

Module: Introduction**Page: Introduction****CC0.1****Introduction**

Please give a general description and introduction to your organization.

Akbank was founded as a privately-owned commercial bank in Adana on January 30, 1948. Established originally with the core objective to provide funding to local cotton growers, the Bank opened its first branch in the Sirkeci district of Istanbul on July 14, 1950. 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 business is banking activities, consisting of consumer banking, commercial banking, SME banking, corporate banking, private banking, foreign currency exchange, money markets and securities trading (Treasury transactions), and international banking services. In addition to traditional banking activities, the Bank also carries out insurance agency operations through its branches on behalf of Ak Insurance and AvivaSA Pensions and Life Insurance.

With a strong and extensive domestic distribution network of 840 branches and more than 14,000 employees, Akbank operates from its Head Office in Istanbul and 22 regional directorates across Turkey. In addition to providing services through branches, the Bank's traditional delivery channel, Akbank also serves more than 15 million customers through the Akbank Direkt Internet Branches, Akbank Direkt Mobile, the Call Center, 4,200 ATMs and more than 460,000 POS terminals as well as other high-tech channels.

The first Turkish bank to be a signatory to the United Nations Global Compact in 2007, Akbank shares its sustainability performance with its stakeholders via the Akbank Sustainability Report. The Bank has published this report in accordance with Global Reporting Initiative (GRI) standards every year since 2009.

51.1% of Akbank's shares are listed on the Borsa Istanbul. The Bank's Level 1 ADRs are traded on the OTCQX in the United States. Akbank's market capitalization stood at USD 8.9 billion as of December 31, 2016.

CC0.2**Reporting Year**

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

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

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3**Country list configuration**

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

Select country

Turkey

CC0.4**Currency selection**

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

TRY

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

Corporate Governance Committee (CGC) is responsible for ensuring compliance with Akbank's Corporate Management Principles; monitoring the operations of the Investor Relations and Sustainability Department; determination, conformation of accordance and evaluation of ethical values; creating a transparent system to

identify, evaluate and train suitable candidates for the Board of Directors; and working on related policies and strategies. The Chairman and majority of the members of the Committee are independent Board Members.

The Committee was established in 2009 with the name of “Corporate Governance and Social Responsibility Committee” (CGSRC). 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 “nomination of candidates” was included in the Committee’s tasks and thus the name was updated to “Corporate Governance Committee” (CGC).

The Committee meets at least twice a year and when necessary. Among the items in 2016 agenda were the analysis of the Bank’s current position in terms of sustainability, WEP, new loan assessment policies in terms of environmental and social risks, climate change strategies and action plan, and social responsibility projects as community investments.

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Chief Financial Officer (CFO)	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Other: Behaviour	There are several KPI's listed to minimize Akbank's carbon footprint. Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions through energy reduction activities. So Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations. For raising awareness among its personnel, Akbank designs its sustainability training package and expands awareness from employees to customers.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		change related indicator	
Other: Environment/Sustainability Senior Vice President/Vice President	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Other: Behaviour change related indicator	There are several KPI's listed to minimize carbon footprint. Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions through energy reduction activities. So Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations. For raising awareness among its personnel, Akbank designs its sustainability training package.
Environment/Sustainability managers	Recognition (non-monetary)	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Other: Behaviour change related indicator	There are several KPI's listed to minimize Akbank's carbon footprint. Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions through energy reduction activities. So Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations. For raising awareness among its personnel, Akbank designs its sustainability training package.

Further Information

Page: CC2. Strategy

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Turkey	> 6 years	Akbank's solution strategies for global climate change are shaped by the Corporate Governance Committee that directly reports to our Board of Directors.

CC2.1b

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

Akbank's solution strategies for global climate change are shaped by the Corporate Governance Committee that directly reports to our Board of Directors. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. Other departments such as Branch Operations, Architectural Works, and Personnel Management are responsible for collecting data, including energy consumption and implementation of energy saving practices.

In 2011 Akbank improved the processes in loan applications that require approval of the Credit Committee and the Board of Directors. Akbank began to employ Loan Analysis Managers and the number of these managers was increased in 2012. In addition, their area of responsibility was enlarged to cover not only the loans that require senior level approval, but also all loan applications received by the corporate and commercial branches. These Loan Analysis Managers are responsible for investigating all risks to be evaluated at the loan application phase and for recording the results of the analyses in the application file. The committee targetted to make sure that the team is better equipped in terms of environmental and social risks evaluation methodology in 2016.

CC2.1c

How do you prioritize the risks and opportunities identified?

Climate change, which is believed to be caused by human-induced greenhouse gas emissions, brings a number of risks with it. These risks are significant enough to endanger the entire social structure, which the Bank is a part of. For instance, heat waves of increasing frequency and intensity, floods, droughts, and extreme weather conditions are among the physical risks. This impact on the physical environment potentially has negative impacts on industries such as forestry, fishery, agriculture, health, tourism, and construction. Climate change laws, rules and regulations that have been enacted or are likely to be put into effect in Turkey and its trading partners pose the risk of legal non-compliance and extra investment costs to fight climate change. It is anticipated that companies with large amounts of greenhouse gas emissions such as the ones in transportation and aviation industries are impacted by the aforementioned laws and regulations.

Akbank has created various internal platforms to manage climate change-related risks. The Bank is leveraging these platforms to carry out necessary initiatives in terms of managing the anticipated risks in the best possible way and turning threats into opportunities. In this regard, the Bank is undertaking conscientious efforts particularly in following the new laws and regulations in energy efficiency and renewable energy that became effective in 2010 as well as complying with this new legal framework. In addition, Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. Further, the Bank measures its carbon emissions resulting from its operations and business travel and implements various measures to reduce these emissions.

