee meets at least twice annually, if necessary can meet unlimited times. In addition to meetings, particularly Investor Relations and Sustainability Department reports, informs, asks for steering in line with the recent developments through the internal reporting mechanism.

Investor Relations and Sustainability Department is the main responsible department and organizes the relevant climate change activities in accordance with the Bank's strategy and with the internal and external parties. A full time manager is employed in charge of Corporate Social Responsibility.

Akbank cares to develop and sustain close relationships with all its stakeholders. Stakeholder expectations & materiality issues analysis are made periodically. Findings are evaluated mainly by the Investor Relations and Sustainability and Corporate Communications divisions to determine the opportunities and risks. Besides, relevant core business units (International Banking, Credits, SME Banking, etc.) detect the possible risks and opportunities on Climate Change.

In 2010, we established IFC Social and Environmental Management System (SEMS) within the frame of our IFC credit commitments.

Corporate Social Responsibility projects are conducted in cooperation with various national and international organizations. With the help of all data gathered from various sources, our short term and long term business strategies are updated and steered with these inputs.

We have a long term strategy supported by short term achievements and strategies. We arrange sponsorships, communication activities and report about them. We manage to introduce new investment funds and trace international funds that have favourable conditions for our customers, developing new products and integrating new technologies. These also put Akbank in a competitive position.

Substantial business decisions are made that can drive business strategy during the reporting year on above mentioned topics but as we are pioneering in Turkey, we are disclosing our strategies in only sufficient detail in some respects in order not to lose our competitive advantage.

2.2b

Please explain why not

2.3

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

Direct engagement
Trade associations

Other

2.3a

On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Cap and trade	Support	Carbon Price Communique: Akbank became one of the first companies in the world to be a signatory to the “Carbon Price Communique”, drafted by the Prince of Wales’s Corporate Leaders Group on Climate Change that support the goal for a cleaner world and calls for the need to develop a clear carbon emission pricing policy.	We support to have a legislation
Climate finance	Support	Akbank involved in a project driven by European Bank for Reconstruction & Development (EBRD) aiming to support carbon finance. Akbank & EBRD fosters the lenders’ intention and develops their capacity to acquire carbon credits. Akbank also finances the relevant efforts the lenders.	We support to have a legislation
Other: CDP	Support	Akbank has been sponsoring CDP Turkey until 2009. CDP Turkey significantly raise the awareness and the measurement efforts of the environmental footprint among Turkey. Besides Akbank supports CDP by sponsoring the launch events of the CDP Turkey Annual Reports. Akbank also announces its support to CDP by media in every occasions.	We support to have a legislation
Other: Sustainable Finance	Support	Akbank has a member in the Turkish Banks Association (TBA)’s Sustainable Banking Team. Akbank supports the activities with its accumulated experiences to develop the capacities of the all banks and raise the bar.	We support to have a legislation
Other: United Nations Global Compact	Support	Akbank is the first signatory of the UNGC among the Turkish banks (2007) and actively supports the UNGC’s activities.	We support to have a legislation

2.3b

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

No

2.3c

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?
-------------------	--	---	--

2.3d

Do you publically disclose a list of all the research organizations that you fund?

2.3e

Do you fund any research organizations to produce public work on climate change?

2.3f

Please describe the work and how it aligns with your own strategy on climate change

2.3g

Please provide details of the other engagement activities that you undertake

Akbank sponsors CDP Turkey. With this occasion known extensively and has access to many parties in the Turkish sustainability community. Akbank can share its opinions with the community leaders and gather their opinions on climate change issues.

2.3h

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?

To conduct the climate change strategy to our overall strategy the top level of the organization -Board of Directors (BoD)- is responsible and specialized Corporate Governance Committee (CGC) executes the sustainability within the Bank and directly reports to BoD.

Under CGC; Investor Relations and Sustainability Department is main responsible for coordinating the sustainability among all functions. Sustainability Manager leads the Sustainability Team which has members from all functions. With the help of Sustainability Team; the strategy which was developed according to these risks and opportunities is implemented and traced in all functions in a holistic manner. Establishment of Social & Environmental Management Systems in the credit lines, energy efficiency efforts in the buildings and services, Sustainability Trainings for employees, paper consumption reduction activities in the operations, insurance for the physical risks, efforts for business continuity & information security are of some examples of the business processes conducted in a holistic manner to prevent the negative direct and indirect effects.

Beyond prevention from negative direct and indirect effects of climate change, our strategy covers to benefit from the opportunities stemmed from climate change. Developing new products; such as energy efficiency loans, savings from energy efficiency activities, getting advantageous on purpose loans from international creditors and increasing market penetration or profit increasing brand & stock value are of some examples to catch the opportunities.

Akbank leads the change as much as possible within this frame and therefore took the following concrete steps since 2007:

- Established Corporate Governance Committee (CGC) which has 3 members and is directly reporting to Board of Directors (BoD),
- The first signatory Turkish bank of the United Nations Global Compact (UNGC) (2007)
- Updated the Codes of Conduct with social and environmental aspects,
- Established Investor Relations & Sustainability Department,
- First reporter of United Nations Global Compact supporter and Communications on Progress among Turkish banks,
- Published the first GRI based Sustainability Report among deposit banks in Turkey,
- Sponsored Carbon Disclosure Project (CDP) in 2009 to be started in Turkey,
- Reported to CDP and calculated its Carbon footprint,
- Beyond being the first and only bank in CDP 2010 Global 500 report, was recognized as “leader in its sector” with its significant score of 81,
- Updated its credit policy in line with social and environmental aspects, in addition established IFC Social and Environmental Management System (IFC SEMS),
- Updated its purchasing policy in line with social and environmental aspects in line with UNGC principles.
- Akbank developed tailor-made in-class & e-learning Sustainability Trainings for all levels of its employees. A reflection of its belief that sustainability needs organizational commitment and internalization of sustainability.

2.3i

Please explain why you do not engage with policy makers

Page: 3. Targets and Initiatives

3.1

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

Absolute and intensity targets

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
T1+2	Scope 1+2	93.5%	13.1%	2010	59261	2012	Akbank committed to reduce its carbon emissions by %6.5 until to the end of 2012 by emissions reduction activities such as improving the lighting, heating & cooling systems and isolation on the heating line valves in some of its branches, where efficient. Consultancy service from a proficient firm has been taken in 2010 and energy efficiency monitoring and auditing visits were realized. Projections were prepared and improvement items were determined according to these visits. Dissemination of sustainability training programme among relevant branch personnel was performed for awareness raising. With planned investment, Akbank achieved its targets on Carbon emission mitigation. As Akbank is operating in an emerging market with a high growth target, the total energy consumption can rise in the coming years. The effect of Akbank's real growth in assets (new branches, ATMs, etc.) on aggregate energy consumption is excluded while determining the reduction target. So far beyond our commitment; we realized a mitigation of 13.1% even though the huge growth in assets by 63.5% is included.

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
12-i1	Scope 1+2	88.6%	1%	Other: tCO2e Emissions per mio TL asset	2012	0.33	2013	Akbank achieved its current target and this is a new target set for the next year. Akbank operates in an emerging market and has a high growth and expansion plan. Akbank targets to mitigate its emissions by excluding the affect of its growth, therefore we planned to set our target mass carbon emissions per assets. At the end of FY 2012 Carbon emissions per mio assets is 0.33 (51,523 metric tons CO2e / TRY 155,854 million assets = 0.33). Akbank plans to decrease this intensity figure 1% until the end of FY 2013 by emissions reduction activities.