Next year, Akbank would report partially its indirect emission impact through its financial operations as an outcome of its updated loan assessment model.

CC2.1d

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

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

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

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.

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 Department and Corporate Communications Department 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 to drive the market and report about them. We manage to trace international funds that have favourable conditions for our customers for the purpose of energy efficiency and renewable investments, developing new products and integrating new technologies for both individuals and corporations. These also put Akbank in a competitive position.

As a result of these achievements Akbank became one of only 15 companies in the Borsa Istanbul (BIST) Sustainability Index.

CC2.2b

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

CC2.2c

Does your company use an internal price on carbon?

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

CC2.2d

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

CC2.3

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

Direct engagement with policy makers
Trade associations
Other

CC2.3a

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

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Cap and trade	Support	Carbon Price Communiqué: Akbank became one of the first companies in the world to be a signatory to the "Carbon Price Communiqué", 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. In addition, we were the only Turkish bank to sign the Durban Communiqué in 2011, building on the Bali, Poznan, Copenhagen and Cancun Communiqués initiated by The Prince of Wales's Corporate Leaders Group on Climate Change (CLG).	We support to have a legislation

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
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 supported to have a legislation
Other: CDP	Support	Akbank had sponsored CDP Turkey between 2009-2015. 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 through media in every occasion.	We supported to have a legislation
Other: Sustainable Finance	Support	Akbank is a member in the Turkish Banks Association (TBA)'s Sustainable Banking Team. Akbank supports the activities with its accumulated experience to develop the capacities of all the banks and raise the bar.	We supported to establish all-encompassing sustainability guide to banking
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 supported to have legislation. We worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance implementations came to conclusion and finalized as "Sustainable Finance Declaration". As Akbank, one of the six pioneering supporters, we signed it to show our commitment for sustainable finance issues.
Other: Turkish Bankers' Association of Turkey	Support	Akbank has instigated and supported the TBA Guideline for Sustainable finance for Turkish Banks.	We support The Guideline for Turkish Banks to improve their impact on sustainability issues.
Other: Pledge for Actions	Support	Akbank became a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and commit to implement the new roadmap circulated at the COP21 Conference of Parties in Paris.	We support Pledge for Actions.

CC2.3b

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

No

CC2.3c

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

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
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CC2.3d

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

CC2.3e

Please provide details of the other engagement activities that you undertake

Akbank sponsored CDP Turkey until 2015 year-end. With this occasion known extensively and has access to many parties in the Turkish sustainability community. Akbank shares its opinions with the community leaders and gather their opinions on climate change issues. Akbank also engages in high level networking globally to support legislation and improvement of climate related matters within the climate leadership of group of Turkey through "İklim Platformu" (Climate Platform of Turkey)

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

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.

Besides these Akbank's Architectural Works Team undertakes improvement proposals for the branches distribution network in order to reduce carbon emissions and improve energy efficiency.

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

The Corporate Governance Committee and the Board also seek to avoid any harm that arise from sustainability issues and direct Akbank's credit and sustainability policies in that direction.

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.
- In the lights of global developments, Akbank updated its environmental and social policies. In line with new policies, Akbank's loan assessment process has been developed with general and industry-focused questions and assessment matrices to identify environmental and social risks. Detailed documents were attached below.

We worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance implementations came to conclusion and finalized as "Sustainable Finance Declaration". As Akbank, one of the six pioneering supporters, we signed it to show our commitment for sustainable finance issues.

Please explain why you do not engage with policy makers

Further Information

Please find Akbank's updated policies and system below;

Attachments

[https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC2.Strategy/ENVIRONMENTAL AND SOCIAL POLICIES.pdf](https://www.cdp.net/sites/2017/49/449/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC2.Strategy/ENVIRONMENTAL%20AND%20SOCIAL%20POLICIES.pdf)

[https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC2.Strategy/ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT SYSTEM.pdf](https://www.cdp.net/sites/2017/49/449/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC2.Strategy/ENVIRONMENTAL%20AND%20SOCIAL%20RISK%20ASSESSMENT%20SYSTEM.pdf)

[https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC2.Strategy/NON-FINANCING ACTIVITIES LIST.pdf](https://www.cdp.net/sites/2017/49/449/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC2.Strategy/NON-FINANCING%20ACTIVITIES%20LIST.pdf)

Page: CC3. Targets and Initiatives

CC3.1

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

Absolute target

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	82%	20%	2014	55372	2020	No, and we do not anticipate setting one in the next 2 years	At the end of 2020, by emissions reduction activities such as improving the lighting in headquarters, some IT projects and increasing employee awareness.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	82%	15%	Metric tonnes CO2e per unit revenue	2014	55372	2020	No, and we do not anticipate setting one in the next 2 years	Akbank operates in an emerging market and has strong operational efficiency management. Akbank plans to decrease this intensity figure 10% until the end of 2020 by emissions reduction activities such as improving the lighting in headquarters, some IT projects and increasing employee awareness.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	3	No change	0	Through increasing Direct Banking transactions and thanks to lean management, Akbank optimized number of branches and carbon emissions as well.

CC3.1d

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

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
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CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	33%	16%	Akbank has achieved to reach its target before 2020-end. The extra reduction in emissions also was resulted from optimizing its branch network (# of branch) through increasing Direct Banking transactions and thanks to lean management,
Int1	33%	10%	Akbank operates in an emerging market and has strong operational efficiency management. Akbank has felt of %10 and achieved its target before 2020-end.

CC3.1f

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

CC3.2

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

No

CC3.2a

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

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
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CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	80
To be implemented*		
Implementation commenced*	1	30
Implemented*	1	1400
Not to be implemented		

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building fabric	Conversion of lighting to LED	110	Scope 2 (location-based) Scope 2 (market-based)	Voluntary			1-3 years	11-15 years	Architectural Works Office will convert lighting to LED in ABM Building in Gebze and Archive Building in Silivri.

CC3.3c

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.

CC3.3d

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

Further Information

Page: CC4. Communication

CC4.1

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

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	page between 100-107	https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016 Akbank Sustainability Report.pdf	In Akbank Sustainability Report with GRI G4 Comprehensive standards, Akbank's response to climate change and Greenhouse Gas emissions performance is published within the Sustainability Management and Our Operations and the Environment chapters.
In other regulatory filings	Complete	page 101	https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/CC4.1/Akbank_Annual_Report_2016.pdf	We also communicate on CDP via through Annual Report. - Ethics and Social Responsibility section

Further Information

Module: Risks and Opportunities

CC5.1

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

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

CC5.1a

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

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	National regulation which was published by the Ministry of Environment and Urbanization in the official gazette on 17 May 2014 encompassed energy-intensive industries (such as electricity production companies and petrochemicals) to monitor and report their Greenhouse gas	Increased operational cost	3 to 6 years	Indirect (Client)	Virtually certain	Medium-high	Akbank could only calculate direct effect of emission reduction activities. In this case Akbank's direct operational cost arises from emission	There is necessity for some clarity in the implementation of these targets but Akbank continues to reduce its energy consumption voluntarily. The overhaul of the mechanical automation of the eating/ventilating/airconditioning (HVAC) system in the branches to ensure that the system runs with appropriate configuration according to indoor air quality, which launched in 2010, continued	Akbank is aware of the fact that measurement and monitoring are important factors for the management of energy used in its branches around 840. According to

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>emissions on a yearly-basis. The aim of this regulation is to prepare the related sector for international standards. Currently, this does not pose a direct risk for Akbank in the short term but in the long term if the scope of regulation is expanded, Akbank will be affected directly in terms of operations. In the short run Akbank 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</p>						<p>reduction would be roughly TRY 3.2 million.</p>	<p>in 2016. This system was directly deployed in the new branches. In addition to the aforementioned energy projects, the Bank activated an infrastructure in all branch computers that rationalizes energy consumption of idle computers under the GreenIT program in 2016. Aiming to keep the energy consumption increase below the growth rate of device needs in the Bank's data centers, Akbank opts for lower energy-consuming products in all new system purchases. To this end, the Bank began to decommission systems more than five years old and replace them with more energy efficient devices. Akbank initiated a new data center project in 2015 and completed the design work in 2016. The design entails the use of "free cooling" technology to ensure a more energy efficient new data center. The new data center was also designed to comply with LEED (Leadership in Energy and Environmental Design) certification.</p>	<p>result of energy usage Akbank's architectural workers team develops several projects to reduce energy consumption. All these activities resulted with remarkable energy reduction of 16% from base year-2014 and monetary savings from the energy reduction through activities is approximately TRY7 million.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	creditors due to the new regulations. Additionally, increasing demand for environmental and social financing may result in higher financing need for Akbank as well and in the case of not being fully compliant with the new regulations may result in lower roll-over ratios for the bank.								
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	Increased operational cost	3 to 6 years	Direct	Very likely	High	Akbank could only calculate direct effect of emission reduction activities. In this case Akbank's direct operational cost arises from emission reduction would be roughly TRY 3.2 million.	Loans that Akbank secures from international financial institutions such as IFC, EBRD, and EIB to be lent out to customers mostly carry the conditions of being environment friendly and supporting development. Akbank establishes dialogues with these institutions with the aim of building management systems to monitor environmental and social performances of its customers pursuant to the conditions attached to these loans. With the business partnerships that we establish with international financial institutions, we aim to	In environmental loans, we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
	<p>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.</p>							<p>continuously offer new loan opportunities to our customers and contribute to economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environmentfriendly nature and generally support sustainable development.</p>	<p>international sources for affordable loans to be used in energy efficiency and renewable energy projects. Akbank obtained a new USD 110 million lending facility from EBRD in 2016 to finance renewable energy and energy efficiency projects. This loan includes criteria for identifying and mitigating the environmental and social impacts of projects to be financed in their area. Akbank requires</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									borrowers from this facility to comply with both the national environmental, health and safety laws and regulations and EBRD's environmental and social performance criteria. EBRD offers independent project consultancy to our customers and environmental and social compliance audits are performed as well.
Cap and trade schemes	Cap and trade schemes that focus on energy-intensive sectors as a first step will likely be implemented to act as	Increased operational cost	3 to 6 years	Indirect (Client)	About as likely as not	Medium-high	Akbank could only calculate direct effect of emission reduction	Since 2010, projects with a loan sum in excess of USD 50 million and with a term of over five years are subject to "Akbank Environmental and Social Policies." Project	Akbank is aware of the fact that measurement and monitoring are