3.1c

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
12-i1	Decrease	1	No change	0	Akbank achieved its current target and this is a new target set for the next year. Akbank operates in an emerging market and has a high growth and expansion plan. Akbank targets to mitigate its emissions by excluding the affect of its growth, therefore we planned to set our target mass carbon emissions per assets. At the end of FY 2012 Carbon emissions per mio assets is 0.33 (51,523 metric tons CO2e / TRY 155,854 million assets = 0.33). Akbank plans to decrease this intensity figure 1% until the end of FY 2013 by emissions reduction activities. For Scope 3 emissions we target to keep it as it is.

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
T1+2	100%	100%	Akbank committed to reduce its carbon emissions by %6.5 until to the end of 2012 by emissions reduction activities such as improving the lighting, heating & cooling systems and isolation on the heating line valves in some of its branches, where efficient. So far beyond our commitment; we realized a mitigation of 13.1% even though the huge growth in assets by 63.5% is included.

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

Alternative Distribution Channels

Akbank is fostering electronic banking for its customers and its Alternative Distribution Channels (ADC) are becoming more & more developed and diversified. With the state of the art technology Akbank is providing internet banking, mobile banking, SMS Banking, etc. One purpose of these is to help our customers to avoid emissions by quickly responding to their financial needs. Akbank's wide range of channels, and its diversity of functions, ensures that more than 12.000.000 customers annually receive their banking services from the ADCs.

Akbank offers ADC users various advantages both in pricing and in procurement process. With this approach, the Bank launched alternative loan channels such as

MobileLoan, WebLoan, smsLoan and ATMLoan which are groundbreaking, pioneering applications in the sector such as time deposit with special pricing. Akbank Internet Banking serves 13% of Turkey's active internet banking users. 11% of the money transfers in the sector are carried out through Akbank Internet Banking.

Mobile Banking

Mobile banking, in which we render services through the Mobile Banking Branch, SMS Branch, wap.akbank.com.tr platforms and Send Money Application, is one of Akbank's most rapidly growing ADCs. The SMS Branch, from which 1.000.000 active customers receive services, enables our customers to obtain information and balance data regarding their accounts and credit cards in a fast and easy way, and therefore lifts the operational weight these transactions put on our conventional channels. Also, the increase in the use of the SMS Branch makes an important contribution to the charge revenues obtained from ADCs. The aim of the Mobile Banking Branch, which began operations at the end of 2008, is to bring the full range of services offered to our customers at the internet platform to the mobile platform. We launched Send Money application - a mobile banking application that will allow money transfers at anytime to anywhere when needed in 20 seconds. Through the application, Akbank customers can transfer money conveniently to an account or to a credit card or to an Akbank ATM. It's one of the easiest money transfer services in the world and it's the first money transfer application in Turkey where transactions are handled through an application downloaded to mobile phones. Our customers can send money via all operators (Turkcell, Vodafone, Avea). Send Money serves not only our customers but also the unbanked in Turkey. Besides our Mobile Banking Branch and sms Branch we have 6 financial and non financial mobile applications designed for various mobile devices. Non customers may also use these applications whenever or wherever they need. Our investments to enrich the functionality of the Mobile Branch, which provides our customers with the most-needed services (money transfers, data and balance queries, foreign currency transactions, payment transactions), continue. One of the channels Akbank adapted to the 3G infrastructure was placed in service in 2009; wap.akbank.com.tr features Turkey's first avatar application for finance and the first location service with a map in the mobile environment. Through the "Closest Akbank" application, visitors are able to see the Akbank ATM/BTMs and branches on a map on their mobile.

Akbank Telephone Banking, which is done through one of the largest call centers in the sector, receives over 3.500.000 calls monthly. Our Telephone Banking channel, used by more than 5.000.000 customers annually, has started to offer visual service over the 444 25 25 Video Phone Branch, with the advent of the 3G technology.

Akbank ATMs and BTMs that make instant money depositing possible comprise one of the most widespread ATM networks in Turkey, with a total of 4.026 units. In Akbank, 88% of all cash withdrawal and 64% of all cash deposit transactions take place through ATMs&BTMs.

Akbank ATMs&BTMs are part of Turkey's ATM sharing platform, so they are at the service for all credit or debit card holders in Turkey in addition to Akbank customers. For detailed info please visit "Direct Banking" website from <http://www.akbank.com>.

While developing and offering services that add value to our customers in every segment, we, as Akbank, also take sustainability issues into consideration. Among current examples of such services and approaches are environment-focused project finance and loans offered to our customers; advantageous SME loans provided to facilitate access to financial services; "Direct Banking" services that we offer via our widespread network of branches and ATMs; business development meetings for SMEs; consumer banking practices to improve financial literacy; and Akbank Environmental and Social Policies applied to project finance loans.

With "New Product Development Group", our Bank aims to offer innovative solutions that meets ever-changing product and service needs of customers from every segment and thus, to increase customer satisfaction and loyalty to our Bank. The success of our efforts in 2012 reinforced by the following reputable global awards on Alternative Delivery Channels such as "Retail Banker International Awards" on CRM, "Global Finance" The Best Information Security Initiatives in Europe, "Stevie International Business Awards" CRM Project Geocode, "IMI Conferences" 'The Most Commendable Call Center Agent' and 'The Most Commendable Customer Management in Social Media' Awards.

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	2	550
Implementation commenced*	2	100
Implemented*	4	1500
Not to be implemented		

3.3b

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)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Low carbon energy purchase	Akbank has a widespread branch network of 961 all around Turkey and our Bank is voluntarily transferring its energy purchase from Public Producer to a	42	30240	140	<1 year

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
	low carbon energy autoproducer in Turkey named EnerjiSA. At the beginning of 2010, 45 of its branches were using low carbon energy and at the end of 2011 and 2012; 774 and 788 of its branches were purchasing low carbon energy from EnerjiSA respectively. Akbank will keep efforts to transfer all energy electricity consumption to low carbon energy and those transfers will be permanent (endless lifetime)				
Energy efficiency: Building services	Actions such as isolation, usage of energy efficient equipments to improve energy efficiency were taken at Akbank premises	450	25000	55000	1-3 years
Transportation: fleet	Akbank bought 134 new cars for its fleets and more energy efficient vehicles are preferred even these cars are more expensive.	1000	827000	70000	<1 year
Behavioral change	Akbank developed and performed e-learning and in-class Sustainability Trainings for its employees all around Turkey. These trainings raises the awareness on efficient use of energy and consequently causes a behavioral change.	500	158400	111500	<1 year

3.3c

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

Method	Comment
Dedicated budget for energy efficiency	Particularly, our CSR Sub-Group, Architectural Works Office, IT Departments are trying to achieve energy efficiency with planning and implementation efforts.
Employee engagement	Raising awareness activities (trainings, conferences for employees) are realized in Akbank.
Financial optimization calculations	A CDP Certified software solution is bought and a project is started to conduct Akbank Environmental Management System via this software.
Internal incentives/recognition programs	Monetary based performance evaluations are available for relevant employees in charge of related (CSR) issues. Incentives for branches is planned to be implemented by the help of Akbank Environmental Management System for Carbon intensity targets.

3.3d

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

Page: 4. Communication

4.1

Have you published information about your company'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	Page/Section reference	Attach the document
In voluntary communications (complete)	Akbank Sustainability Report 2012 - Our Operations and the Environment (pgs.78-86)	https://www.cdproject.net/sites/2013/49/449/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Akbank_SustainabilityReport_English_2012_FINAL.pdf
In voluntary communications (complete)	List of CDP Press communication	https://www.cdproject.net/sites/2013/49/449/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Carbon Disclosure Projet (CDP) News List 2012.xls
In voluntary communications (complete)	Akbank Annual Report 2012 - Separators & pg.78 Rules of Ethics and Social Responsibility	https://www.cdproject.net/sites/2013/49/449/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/AKB_FRAE_2012_26-04-2012.pdf
In voluntary communications (complete)	Akbank Annual Report 2011 See further information	https://www.cdproject.net/sites/2013/49/449/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/AKB_FRAE_2011.pdf

Further Information

In our Akbank Sustainability Reports in GRI standards Akbank's response to climate change and GHG emissions performance is published particularly at Sustainability Management and Our Operations and the Environment chapters.