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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.</p>						<p>activities. In this case Akbank's direct operational cost arises from emission reduction would be roughly TRY 3.2 million.</p>	<p>financing loans with a sum less than USD 50 million are also evaluated in terms of environmental risks. With this system, we aim to proactively and effectively managing potential environmental and social risks and opportunities during the project, including pre-project phase. Pursuant to Akbank's Environmental and Social Policies, we pay due attention that all elements stated in the United Nations Global Compact are implemented by the customers that we grant loans to. For instance, in line with our social criteria, businesses that are proved to employ child labor are not granted any loans. In accordance with our Policies, considering that a project may cause severe and important impact on the environment, we request submission of Environmental Impact Assessment (EIA) reports or proof of exemption from EIA in financing projects in sectors within the scope of the Environmental Impact Assessment Regulations. Among projects that require EIA approval certificate are</p>	<p>important factors for the management of energy used in its branches around 840. According to result of energy usage Akbank's architectural workers team develops several projects to reduce energy consumption. All these activities resulted with remarkable energy reduction of 16% from base year-2014 and monetary savings from the energy reduction through activities is approximately TRY7 million.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								long-term infrastructure projects that have a high level of impact on the environment, such as hydroelectric power plants (HEPPs) and highways.	
Voluntary agreements	Akbank became a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and commit to implement the new roadmap circulated at the COP21 Conference of Parties in Paris.	Increased operational cost	3 to 6 years	Indirect (Client)	Likely	Medium	Akbank could only calculate direct effect of emission reduction activities. In this case Akbank's direct operational cost arises from emission reduction would be roughly TRY 3.2 million.	There is necessity for some clarity in the implementation of these targets but Akbank continues to reduce its energy consumption voluntarily. The overhaul of the mechanical automation of the eating/ventilating/airconditioning (HVAC) system in the branches to ensure that the system runs with appropriate configuration according to indoor air quality, which launched in 2010, continued in 2016. This system was directly deployed in the new branches. In addition to the aforementioned energy projects, the Bank activated an infrastructure in all branch computers that rationalizes energy consumption of idle computers under the GreenIT program in 2016. Aiming to keep the energy consumption increase below the growth rate of device needs in the Bank's data centers, Akbank opts for lower	Akbank is aware of the fact that measurement and monitoring are important factors for the management of energy used in its branches around 840. According to result of energy usage Akbank's architectural workers team develops several projects to reduce energy consumption. All these activities resulted with remarkable energy

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								energyconsuming products in all new system purchases. To this end, the Bank began to decommission systems more than five years old and replace them with more energy efficient devices. Akbank initiated a new data center project in 2015 and completed the design work in 2016. The design entails the use of "free cooling" technology to ensure a more energy efficient new data center. The new data center was also designed to comply with LEED (Leadership in Energy and Environmental Design) certification.	reduction of 16% from base year-2014 and monetary savings from the energy reduction through activities is approximately TRY7 million.
Voluntary agreements	We supported to have legislation. We worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance implementations came to conclusion and finalized as "Sustainable Finance Declaration". As	Increased operational cost	1 to 3 years	Indirect (Client)	Likely	Medium	Akbank could only calculate direct effect of emission reduction activities. In this case Akbank's direct operational cost arises from emission reduction	In the lights of global developments, Akbank updated its environmental and social policies. In line with new policies, Akbank's loan assessment process has been developed with general and industry-focused questions and assessment matrices to identify environmental and social risks. .Firmly committed to the ideal of leaving behind a more habitable planet to future generations, Akbank continued to successfully	The Bank aspires to identify and effectively manage the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. The Bank has developed an

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management methods	Cost of management
	Akbank, one of the six pioneering supporters, we signed it to show our commitment for sustainable finance issues.						would be roughly TRY 3.2 million.	undertake initiatives that minimized the environmental impact of its operations in 2016.	Environmental and Social Risk Assessment System. Accordingly, the Bank uses the system to assess project financing loans over USD50 million and loan requests over USD75 million. Depending on assessment result (medium- and high-risk projects and loan requests), Akbank would request from customer an "Environmental and Social Assessment Report" by an independent consultant The company applying for a

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									loan and/or project financing is asked to provide an Environmental and Social Action Plan, and an Environmental and Social Commitments list. The financial burden for these operations shall be taken by customers.

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in	Turkey is	Inability to	Unknown	Direct	Virtually	High	The monetary	In Akbank, Risk	In Akbank, Risk

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
precipitation extremes and droughts	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.	do business			certain		effects of natural disasters on our employees, clients (esp. farmers) and business partners disrupting work-flow would be TRY 1.7 million.	Management Department and Business Continuity Department work together to calculate monetary effects of climate change. They developed a model and update it regularly.	Management Department and Business Continuity Department work together to calculate monetary effects of climate change. They developed a model and update it regularly. Based on results of model, the Bank take precautions to minimize monetary and operational effects of climate change.
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	Unknown	Direct	Virtually certain	High	The monetary effects of natural disasters on our employees, clients (esp. farmers) and business partners disrupting work-flow would be TRY 1.7 million.	In Akbank, Risk Management Department and Business Continuity Department work together to calculate monetary effects of climate change. They developed a model and updates it regularly.	In Akbank, Risk Management Department and Business Continuity Department work together to calculate monetary effects of climate change. They developed a model and update it regularly. Based on results of model, the Bank take precautions to minimize

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
									monetary and operational effects of climate change.
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 to 3 years	Direct	Virtually certain	High	The monetary effects of higher use of A/C and/or heaters (HVACs) through longer summers and/or winters would be TRY 0.5 million.	The overhaul of the mechanical automation of the heating/ventilating/air-conditioning (HVAC) system in the branches to ensure that the system runs with appropriate configuration according to indoor air quality, which launched in 2010 continued in 2015 through 2016. This system was directly deployed in the new branches.	Akbank is aware of the fact that measurement and monitoring are important factors for the management of energy used in its branches around 840. According to result of energy usage Akbank's architectural workers team develops several projects to reduce energy consumption. All these activities resulted with remarkable energy reduction of 16% from base year-2014 and monetary savings from the energy reduction through activities is approximately TRY 7 million.