About the list of voluntary CDP Press communication:

Akbank is putting great importance on Carbon Disclosure Project and sponsoring it in Turkey. Besides, Akbank is doing voluntary communication about CDP Global and CDP Turkey. In some of them we are informing about emission reduction activities and energy savings. Please find the attached list of national and international wide press coverage in "CDP Press Coverage with hyperlinks.xlsx" document. As we are frequently trying to communicate on CDP, we are providing a list of news with hyperlinks to news' snapshots and details.

We also communicate on CDP via our Annual Reports. Even though our results are not disclosed in Annual Report, the importance of we gave to CDP is emphasized. (Annual Report - AR 2011 Message from Chairman pg 5., Separator with quotation from Deputy CEO pgs31-32)

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) 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

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
RR1	Uncertainty surrounding new regulation	A new national regulation which encompasses energy-intensive industries (such as electricity production companies and petrochemicals) to report their GHG emission rates under internationally accepted standards was published. The regulation requires companies in such industries to report their emission rates on a yearly-basis commencing from 2016. Currently, in short term, this does not pose a direct risk as Akbank is in the financial services industry but newer regulations which encompass non-production oriented industries to report their emission rates are expected to be published in the short-term. Akbank, however, may be indirectly affected as its customers (some in energy-intensive industries) may have higher operational costs as a result of shifting production processes or updating technologies to support lower levels of GHG emissions resulting in a possible loss of business for Akbank. Another example as an indirect adverse effect on Akbank can be risk of late paybacks or payback risks for the creditors that will failure and affected due to the new regulation.	Increased operational cost	1-5 years	Indirect (Client)	Virtually certain	Medium-high
RR2	International agreements	If Turkey's accession process into the European Union continues, the EU may impose national regulations regarding GHG emission reduction targets for Turkey. Adaptation to EU legislation will have an important impact on regulations and business processes as achieving targets (such as lowering carbon emission rates etc.) in a short time-frame (5 years) may cause businesses to shift or utilize expensive processes to reach targets. Inability of attaining targets may lead to penal fees, costly carbon taxes and companies within energy-intensive sectors may have higher operational costs as a result. Companies that are in the services sector like Akbank may also be required to pledge to take actions to mitigate their effects of GHG emissions etc.	Increased operational cost	1-5 years	Direct	Very likely	High
RR3	International agreements	As a country striving to make progress and attempting to align itself with developed countries, Turkey has ratified the Kyoto Protocol. However, Turkey's uncertain position on commitments for the treaty (such as GHG emission reduction	Reduced demand for goods/services	6-10 years	Direct	Very likely	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		regulations) and its anticipated involvement in cap and trade schemes in short term will almost certainly require changes within Turkey's national regulations which may impact Akbank's ability to obtain international funds from banks which require certain international regulations to be met or companies to apply to Akbank for loans as the Bank itself may need to impose such standards, if they are not met in the allocated time frame. As a cost, this may cause loss of business therefore affecting profitability of Akbank.					
RR4	Cap and trade schemes	Cap and trade schemes that focus on energy-intense sectors as a first step will likely be implemented to act as support for Turkey to fulfill its pledges to meet international emissions reduction targets which are expected to be passed in the near future (2-5 years). As a Bank, we will experience an indirect effect if our clients become adversely affected from a financial position due to these cap and schemes. It is hard to foresee the cost at the moment.	Increased operational cost	1-5 years	Indirect (Client)	Very likely	Medium-high

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions

RR1: (i) There are no sufficient national regulations on climate change incorporating all sectors in Turkey. However, a new national regulation requires companies in energy-intense industries to report their emission rates on a yearly-basis from 2016. Because this regulation is geared towards production-based companies, Akbank does not face direct risks. However, Akbank may be indirectly affected as some of our customers in energy-intense industries may have higher operational costs or loss of business due to new regulations. The possibility of shifting production processes or updating technologies to support lower levels of GHG emissions may result in higher costs for our clients leading them to make cut-backs. Inability to meet these requirements may cause compliance penalties and reputational losses leading to loss in customers and profitability. Since the Bank is not immediately/directly affected we are unable to estimate the costs associated with this risk. Though we don't face an immediate risk (1 year) we could expect regulatory risks in the short to mid term (2-6 years).

(ii) Akbank (Operations Department) regularly follows legislation on climate change, assessing the risk and auditing the process of risk assessment, being aware of developments on a national/international level, attending relevant meetings and holding relevant memberships (Carbon Disclosure Project, etc).

(iii) As a bank, the costs associated with actions taken are considerably less than compared to a production-based company. The cost is particularly determined by tracking the upcoming and implemented regulation, involvement in the regulation development process and by planning the actions. Therefore; the cost is person days of the relevant employees which is not disclosed as our privacy policy on remuneration.

RR2, RR3: (i) As an emerging country trying to achieve sustainable development; we are on our way to major regulatory changes (2-10 years). While requirements (national, international) remain unclear, everyone is likely to be affected. Regulations targeting reductions in the use of electricity may greatly affect us. With our wide branch network and large employee structure electricity consumption is an essential part of our company. Due to our size we heavily depend on electricity so a hike in costs would directly cause our operational costs, which make up a large sum of our costs, to rise. Another part of the anticipated regulatory requirements which could have an impact on us are in terms of lending criteria. To comply by these standards we need to lend to environmentally aware businesses. Also, we may be denied loans if we are unable to satisfy terms expected by international banks for international funding. It is difficult to make an estimation of how large our financial losses would be.

(ii - iii) In 2011 we opened the environmentally friendly Akbank Banking Center, achieving savings in electricity. Currently, all applicable branches are being fitted with new infrastructure for remote measuring and monitoring of electricity consumption (some errors of the systems will be fixed until the end of 2014). We are continuing to revise mechanical automation of the heating, ventilating and air conditioning system in branches (first operations began in final quarter of 2010: 26 new branches in 2010, 36 new branches in 2011). We renewed mechanical automation systems of 150 branches in 2011. It is targeted to build same systems to additional 150 branches until the end of 2013. Approximately 3.942.000 TL savings is achieved in 2012 in electricity.

With virtualization technology in data centers we saved 6,52 GWh of energy and 1,25 mio TL of energy cost in 2012. We also saved more fuels in cash operations through efficient route planning creating 11% additional increase in efficiency from last year and 0.11 liters less fuel consumption per transaction (saved 83 thousand liters/year of fuel and appr. 300.000 TL). We are relying more on video conferencing and telepresence for calls. The average time spent via telepresence calls is 188 hours/month, the room is occupied almost full for all working hours. Akbank has also significantly reduced the amount of paper-consumption by switching to paperless banking transactions. In 2011, we recruited "Loan Analysis Supervisors" to evaluate all risks and to improve the process of loan application for loans that require approval at the Credit Committee and BoD. We are subjecting project finance loans (> USD 50 million with terms > 5-years) to the Akbank Environmental and Social Policies. All customers benefitting from our loans financed by international financial institutions are expected to comply by these criteria set as prerequisites by these institutions. The loans we offer our customers through the EBRD finances renewable energy/energy saving projects. Identification and mitigation of environmental and social impacts projects may have in the related region are criteria of the loan. Compliance with requirements of national environmental, health and safety legislation as well as with EBRD's environmental and social performance criteria is sought. EBRD offers independent project consultancy to our customers to enable compliance with criteria. Within the scope of the IFC agreement signed in 2010, we established the Akbank Social & Environmental Management System (SEMS). This system is based upon IFC's performance standards and is developed for identifying, evaluating and managing social and environmental risks of projects of SME and corporate customers that we finance with IFC loans.

RR4: (i) The Turkish government will likely enforce cap and trade schemes or carbon taxes as a mechanism to keep companies on track to reach targets/pledges. Since regulations are initially targeted towards energy-intense sectors, it is expected that these schemes and taxes will be geared towards them. Even though initially Akbank is not directly (indirectly by clients) affected, we can expect regulations that cover industries not heavily energy-intense to be published in the near future which will inevitably affect us. Because the details of regulations have yet to be determined, we are unable to make an assessment of the financial implications of this risk on our Bank. We will be able to calculate these implications once details are available.

(ii) We established the Akbank Social & Environmental Management Systems. In 2011, IFC trained SEMS committee members and our teams that work in providing similar loans in environmental and social performance standards. Additionally, we are seeking the assistance of consultants and people with know-how.

(iii) Due to strategic reasons and confidentiality agreements we have signed with our partners we are unable to disclose our costs. Besides; as cap and trade schemes are not in force in Turkey, it is hard to forecast the relevant costs.

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PR1	Change in precipitation extremes and droughts	Turkey is prone to natural disasters such as floods, erosion, droughts and shortages which may directly and indirectly affect our branches, clients, business partners and work-flow.	Inability to do business	Current	Direct	Virtually certain	High
PR2	Change in precipitation extremes and droughts	The effects of natural disasters on our employees, clients (esp. farmers) and business partners can disrupt work-flow, causing major monetary losses along with higher operational and HR costs.	Increased operational cost	Current	Direct	Virtually certain	High
PR3	Change in temperature extremes	Longer summers and/or winters can affect higher use of A/C and/or heaters (HVACs), causing higher levels of energy consumption and therefore higher emission rates.	Increased operational cost	1-5 years	Direct	Virtually certain	High
PR4	Other physical climate drivers	Additional risks we are currently unaware of or unable to determine some of other physical risk which may arise in the future affecting us and our clients and business partners.	Inability to do business	6-10 years	Direct	Very likely	Medium-high

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

PR1, PR2, PR3: (i) Turkey as a country is prone to natural disasters such as floods and erosion. In the past, these natural disasters have had catastrophic impacts on cities and regions within the country. As we are becoming more environmentally conscious, we should be aware of the intensified and prolonged affects increased concentrations of carbon dioxide and other GHGs in the atmosphere will have on the climate and on us in the future. As a country which has been experiencing natural disasters related to climate change, we believe that we will continue to be affected both directly and indirectly by these changes in the short and long-term (0-20 years) in an ever-intensifying manner if precautions are not taken. The intensification of these changes in weather patterns may have a number of different effects on us. Due to our wide branch network and large employee structure, we are in the sphere of influence by default. Changes in the frequency and length of extreme weather events and precipitation patterns may cause physical damage to branches through floods, soil erosion, hail, and changes in weather temperatures. These potential physical damages may cause costs and insurance payouts to rise. It may also lead to the disruption of work-flow as some branches may need extensive repair or corrective maintenance while others may need to be relocated altogether. Loss of lives or casualties among our employees in such

extreme situations will disrupt employee morale and work-flow/continuity altogether leading to major reputational and monetary losses. Higher numbers of casualties among our employees may increase insurance costs and prolong the time employees take to return to work. Higher paid-leave and lower number of employees actively working may lead to decreased customer satisfaction, larger work-load for other employees and dead-lines to be missed therefore negatively impacting profitability. Apart from its effects on our employees and branches, it may also have an effect on our investment decisions (we may reject projects in areas that receive high levels of rain), our client's business activities (clients involved in logistics may withdraw business from certain areas or a disruption in distribution and continuity of supply and delivery of products and services may occur, farmers could be effected) and our business partner's activities. In addition climate change events may also affect our client's assets (buildings, cars). These may all create credit risk for our borrowers and a risk on return of credits for us. In short, the changing climate will impact on a broader sense everything from coastal settlements, infrastructure, natural ecosystems, food production, human health and water availability which will all be factors affecting business continuity on the Bank level, regionally and internationally. Because the potential impacts are so profound and make up the core of our business, we would experience a rise in our operational and HR costs along with a loss in profitability as a result of decreased operations with clients and business partners.

(ii) The most vital risk for Akbank is the threat of keeping business continuity in a secure form. As Akbank, we are taking precautions and scanning risks to prevent the effects of climate change. We have put in place disaster recovery plans and audit risk on the issue through internationally accepted standards to maintain business continuity. These plans cover multiple functions like IT, HR and procurement. Keeping the DR plans updated is the DR Committee's responsibility and its aim is to improve the Business Continuity Plans (BCP). As a bank, keeping our services accessible, secure and continuous in all conditions is one of our main concerns. With our widespread branch and ATM/BTM network the security and privacy of our databases are maintained within our DR Plans. It is also our responsibility to anticipate and foresee physical impacts of climate change and evaluate the potential risks these might have on our branches (such as where new branches should be located due to rising sea levels). In addition, Akbank's assets are insured for such changes. With an ever increasing way Akbank will continue to improve the evaluations and precautions of physical impacts of climate change. Additionally, we employ the assistance of consultants on sector best practices to ensure that we are doing all that we can to contain our effects of climate change. We are making strategic choices with the products we create, the partnerships we engage in and the companies we outsource our businesses to. We are aware that as a large Bank with an important impact on job creation in Turkey, we should become an example of sustaining our emissions footprint and raising awareness on this issue.

(iii) In 2012, the amount USD 545.360 we spent for insurance as Akbank is one of the indirect costs that we have as quantified data. Additionally, a person from each of the three divisions within our Bank (the Investor Relations and Sustainability division, the Architectural Works division and the Risk division) allocate a specific amount of time each month to identify risks, opportunities and threats and monitor new regulations concerning climate change and the environment. Due to the non-disclosure element of employment contracts within Akbank we are unable to disclose the break-down of costs related to the actions we take to mitigate this risk.

The cost of exposed direct risk of Akbank for 2012 as direct climate change related physical effects is 0 TL

PR4: (i) Additional risks we are currently unaware of or unable to determine may arise in the future due to higher levels of GHG emissions to pose threats to us, our clients, our business partners, our business and the financial results of our current and future operations.

(ii) We are taking precautions by constantly following new developments in this subject through our committees, national and international regulations, conferences, related memberships and consultants. We are devoted to becoming an epitome of sustainable business and dedicating teams to identifying current and potential risks. It is however, difficult to quantify risks that have not yet occurred.

(iii) The amount spent for insurance which also covers the physical impacts of the climate change is USD 545.360 in 2012, therefore we can a part of it is an indirect cost for Akbank for physical risks in 2012.