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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 to 3 years	Direct	Likely	Medium-high	Banking sector is more fragile to negative whispering which could damage reputation. This situation would affect depositors of bank and lower liquidity	Akbank's solution strategies for the global climate change are shaped by the Corporate Governance Committee that directly reports to our Board of Directors. In addition, the International Advisory Board also contributes to the Bank's vision. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. Other departments such as Branch Operations, Architectural Works, and Personnel Management are responsible for collecting data, including energy consumption and	Firmly committed to the ideal of leaving behind a more habitable planet to future generations, Akbank continued to successfully undertake initiatives that minimized the environmental impact of its operations in 2016. Proactively taking part in international environmental sustainability initiatives, the Bank demonstrated its position as a global corporate citizen by becoming a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								implementation of energy saving practices.	commit to implement the new roadmap that circulated at the COP21 Conference of Parties in Paris. The new roadmap, supported by 400 private corporations including Akbank, and 120 investors representing total assets of USD 11 trillion, sets the goal of keeping the world on a trajectory that limits the global warming temperature rise to less than two degrees Celsius. Monetary savings from the energy reduction through activities is approximately TRY7 million.
Changing consumer behavior	As awareness and understanding of the effects of climate change rise, demand for	Reduced demand for goods/services	>6 years	Direct	Likely	Medium-high	Akbank extended project finance loans to renewable	Akbank has a reputable place in international markets in years. With the business	The Bank also assessed company loan applicants based on social and

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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.</p>						<p>energy projects valued at USD 10+ million totaling USD 1,380 million as of December 31, 2016. This amount would rise to roughly USD 1,600 in next 6 years.</p>	<p>partnerships that we establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development. In such loans we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from</p>	<p>environmental criteria using the Akbank Social and Environmental Management System. In addition, Akbank continued to carry out efforts to boost the share of financing for sustainable energy production from renewable sources and energy efficiency projects within its overall loan portfolio. Akbank extended project finance loans to renewable energy projects valued at USD 10+ million totaling USD 1,380 million as of December 31, 2016. Meanwhile, the share of renewable energy loans in total energy project loans rose to 37%. Akbank, one of the biggest supporters of</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								international sources for affordable loans to be used in energy efficiency and renewable energy projects.	renewable energy projects in Turkey. Renewable energy projects financed by Akbank were projected to generate 1,902 GWh of electricity annually and avoid 1 million tons of CO2 emissions in 2016.

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Please see Akbank's updated Environmental and Social Policies. You could also find Akbank's Environmental and Social Risk Assessment System details.

Attachments

[https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC5.ClimateChangeRisks/ENVIRONMENTAL AND SOCIAL POLICIES.pdf](https://www.cdp.net/sites/2017/49/449/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC5.ClimateChangeRisks/ENVIRONMENTAL%20AND%20SOCIAL%20POLICIES.pdf)
[https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC5.ClimateChangeRisks/ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT SYSTEM.pdf](https://www.cdp.net/sites/2017/49/449/Climate%20Change%202017/Shared%20Documents/Attachments/ClimateChange2017/CC5.ClimateChangeRisks/ENVIRONMENTAL%20AND%20SOCIAL%20RISK%20ASSESSMENT%20SYSTEM.pdf)

Page: CC6. Climate Change Opportunities

CC6.1

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

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

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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	Increased demand for existing products/services	3 to 6 years	Direct	Virtually certain	High	Akbank extended project finance loans to renewable energy projects valued at US\$ 10+ million totaling US\$ 1,380 million as of December 31, 2016. Meanwhile, the share of renewable energy loans in total energy project loans rose to 37%. With the business partnerships that we establish with international financial institutions, we aim to continuously offer new	Loans that Akbank secures from international financial institutions such as IFC, EBRD, and EIB to be lent out to customers mostly carry the conditions of being environment friendly and supporting development. Akbank establishes dialogues with these institutions with the aim of building management systems to monitor environmental and social performances of its customers pursuant to the conditions attached to these loans	In environmental loans, we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from international sources for affordable loans to be used in energy efficiency and renewable energy projects. Akbank obtained a new USD 110 million lending facility from EBRD in 2016

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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. Also We worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance implementations came to conclusion and finalized as "Sustainable Finance Declaration". As Akbank, one of the six</p>						<p>loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development</p>		<p>to finance renewable energy and energy efficiency projects. This loan includes criteria for identifying and mitigating the environmental and social impacts of projects to be financed in their area. Akbank requires borrowers from this facility to comply with both the national environmental, health and safety laws and regulations and EBRD's environmental and social performance criteria. EBRD offers independent project</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	pioneering supporters, we signed it to show our commitment for sustainable finance issues.								consultancy to our customers and environmental and social compliance audits are performed as well.
Voluntary agreements	A new national regulation which encompasses energy-intensive 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	Increased demand for existing products/services	Up to 1 year	Indirect (Client)	Virtually certain	Medium-high	Akbank extended project finance loans to renewable energy projects valued at US\$ 10+ million totaling US\$ 1,380 million as of December 31, 2016. Meanwhile, the share of renewable energy loans in total energy project loans rose to 37%. With the business partnerships that we	Since 2010, projects with a loan sum in excess of USD 50 million and with a term of over five years are subject to "Akbank Environmental and Social Policies." Project financing loans with a sum less than USD 50 million are also evaluated in terms of environmental risks. With this system, we aim to proactively and effectively manage potential environmental and social risks and opportunities during the project, including pre-project phase. Pursuant to	Renewable energy projects financed by Akbank were projected to generate 1,902 GWh of electricity annually and avoid 1 million tons of CO2 emissions in 2016.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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</p>						<p>establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development .</p>	<p>Akbank's Environmental and Social Policies, we pay due attention that all elements stated in the United Nations Global Compact are implemented by the customers that we grant loans to. For instance, in line with our social criteria, businesses that are proved to employ child labor are not granted any loans. In accordance with our Policies, considering that a project may cause severe and important impact on the environment, we request submission of Environmental Impact Assessment (EIA) reports or proof of exemption from EIA in financing projects in sectors within the scope of the Environmental Impact Assessment</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	could benefit if these were to legalize in the future thanks to its experience and efforts on the issue.							Regulations. Among projects that require EIA approval certificate are long-term infrastructure projects that have a high level of impact on the environment, such as hydroelectric power plants (HEPPs) and highways.	
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	Increased stock price (market valuation)	3 to 6 years	Direct	Likely	Medium-high	Akbank could only calculate direct effect of emission reduction activities. In this case Akbank's direct operational cost arises from emission reduction would be roughly TRY 3.2 million.	The overhaul of the mechanical automation of the heating/ventilating/air conditioning (HVAC) system in the branches to ensure that the system runs with appropriate configuration according to indoor air quality, which launched in 2010, continued in 2016. This system was directly deployed in the new branches. In addition to the aforementioned energy projects, the Bank activated an	Akbank is aware of the fact that measurement and monitoring are important factors for the management of energy used in its branches around 840. According to result of energy usage Akbank's architectural workers team develops several projects to

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>showing our customers, business partners and (even) the government of our preparedness, we can gain a stronger brand value which may lead to a higher stock value.</p>							<p>infrastructure in all branch computers that rationalizes energy consumption of idle computers under the GreenIT program in 2016. Aiming to keep the energy consumption increase below the growth rate of device needs in the Bank's data centers, Akbank opts for lower energyconsuming products in all new system purchases. To this end, the Bank began to decommission systems more than five years old and replace them with more energy efficient devices. Akbank initiated a new data center project in 2015 and completed the design work in 2016. The design entails the use of "free cooling" technology to</p>	<p>reduce energy consumption. All these activities resulted with remarkable energy reduction of 16% from base year-2014 and monetary savings from the energy reduction through activities is approximately TRY7 million.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								ensure a more energy efficient new data center. The new data center was also designed to comply with LEED (Leadership in Energy and Environmental Design) certification.	
Voluntary agreements	Akbank worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance implementations came to conclusion and finalized as "Sustainable Finance Declaration". As Akbank, one of the six pioneering	Investment opportunities	1 to 3 years	Indirect (Client)	Very likely	Medium-high			

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	supporters, we signed it to show our commitment for sustainable finance issues.								

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Induced changes in natural resources	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	Wider social benefits	Unknown	Direct	Virtually certain	High	Within the framework of Akbank Environmental and Social Policies, projects that allow transforming environmental risks into opportunities are given priority.	Carrying out tasks to reduce the amount of waste produced in business processes as much as possible, and to rationally recycle the wastes in incase waste reduction is not possible, For example we aim to reduce our	Some 800 empty toner cartridges collected at the Head Office and Akbank Banking Center were sent to the recycling company in 2016. Electronic devices that are no longer appropriate for use according to Akbank's standards are

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	materials, for all.							environmental footprint by recycling paper wastes.	sold to companies in Turkey, as scrap or second-hand products for recovery of the metals and electronic parts. In addition, some of these devices are donated as per the requests made to the Bank At Kinalı Archives Center, where all branch and Head Office archives are kept, 875 tons of paper were disposed and recycled in 2016 after the legal preservation period ended.
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	Increased demand for existing products/services	3 to 6 years	Direct	Virtually certain	High	Akbank could only calculate direct effect of emission reduction activities. In this case Akbank's direct operational cost arises	Akbank became a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris	Akbank is aware of the fact that measurement and monitoring are important factors for the management of energy used in its branches around 840.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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).						from emission reduction would be roughly TRY 3.2 million.	Agreement on climate change and commit to implement the new roadmap circulated at the COP21 Conference of Parties in Paris.	According to result of energy usage Akbank's architectural workers team develops several projects to reduce energy consumption. All these activities resulted with remarkable energy reduction of 16% from base year-2014 and monetary savings from the energy reduction through activities is approximately TRY7 million.

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	With rising awareness of customers, business	Increased demand for	3 to 6 years	Direct	Very likely	High	Demand for project	Akbank has a reputable	Renewable energy

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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.</p>	<p>existing products/services</p>					<p>finance loans to renewable energy projects (larger than US\$10 million) amounting to US\$ 1,024 would rise to roughly US\$ 1,600 million in next 6 years.</p>	<p>place in international markets in years. With the business partnerships that we establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable</p>	<p>projects financed by Akbank were projected to generate 1,902 GWh of electricity annually and avoid 1 million tons of CO2 emissions in 2016.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								development. In such loans we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from international sources for affordable loans to be used in energy efficiency and renewable energy projects.	
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	Increased demand for existing products/services	>6 years	Direct	About as likely as not	High	Akbank extended project finance loans to renewable energy	Embracing a holistic approach to sustainability, Akbank performs an environmental	Renewable energy projects financed by Akbank were projected to generate