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OR1	Reputation	Other potential risks we may face which may have a larger financial effect on our business may be reputational risk due to our inability to comply by regulations or satisfy targets and pledges.	Reduced stock price (market valuation)	1-5 years	Direct	Likely	Medium-high
OR2	Changing consumer behaviour	As awareness and understanding of the effects of climate change rise, demand for such environmentally conscious businesses and products may rise. Lack of supply for such products may lead customers to seek services elsewhere. As a result, we may experience depreciation or shift in customer loyalty causing a loss in business and therefore profitability.	Reduced demand for goods/services	6-10 years	Direct	Likely	Medium-high
OR3	Uncertainty in market signals	Unexpected shifts in economies on a national and/or international level due to severe weather changes leading to a disruption in ecosystems may limit food supplies effecting global markets.	Reduction/disruption in production capacity	6-10 years	Indirect (Supply chain)	Very likely	High

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

OR1, OR2, OR3: (i) Other potential risks we may face which may have a larger financial effect on our business may be reputational risk. If we are unable to satisfy what is expected of us on a national and international level and fail to act within sector best practices, we may become exposed to reputational risks from our customers, business partners and even the government. Their perception of us and our business may affect everything from the amount of loans they take out to the Bank's market capitalization. If we are perceived as a Bank that is not capable enough to comply by regulations and reach pledges, our clients and business partners may also choose to take their business elsewhere. Parallel to an increase in our customers and business partners awareness of environmental subjects, their demand and expectations of such environmentally friendly products may also increase. If we are seen as a bank that is not able to satisfy core requirements of environmentally sustainable business, they may not trust the products we introduce. Additionally, as we have experienced in the last several years, countries are bound to each other like dominos on such subjects like the economy. Climate change, in our opinion, has the same bounding effect on countries around the world. As businesses, we need to be prepared for the potential effects climate change may have as a storm in China may affect the prices of rice in Turkey. Unexpected and severe weather changes may lead to a serious disruption in our world's ecosystem, limiting food supplies and causing prices to rise. The scope of potential risks

are so profound and universal that a calculation of financial implications may not be feasible at this time, however it is certain that it can damage our efforts on sustainability and brand value.

(ii) Even though these risks have not materialized, Akbank is taking the necessary precautions to avoid damaging our brand and our customer's trust in us. Akbank was the first deposit Bank in Turkey to initiate the GRI and UN Global Compact Communication on Progress reports, to establish a Corporate Governance Committee, to sponsor the launch of the CDP in Turkey, to establish a team dedicated to the furthering this subject in Akbank and create mechanisms for the improvement of credit financing and purchasing policies for sustainable development. As a Bank that was established 64 years ago to provide financing for cotton producers, Akbank from the Board level to the bottom level is dedicated to measuring our carbon footprint and taking relevant precautions and activities to soften our impact on our world. We have set up audit mechanisms and made a commitment to disclose our activities by publishing a sustainability report since 2010. We believe that by becoming an example of a sustainable business we will motivate others to follow in our footsteps.

(iii) Akbank is selected as the most valuable banking brand in Turkey by Brand Finance with USD 2,1 billion brand value. Therefore we can roughly declare that value is the cost of our reputational risk and it could have a high affect.

For the risks; we are unable to disclose the break-down of costs due to difficulty in estimation and the strategic nature of the question.

5.1g

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

5.1h

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

5.1i

Please explain why you do not consider your company to be exposed to 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

Page: 6. Climate Change Opportunities

6.1

Have you identified any climate change opportunities (current or future) 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

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
RO1	Product efficiency regulations and standards	Akbank currently uses the Environmental Impact Assessment (EIA) which is a regulation on project financing, to seek and evaluate the relevant documents for project financing in Turkey. If a new regulation regarding project financing is issued in the short-term (2 years), Akbank will be ready for potential risks thanks to tighter social and environmental policies we already have in place. In addition, we have established the Social Environmental Management System (SEMS) as a result of our loan agreement with IFC, therefore the tightening of such policies in Turkey can turn into an opportunity for Akbank. Because these regulations have yet to be issued, we are unable to forecast the financial implications of this opportunity.	Increased demand for existing products/services	1-5 years	Direct	Virtually certain	High
RO2	International agreements	There are currently no regulations being imposed on Turkey by either the EU or the Kyoto Protocol. As a	Increased demand for existing	1-5 years	Direct	Virtually certain	High

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		country continuing its efforts to develop sustainable and its position at Kyoto Protocol as an “Annex I” country with special circumstances Turkey has no regulatory obligations to reduce its carbon emissions yet it is taking steps to align itself with potential international regulations. Even though, Turkey's special position about its inclusion into Annexes, its obligations and the utilization of funds (available through the Copenhagen Protocol aimed for developing countries) have not been cleared yet, it is certain that a considerably large fund will be available to use for this. Akbank may benefit from these new funds.	products/services				
RO3	Voluntary agreements	A new national regulation which encompasses energy-intense industries to report their GHG emission rates under internationally accepted standards was recently published. The regulation requires companies in such industries to report their emission rates on a yearly-basis commencing from 2016. Turkey is beginning to issue new regulations despite not being under any international obligation to do so demonstrating the country's willingness to adapt to the new understanding of sustainability. Even though we are in the service industry, we are ready and working towards mitigating our emissions. Turkey is also trading through the voluntary carbon trading mechanisms. The Bank is supporting efforts towards developing carbon trading in Turkey as part of its agreement with EBRD. Akbank could benefit if these were to legalize in the future thanks to its experience and efforts on the issue.	Increased demand for existing products/services	Current	Indirect (Client)	Virtually certain	High
RO4	Emission reporting obligations	Akbank voluntarily began reporting its emissions by publishing a sustainability report and becoming a part of the CDP effort. If regulations either or both on a national and international level were to be implemented, Akbank, for the most part, would be ready to face such changes. By showing our customers, business partners, competitors and	Increased stock price (market valuation)	1-5 years	Direct	Likely	Medium-high

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		(even) the government of our preparedness, we can gain a stronger brand value which may lead to a higher stock value. Besides after Rio +20 UK obliged the firms for sustainability reporting and EU is planning to do so. Therefore if Turkey decided to make the sustainability reporting mandatory, Akbank is ready to cover the requisites.					

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

RO1, RO2, RO3, RO4: (i) Possible new collaborations with national and international clients, business partners and the government to shift to sustainable business practices through our actions, raising awareness through these collaborations, meeting the shifting demands of clients and business partners by offering environmentally oriented new products or updating existing ones to become more environmentally friendly and minimizing the waste of resources through sustainable business practices are only a few of the many potential opportunities of sustainability. In addition, the commencement of the GHG emission management in banking will improve energy efficiency and consequently provide the opportunity to reduce bottom line operational costs. It will be a direct opportunity for Akbank, with over 900 buildings already complying with anticipated regulations thanks to our focus on GHG emissions management and energy efficiency issues. Furthermore, the adaption of financing policies regarding sustainability will increase the amounts of funds available to Akbank from multilateral institutions. On the other hand, Akbank may benefit from financing renewable energy and energy efficiency projects from funds that will be available through the Copenhagen Protocol (USD 30 billion of funds until 2010-2012 and USD 100 billion until 2020 for developing countries). Even though, Turkey's special position about its inclusion into Annexes, its obligations and the utilization of these funds have not been cleared yet, it is certain that a considerably large fund will be available to use for this. In addition carbon trading markets are expected to be set up and may be in operation in Turkey which may be an additional opportunity for Akbank. Our focus on sustainability in Turkey will promote and enhance the capacity to innovate and introduce new products and services for the low carbon economy. Also, we will be experienced in taking the necessary actions and transitioning to sustainable operating on day-to-day banking operations. We believe that the new opportunities these present for Akbank are invaluable both financially and for brand name representation. While it has become a part of our business plan and we have already begun efforts to tap into the vast opportunities sustainability has to offer us, it is still very difficult to precisely calculate the potential financial implications of the opportunities due to the subject's vastness.