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>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.</p>						<p>projects valued at US\$ 10+ million totaling US\$ 1,380 million as of December 31, 2016. Meanwhile, the share of renewable energy loans in total energy project loans rose to 37%. With the business partnerships that we establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic</p>	<p>and social risk assessment for the loans it extends to clients in the Corporate, Commercial and SME Banking segments, depending on certain factors, such as the funding source of the loan. Pursuant to the environmental sustainability policy it has adopted, the Bank gives priority to projects that turn risks into opportunities during the process of forming the loan portfolio.</p>	<p>1,902 GWh of electricity annually and avoid 1 million tons of CO2 emissions in 2016.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development		

CC6.1d

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

CC6.1e

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

CC6.1f

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

Further Information

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

Page: CC7. Emissions Methodology

CC7.1

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

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	9254
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	46118
Scope 2 (market-based)	Wed 01 Jan 2014 - Wed 31 Dec	46118

Scope	Base year	Base year emissions (metric tonnes CO2e)
	2014	

CC7.2

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

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

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

CC7.3

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

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	56.1	Other: metric tonnes CO2e per TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Distillate fuel oil No 4	77.4	Other: metric tonnes CO2e per TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Diesel/Gas oil	74.1	Other: metric tonnes CO2e per TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Motor gasoline	69.3	Other: metric tonnes CO2e per TJ	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Electricity	0.472	metric tonnes CO2 per MWh	

Further Information

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

CC8.1

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

Operational control

CC8.2

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

7912

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	We could not reach any data for Akbank electricity consumption specifically. So that we assume Scope-2 emission in location-based figures is equal to market-based figure.

CC8.3a

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
38763	38763	We could not reach any data for Akbank electricity consumption specifically. So that we assume Scope-2 emission in location-based figures is equal to market-based figure.

CC8.4

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

Yes

CC8.4a

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

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Coal Utilize	Emissions are not relevant	No emissions from this source	No emissions from this source	Amount of coal utilize could excluded due to measurement constraints.
Malta Branch	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	The boundary of the report is the activities of Akbank within Turkey. Akbank has a small branch in Malta of 13 employees which has a negligible effect.

CC8.5

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

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints Data Management Other: Employee error	Some branches of Akbank could make mistake while reporting heating amounts. So these amounts are calculated by some assumptions and extrapolations by using accounting related accounting figures. Sampling is used during auditing process of the data.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints Other: Employee error	Some branches of Akbank could make mistake while reporting electricity consumption amounts. So these amounts are calculated by some assumptions and extrapolations by using accounting related accounting figures. Sampling is used during auditing process of the data. Majority of Akbank's branches are purchasing electricity from Enerjisa and this makes easier to calculate consumption amount and carbon footprint of the Bank.
Scope 2 (market-based)	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints Other: Employee error	Some branches of Akbank could make mistake while reporting electricity consumption amounts. So these amounts are calculated by some assumptions and extrapolations by using accounting related accounting figures. Sampling is used during auditing process of the data. Majority of Akbank's branches are purchasing electricity from Enerjisa and this makes easier to calculate consumption amount and carbon footprint of the Bank.

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/CC8.6a/AKBANK-CDP-Verification-Report_2016.pdf	3-4	ISO14064-3	100

CC8.6b

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

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission
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CC8.7

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

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/CC8.7a/AKBANK-CDP-Verification-Report_2016.pdf	3-4	ISO14064-3	100
Market-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/CC8.7a/AKBANK-CDP-Verification-Report_2016.pdf	3-4	ISO14064-3	100

CC8.8

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

Additional data points verified	Comment
No additional data verified	

CC8.9

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

No

CC8.9a

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

Further Information**Attachments**

[https://www.cdp.net/sites/2017/49/449/Climate_Change_2017/Shared_Documents/Attachments/ClimateChange2017/CC8.EmissionsData\(1Jan2016-31Dec2016\)/AKBANK-CDP-Verification-Report_2016.pdf](https://www.cdp.net/sites/2017/49/449/Climate_Change_2017/Shared_Documents/Attachments/ClimateChange2017/CC8.EmissionsData(1Jan2016-31Dec2016)/AKBANK-CDP-Verification-Report_2016.pdf)

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

CC9.1

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

No

CC9.1a

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

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

CC9.2

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

- By business division
- By facility
- By activity

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)
Head Quarter	1411
Branches	4627

Business division	Scope 1 emissions (metric tonnes CO2e)
Unseperable for break down	1874

CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Sabancı Center	375		
Gebze Akbank Banking Center	982		
Zincirlikuyu Academy	21		
Silivri Archieve	34		
Branches	4627		
Unseperable for break down	1874		

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Heating (Fuel Combustion)	6038
Transportation (Company owned diesel vehicles)	1846
Transportation (Company owned gasoline vehicles)	28

Further Information

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

CC10.1

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

No

CC10.1a

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

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
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CC10.2

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

- By business division
- By facility
- By activity

CC10.2a

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

Business division	Scope 2, location-based (metric tonnes CO ₂ e)	Scope 2, market-based (metric tonnes CO ₂ e)
Head Quarter	15953	
Branches & ATM/BTMs	22810	

CC10.2b

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Head Offices & Operation Center & Academy	15953	
Branches	22810	

CC10.2c

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

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Management & Operation Centers & Academy	15953	
Branch & ATM/BTM Banking	22810	

Further Information

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	MWh
Heat	
Steam	
Cooling	

CC11.3

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

38397

CC11.3a

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

Fuels	MWh
Natural gas	20174
Distillate fuel oil No 2	11213
Motor gasoline	110
Diesel/Gas oil	6900

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0	0	

CC11.5

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

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
82122	82122	0	0	0	

Further Information

Page: **CC12. Emissions Performance**

CC12.1

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

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	8.9	Decrease	The reduce in Scope1+2 emissions was the result of progressing energy efficiency activities in 2016 (such as Green IT, overhaul of the mechanical automation of the HVAC system. Scope 1+2 emissions in the previous year were 51,226 tCO2e. Please see the calculation below; 2016:46,625 tCO2e 2015:51,226 tCO2e. The change is : $(46,625 / 51,226) - 1 = 0.089$
Divestment			
Acquisitions			
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
2.09	metric tonnes CO2e	23022	Location-based	24.7	Decrease	Decrease in intensity figure mainly was outcome of closing branches. Akbank increased Direct Banking transactions and preferred a Lean Management Model. This strategy lead carbon emissions going down while Akbank's revenue increased.

CC12.3

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

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
3.37	metric tonnes CO2e	full time equivalent (FTE) employee	13843	Location-based	7.5	Decrease	Decrease in intensity figure mainly was outcome of closing branches. Akbank increased Direct Banking transactions and preferred a Lean Management Model. This strategy lead carbon emissions going down. Despite decrease in Akbank's personel number, intensity figure decreased as well thanks to lower carbon emission.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

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

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b**What is your strategy for complying with the schemes in which you participate or anticipate participating?**

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. Despite that, Turkey has active presence in the voluntary carbon markets. Over the period 2007 – 2015, Turkey transacted approximately 70% of total CO2e market volume in Europe to date. The main part of Turkey's voluntary carbon transactions were derived from sales of Voluntary Emission Reduction "VERs" generated by wind, hydro, and landfill methane projects.

Akbank has targeted to have a major pioneering role on emissions trading. In line with this aim Akbank negotiates with EBRD to involve itself in the development process of Carbon cap & trade schemes in Turkey. Also Akbank is involved in the efforts of Turkey's Climate Platform with TUSIAD and REC to evaluate and activate cap & trade schemes in Turkey. Akbank participated two important frameworks to commit reducing its carbon footprint.

- In 2012, Akbank became one of first companies in the world to sign the “Carbon Price Communiqué” prepared by The Prince of Wales’s Corporate Leaders Group on Climate Change (CLG) to draw attention to the need to develop a clear and transparent pricing policy for carbon emissions.

- In 2015, Akbank became a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and commit to implement the new roadmap circulated at the COP21 Conference of Parties in Paris.

CC13.2**Has your organization originated any project-based carbon credits or purchased any within the reporting period?**

No

CC13.2a

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

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

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				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. We assume to have enough data to calculate Scope 3 emissions from purchased goods and services in next 2 year.
Capital goods	Not relevant, explanation provided				The GHG generated from capital goods such as buildings are reported in either Scope 1 or Scope 2 emissions. Therefore it is not relevant.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				It is assumed that the upstream emission of electricity is included in the emission factor in Scope 2. For T&D losses; 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 and 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	1766	Scope 1 and for rented fleet here. For Air travel; almost all flight ticketing of Akbank are done by Related Tourism Agency. The list of flights is taken from agency 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 in line with GHG Protocols.	100.00%	Akbank provides employee commuting for its main facilities named Sabanci Center and Akbank Banking Center. Akbank increase the numbers of services vehicle and shuttles to serve its personnel more effiently.
Employee	Relevant,	4515	Akbank increase the numbers of services	100.00%	Akbank provides employee commuting for its

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
commuting	calculated		vehicles and shuttles to serve its personnel more efficiently. Distance travelled by the employee commuting vehicles are gathered and multiplied by the emission factor according to the GHG Mobile Protocol.		main facilities named Sabanci Center and Akbank Banking Center. Akbank increase the numbers of services vehicle and shuttles to serve its personnel more efficiently.
Upstream leased assets	Not relevant, explanation provided				Akbank owns or rents its facilities and vehicles 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.
Downstream transportation and distribution	Relevant, calculated	3793	Fuels bought for rented fleet are gathered by smart payment systems from the contracted fuel distributor company. The volume of liters consumed is multiplied by the relevant emission factors by taking accounts the fuel types in line with GHG Protocols.	100.00%	
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.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Investments	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
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

CC14.2

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

No third party verification or assurance

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
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CC14.3

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

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other: ncrease in attendance to international conferences	200	Increase	In 2016, the methodology change was made for calculation emission emitted from business travel . The majority of increase was related with it. The other reason was related with increasing participation to international conferences, meetings and summits to continue Akbank's sustainable growth. Thus Akbank Management increased the number of both participants and conference participation in 2016. So this directly increased emission amount originating from business travels.
Employee commuting	Other: Increase in service vehicles	18	Increase	Employees preferring service vehicles for transportation between home-work instead of their personnel cars resulted in higher emission due to increasing number of service vehicles and shuttles.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Downstream transportation and distribution	Other: Fleet Expansion	73	Increase	Akbank's vehicle fleet rose from top management to sales team of branches. This increase ratio was resulted to base effect of previous year and one-off item.

CC14.4

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

Yes, our suppliers

CC14.4a

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

CC14.4b

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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Compliance	254	62%	We developed a questionnaire for the assesment 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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
			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 254 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.

CC14.4c

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

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Atıl ÖZUS	Executive Vice President - CFO	Chief Financial Officer (CFO)

Further Information

Attachments

<https://www.cdp.net/sites/2017/49/449/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC15.SignOff/Atıl Özus CV.docx>

CDP 2017 Climate Change 2017 Information Request