(ii) In the past several years, Akbank has taken undeniably important steps in becoming a symbol of sustainable business. As a Bank barely in the scope of effect of national or international regulations regarding GHG emissions Akbank had the vision to go ahead and initiate the GRI and UN Global Compact Communication on Progress reporting in the Turkish banking sector, establish a Corporate Governance Committee, sponsor the launch of the CDP in Turkey, create a team dedicated to sustainability reporting and improve credit financing and purchasing policies for sustainable development. We have (Investor Relations and Sustainability division) defined, planned and budgeted the energy efficiency and carbon emission reduction actions, acquired consultancy services and organized trainings for top management and key personnel on sustainability. A specialized group is established for project financing activities to ensure the compliance on social and

environmental aspects of particularly international funding organizations like IFC and EBRD. Furthermore, we established the IFC Social Environmental Management System (SEMS) for the IFC loan portfolio and defined this system as a pilot project to adapt our entire loan portfolio. We have also been working with EIB since 2007 and funded USD 980 million for SME financing. We have also been working with EIB since 2007 and funded approximately USD 1.3 billion for SME financing. In 2012, Akbank signed an agreement with EBRD for a total of EUR 20 million for the financing of energy efficiency and renewable energy projects under TurSEFF Program and EUR 10 millions for financing of agribusiness sector under TurAFF Sector.

In 2011, Akbank signed an agreement with EBRD for a total of USD 100 million for the financing of energy efficiency and renewable energy projects. We are also involved in assisting the creation of the framework of relevant regulations in the Turkish banking sector. Thanks to our pioneering position in the Turkish banking sector with regards to sustainability, Akbank will be one of the most unscathed if new regulations are issued in the future, thanks to our extensive experience in disclosing and mitigating our carbon footprint.

(iii) Financial costs associated with the identified opportunities include, conducting the climate change mitigation and adoption studies in a professional and organized manner (Investor Relations and Sustainability division), defining and budgeting the energy efficiency and carbon emission reduction activities/actions, providing consultancy services to customers, trainings, recruitments and extensive working hours dedicated to the topic are examples of our carbon emissions mitigation.

6.1c

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PO1	Induced changes in natural resources	Minimizing waste, finding innovative substitutions for materials that consume high levels of energy to produce and recycling may be some ways to provide direct and indirect benefits of the mitigation of emission levels through the conservation and preservation of energy and materials, for all.	Wider social benefits	Current	Direct	Virtually certain	High
PO2	Change in mean (average) temperature	As the physical impacts of climate change become more apparent the need and demand for relevant products and services of Akbank will increase. These direct and indirect impacts will present valuable opportunities for us in the mid-to-long term thanks to our invaluable experience in creating and launching environmentally conscious products and services (2-10 years).	Increased demand for existing products/services	1-5 years	Direct	Virtually certain	High
PO3	Change in temperature extremes	As the physical impacts of climate change become more apparent the need and demand for relevant products and services will increase. These direct and indirect impacts may present valuable opportunities for all in the long term (6-10 years).	New products/business services	6-10 years	Indirect (Client)	Very likely	Medium-high

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
PO4	Change in precipitation pattern	Changes in precipitation patterns may positively affect the number and volume of harvest. Consequently, farmers or people conducting relevant businesses may generate more income which will increase the demand on our products and services, affecting all aspects of our business and leading to higher profitability.	Increased demand for existing products/services	1-5 years	Indirect (Client)	Very likely	Medium-high
PO5	Change in precipitation extremes and droughts	Akbank has a number of subsidiaries such as insurance services and private pension systems of which these products and services the Bank can (and in some cases already) cross-sell in its widespread branch network. The physical impacts may increase the demand on existing, improved or new products and therefore become an additional source of profitability for the Bank, specifically and its subsidiaries, in general.	Increased demand for existing products/services	1-5 years	Direct	Very likely	Medium

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

PO1, PO2, PO3, PO4, PO5: (i, ii) As a pioneer in sustainable development in the Turkish banking sector, Akbank is trying to raise awareness by informing our customers and business partners about the issues of climate change through our actions and existing, updated or new products we are launching. Through our actions, we are attempting to minimize waste and find substitutes for energy-consuming aspects of our business. As the physical impacts of climate change are becoming more apparent we are assessing the needs and demands for relevant products and services to take advantage of all of the potential opportunities it may have on us directly or indirectly, today and in the future. As the physical impacts of climate change are becoming more apparent, the volume and need for relevant products and services of Akbank and its affiliated organizations (such as its insurance arm, Aksigorta or AvivaSA) may and will likely increase. Possible new collaborations with national and international clients, business partners and the government to shift to sustainable business practices through our actions, raising awareness through these collaborations, meeting the shifting demands of clients and business partners by offering environmentally oriented new products or updating existing ones to become more environmentally friendly and minimizing the waste of resources through sustainable business practices are some opportunities. Defining and budgeting the energy efficiency and carbon emission reduction activities/actions, offering consultancy services to customers, trainings, recruitments and spending working hours on this topic are examples of financial opportunities. In addition, demand of the implementation of energy efficiency projects to improve the operation of the facilities (branches, regional offices and headquarters) would increase (LEED certificates, DGNB certificate etc.). This could increase the demand on Akbank's lending and financing portfolio. Foreseeing this, Akbank has developed special credit packages on energy efficiency and renewable energy from funds of multilateral institutions. A special team is established in the Credit Approval Department to assist customers during the project

appraisal and management process. Also, consultancy services on mitigation and adoption to the physical risks are available for our customers during project financing. Akbank also established the IFC Social Environmental Management System (SEMS) for our IFC loan portfolio. These will present opportunities for us that will be assessed in the context of our financing guidelines.

(iii) Due to the strategic nature of the question, we are not able to share our cost-breakdown.

6.1e

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
OO1	Changing consumer behaviour	With rising awareness of customers, business partners and governments on the effects of climate change, businesses will need to launch products and services to satisfy these demands. Akbank already has and will continue to benefit from these opportunities thanks to its experience in creating products and services with an environmentally-conscious view-point.	Increased demand for existing products/services	1-5 years	Direct	Virtually certain	High
OO2	Increasing humanitarian demands	As people around the world are witnessing the physical effects of climate change coupled with efforts by environment-related non-profit agencies, international organizations and governments to underline the importance of these effects, awareness is rising. With rising awareness and a deeper understanding of these issues, a serious shift in demand and supply of environmentally conscious businesses on an international platform is expected.	Wider social benefits	6-10 years	Direct	Very likely	Medium-high
OO3	Reputation	Akbank would benefit from reputational opportunities thanks to the Bank's early efforts to mitigate climate-related developments/challenges. As a Bank with such a wide network of branches and employees and a significant power in job-creation we have realized the importance of taking steps before these actually start posing a challenge.	Increased stock price (market valuation)	Current	Direct	Virtually certain	High

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

OO1, OO2, OO3: (i, ii, iii) Climate change presents many opportunities for Akbank. Our climate change strategy, commitments and sustainability perspective provide the possibility to enhance the brand value and reputation of Akbank. Akbank also has the opportunity to be the leader in the market with its early actions, vast experience and ability to introduce environmentally-conscious new products and services in a short time frame. By increasing the efficiency of its products and services, Akbank could lower bottom-line operational costs. Possible new collaborations with national and international clients, business partners and the government to shift to sustainable business practices through our actions, raising awareness through these collaborations, meeting the shifting demands of clients and business partners by offering environmentally oriented new products or updating existing ones to become more environmentally friendly and minimizing the waste of resources through sustainable business practices are only a few potential opportunities. Defining and budgeting the energy efficiency and carbon emission reduction activities/actions, offering consultancy services to customers, trainings, recruitments and spending working hours on this topic are all examples of financial opportunities. At this point, it is difficult to quantify all of the potential opportunities, however some of the methods and accompanying financial implications are as follows: In 2011 we opened the environmentally friendly Akbank Banking Center, achieving savings in electricity. Currently, all applicable branches are being fitted with new infrastructure for remote measuring and monitoring of electricity consumption (some errors of the systems will be fixed until the end of 2014). We are continuing to revise mechanical automation of the heating, ventilating and air conditioning system in branches (first operations began in final quarter of 2010: 26 new branches in 2010, 36 new branches in 2011). We renewed mechanical automation systems of 150 branches in 2011. It is targeted to build same systems to additional 150 branches until the end of 2013. Approximately 3.942.000 TL savings is achieved in 2012 in electricity. With virtualization technology in data centers we saved 6,52 GWh of energy and 1,25 mio TL of energy cost in 2012. We also saved more fuels in cash operations through efficient route planning creating 11% additional increase in efficiency from last year and 0.11 liters less fuel consumption per transaction (saved 83 thousand liters/year of fuel and appr. 300.000 TL). We are relying more on video conferencing and telepresence for calls. The average time spent via telepresence calls is 188 hours/month, the room is occupied almost full for all working hours. Akbank has also significantly reduced the amount of paper-consumption by switching to paperless banking transactions.

Akbank has also significantly reduced the amount of paper-consumption by switching to paperless banking transactions. Other actions we implemented in the past and continue to utilize today are switching to paperless banking transactions, virtualization of end of day reports, transitioning to e-statements and e-inquiries (with the paper saving measures we have been implementing in recent years, we prevented the use of approximately 214 tons of paper in 2011) and acting with an environmentally conscious approach when purchasing new technologies for the Bank, ensuring they use the minimum energy possible. Furthermore, there are certain plans that we are unable to share for competitive advantage reasons. Akbank stocks are publicly traded and listed on the Borsa Istanbul (BIST), while our Level 1 ADRs are traded on the OTC market in the USA. Our efforts on sustainable development could greatly increase our brand value and reputation.

In 2011, we recruited "Loan Analysis Supervisors" to evaluate all risks and to improve the process of loan application for loans that require approval at the Credit Committee and BoD. We are subjecting project finance loans (> USD 50 million with terms > 5-years) to the Akbank Environmental and Social Policies. All customers benefitting from our loans financed by international financial institutions are expected to comply by these criteria set as prerequisites by these institutions. The loans we offer our customers through the EBRD finances renewable energy/energy saving projects. Identification and mitigation of environmental and social impacts projects may have in the related region are criteria of the loan. Compliance with requirements of national environmental, health and safety legislation as well as with EBRD's environmental and social performance criteria is sought. EBRD offers independent project consultancy to our customers to enable compliance with criteria. Within the scope of the IFC agreement signed in 2010, we established the Akbank Social & Environmental Management System (SEMS). This system is based upon IFC's performance standards and is developed for identifying, evaluating and managing social and environmental risks of projects of SME and corporate customers that we finance with IFC loans.

(iii) Precisely, approximately 3.942.000 TL savings is achieved in 2012 in electricity by using cleaner & cheaper autoproducer.

With virtualization technology in data centers we saved 6,52 GWh of energy and 1,25 mio TL of energy cost in 2012. We also saved more fuels in cash operations through efficient route planning creating 11% additional increase in efficiency from last year and 0.11 liters less fuel consumption per transaction (saved 83 thousand liters/year of fuel and appr. 300.000 TL). Some of the costs and savings of Akbank are given above, but due to strategic nature and difficulty to forecast overall costs; we are not able to share the entire break-down of cost.

6.1g

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

6.1h

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

6.1i

Please explain why you do not consider your company to be exposed to 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

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

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

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Thu 01 Jan 2009 - Thu 31 Dec 2009	9159	50102

7.2

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)

7.2a

If you have selected "Other", please provide details below

As a calculation methodology we follow the GHG Protocol, but we use the emission factors shared with the below attached

7.3

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

Gas	Reference
Other: Carbon emission	Other: Emission Factors which are determined by Turkish Republic's authorized Ministry

7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: See the emission factors list attached			

Further Information

See the attach Excel table for the factors used.

Attachments

[https://www.cdproject.net/sites/2013/49/449/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/CDP emission factors.xlsx](https://www.cdproject.net/sites/2013/49/449/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/CDP%20emission%20factors.xlsx)

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

8.1

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

Operational control

8.2

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

11201

8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

40322

8.4

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

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Malta Branch	Scope 1 and 2	The boundary of the report is the activities of Akbank within Turkey. Akbank has a small branch in Malta of 13 employees which has an insignificant affect.

8.5

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 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 5% but less than or equal to 10%	Data Gaps Assumptions Metering/ Measurement Constraints	Some branches of Akbank are in common areas, like shopping malls. These are calculated by some assumptions and extrapolations. Sampling is used during auditing process of the data. At the first year of reporting, data was gathered manually from all main office and branches buildings and audited. This year (for 2012) reporting period) cost based approach is used with the help of the sound basis of the first year's database.	More than 5% but less than or equal to 10%	Data Gaps Assumptions Metering/ Measurement Constraints	Some branches of Akbank are in common areas, like shopping malls. These are calculated by some assumptions and extrapolations. Sampling is used during auditing process of the data. At the first year of reporting, data was gathered manually from all main office and branches buildings and audited. This year (for 2012) reporting period) cost based approach is used with the help of the sound basis of the first year's database.

8.6

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

No third party verification or assurance

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

8.6b

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

Type of verification or assurance	Relevant standard	Attach the document
-----------------------------------	-------------------	---------------------

8.6c

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

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

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

No third party verification or assurance

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

8.7b

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

Type of verification or assurance	Relevant standard	Attach the document
-----------------------------------	-------------------	---------------------

8.8

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

No

8.8a

Please provide the emissions in metric tonnes CO2

Page: 9. Scope 1 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

9.1

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

No

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
----------------	----------------------------

9.2

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

By business division
By facility
By GHG type
By activity

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Head Offices	1577
Branches	6677
Unseperable for break down	2947

9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Head Offices	1577		
Branches	6677		
Unseperable for break down	2947		

9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	11201

9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Heating (Fuel Combustion)	8254
Transportation (Company owned diesel vehicles)	2906
Transportation (Company owned gasoline vehicles)	41

9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)
-----------------	--

Page: 10. Scope 2 Emissions Breakdown - (1 Jan 2012 - 31 Dec 2012)

10.1

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

No

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
----------------	----------------------------	--	---

10.2

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

By business division
By facility
By activity

10.2a

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

Business division	Scope 2 emissions (metric tonnes CO2e)
Head Offices	15171
Branches & ATM/BTMs	25151

10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)
Head Offices	15171
Branches	25151

10.2c

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

Activity	Scope 2 emissions (metric tonnes CO2e)
Management & Operation Centers (Head Offices)	15171
Branch & ATM/BTM Banking	25151

10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
-----------------	--

Page: 11. Energy

11.1

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

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

11.2

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

Energy type	MWh
Fuel	40669
Electricity	99558
Heat	0
Steam	1
Cooling	0

11.3

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

Fuels	MWh
Natural gas	21464
Diesel/Gas oil	17176
Distillate fuel oil No 4	973
Coking coal	374
Butane	525
Motor gasoline	157

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
No purchases or generation of low carbon electricity, heat, steam or cooling		

Page: 12. Emissions Performance

12.1

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

Decreased

12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	19.6	Decrease	Emissions reduction activities such as preference of energy efficient equipments, fostering environmental friendly attitudes by sustainability trainings are effective in this decrease.
Divestment	0	Decrease	
Acquisitions	0	Decrease	
Mergers	0	Decrease	
Change in output	0	Decrease	
Change in methodology	3	Decrease	The electric generation emission factors of the suppliers changed this year, with this affect there has been a 3% decrease in the emissions.
Change in boundary	16.7	Increase	When we were declaring our targets, we stated that we will exclude the growth of the bank. We have a sound growth rate of 16,7 % with our assets for the last year.
Change in physical	0	Decrease	

Reason	Emissions value (percentage)	Direction of change	Comment
operating conditions			
Unidentified	0	Decrease	
Other	0	Decrease	

12.2

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
3.64	metric tonnes CO2e	unit total revenue	25	Decrease	In first year's report, this intensity was given in USD, due to change in last year's report format, last year's intensity figure is given in TRY currency. $51,523 \text{ metric tons CO}_2\text{e} / \text{TRY } 14,158 \text{ million revenue} = 3.64$. Last year's intensity figure is 4.86 and it seems there is a high decrease in this intensity figure as a result of our emissions reduction activities.

12.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
3.16	metric tonnes CO2e	FTE employee	11.5	Decrease	$51,523 \text{ metric tons CO}_2\text{e} / \text{FTE } 16,315 = 3.16$ Last year this ratio was 3.57, therefore Akbank achieved a high decrease of 11.5 % in this intensity

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					figure as a result of its emissions reduction activities.

12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.33	metric tonnes CO2e	Other: Assets	19.3	Decrease	For FY 2012 Carbon emissions per mio assets is 0.33 (51,523 metric tons CO2e / TRY 155,854 million assets = 0.33). For FY 2011 this intensity figure was 0.4098. Therefore 19.3% decrease is achieved via emissions reduction activities for the last year.

Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

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

13.1a

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
-------------	-----------------------------------	----------------------	----------------------	--	----------------------

13.1b

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

Currently, there are no Carbon cap and trade schemes in Turkey. Turkey can involve only in the voluntary market and the current carbon credit price in the voluntary market is low. It is too low according to the expected price.

On the other hand, Akbank targets a major and pioneering role on emissions trading. Therefore, inline with its agreement signed by European Bank for Reconstruction and Development (EBRD), Akbank negotiates with EBRD to involve itself in the development process of Carbon cap & trade schemes in Turkey. Akbank is also involved in the efforts of Turkey's Climate Platform with TUSIAD and REC to evaluate and activate cap & trade schemes in Turkey such as through the Climate Bond Initiative of Sean Kidney on climate financing options.

13.2

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

No

13.2a

Please complete the table

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

Further Information

Akbank is eager to use its accumulated experience on sustainability when the trade markets are available in Turkey. Akbank started sustainability reporting through GRI standards and UN Global Compact Communication on Progress as the first deposit bank in Turkey, established its Corporate Governance Committee, sponsored CDP Turkey, improved its credit financing and procurement policies for sustainable development and in an ever increasing way started to utilize international financing on renewable energy and energy efficiency projects.

Page: 14. Scope 3 Emissions

14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Not relevant, explanation provided				We are a commercial bank operating particularly in Turkey. We are not producing goods or using raw materials. There is no data of carbon footprint for the goods and services purchased which makes it nearly impossible to calculate emissions from purchased goods & services. Therefore it is not relevant.
Capital goods	Not relevant, explanation provided				We are a commercial bank operating particularly in Turkey. There is no data of carbon footprint for the capital goods used and that makes it nearly impossible to calculate emissions sourced from capital goods. Therefore it is not relevant.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				We are a commercial bank operating particularly in Turkey. We are not producing goods or using raw materials. It is assumed that the upstream emissions of electricity is included in the emission factor in Scope 2. For T&D losses;

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
					there is no data of carbon footprint and it makes it nearly impossible to calculate emissions.
Upstream transportation and distribution	Not relevant, explanation provided				We are a commercial bank operating particularly in Turkey. We are not producing goods or using raw materials. The Transportation and Distribution (T&D) emissions generated during conducting our business mainly sourced from owned and rented vehicles and facilities for downstream activities. In some cases; rented fleet and facilities are used for both upstream and downstream T&D. These are calculated and shared at the downstream T&D.
Waste generated in operations	Not relevant, explanation provided				As we are a bank we particularly have paper as waste and others are plastics, glass, metals, technologic wastes. We all separate them and give to 3rd parties for recycle / reuse. They should be accounting these emissions so in order not to double count we don't calculate.
Business travel	Relevant, calculated	2957	For business travel Akbank has its own and rented fleet. Emissions from its own fleet shared in Scope 1 and for rented fleet here. For Air travel; almost all flight ticketings of Akbank are done by Vista Tourism Agency. The list of flights are taken from Vista and distances are defined for every flight track. They are grouped according to distance (short / long hall) and category (economic / business class). They are multiplied by relevant emission factors inline with GHG Protocols.		
Employee commuting	Relevant, calculated	3661	Distance travelled by the employee commuting vehicles are gathered and multiplied by the emission factor according to the GHG Mobile Protocol		Akbank provides employee commuting for its main facilities named Sabanci Center and Akbank Banking Center.
Upstream leased	Not relevant,				Akbank owns or rents its facilities and vehicles

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
assets	explanation provided				used for its operations, but they are included in Scope 1 & 2 or the relevant items in Scope 3 emissions. Therefore this item is not relevant.
Investments	Relevant, not yet calculated				It is not obliged to calculate the GHG emissions for the projects so our Project Finance department does not force the lenders to submit this data.
Downstream transportation and distribution	Not relevant, explanation provided	2385	Fuels bought for rented fleet are gathered by smart payment systems from the contracted fuel distributor company. The volume of liters consumed are multiplied by the emission factors of the relevant fuel type.		
Processing of sold products	Not relevant, explanation provided				Banking sector is based on services and it is hard to calculate the carbon footprint of these services
Use of sold products	Not relevant, explanation provided				We are a commercial bank and it is not relevant for a bank.
End of life treatment of sold products	Not relevant, explanation provided				We are a commercial bank and it is not relevant for a bank.
Downstream leased assets	Not relevant, explanation provided				Akbank has no assets leased to others, therefore it is not relevant.
Franchises	Not relevant, explanation provided				Akbank has no franchises, therefore it is not relevant.
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

14.2

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

No third party verification or assurance

14.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

14.2b

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

Type of verification or assurance	Relevant standard	Attach the document
-----------------------------------	-------------------	---------------------

14.3

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

Yes

14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Emissions reduction activities	1.2	Decrease	Emissions from business travel (air travel & emissions from rented vehicles) decreased by 1.2% until 2010 eventough there has been an increase by 5.8% in number of vehicles. It can be said that emission reduction activities such as fostering telepresence, videoconferencing, preferance of fuel efficient fleet was effective. In 2010; no of vehicles 505, emission 2,992 tCO2e; In 2012 no of vehicles 534, emission 2,957 tCO2e

14.4

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

14.4a

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

We developed a questionnaire for the asesment of the environmental and social aspects at the supply chain. It is gathered from the suppliers with supporting documents. The evaluation of the suppliers are done by Procurement Department with the help of Oracle based software and 5 over 100 points are given by these aspects to the suppliers. Beyond the tendency to buy environment friendly products, we prioritize the suppliers caring the environmental and social aspects.

Akbank has around 200 active suppliers and has a significant affect to raise the bar in terms of social and environmental aspects.

Success is also measured by the ratio of the suppliers included in the E&S evaluation by submitting the E&S surveys.

14.4b

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

Number of suppliers	% of total spend	Comment
200	60%	The proportion of the suppliers included in the environmental and social evaluation system is measured and tracked as a success indicator.

14.4c

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

How you make use of the data	Please give details
We do not have any data	

14.4d

Please explain why not and any plans you have to develop an engagement strategy in the future

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Cenk GÖKSAN
Senior Vice President, Investor Relations & Sustainability

Cenk TÜRKER, PhD
Sustainability Manager, Investor Relations & Sustainability

CDP 2013 Investor CDP 2013 Information Request