

## C0. Introduction

## C0.1

## (C0.1) Give a general description and introduction to your organization.

As Akbank T.A.Ş., we were established in Adana on January 30, 1948 as a privately owned commercial bank to provide resources and support to cotton producers in Adana. We opened our first Istanbul branch on 14 July 1950 in Sirkeci. After our Headquarters was moved to Istanbul in 1954, we rapidly increased the number of our branches and in 1963 we automated all banking transactions. With our public offering in 1990 and a secondary public offering in 1998, we started to be traded in international markets as American Depositary Receipt (ADR). We continue to serve our customers in the fields of corporate and investment banking, commercial banking, SME banking, retail banking, payment systems, private banking, investment services and treasury transactions. We are able to develop innovative product solutions for our customers' different financial needs via our affiliates Akbank AG, AkLease, Ak Investment, Ak Asset Management and AkÖde. We own products and services that make a difference in the national and international banking sector, such as Axess, Wings and Private Banking, which are associated with Akbank's identity. We serve more than 19 million customers through our extensive service network and technological infrastructure with our Head Office, Data and Life Center in Istanbul, 19 Regional Directorates in Turkey, 711 branches and over 12 thousand employees. Apart from the one-to-one service we provide at our branches, we continue to create value for our customers through Akbank Internet, Akbank Mobile, Call Center, approximately 5300 ATMs, 680,000 POS terminals (including virtual POS) with investments we make in digital transformation. In addition, we have added an international dimension to our operations through our subsidiary Akbank AG in Germany and our branch in Malta, drawing strength from our highly reputable identity in Turkey. As Akbank, we have been a part of many initiatives that have a high social contribution to our country by providing financing without compromising ethical, social and environmental values for 73 years. We became the first deposit bank in Turkey to set long-term goals in the field of sustainability. We are committed to providing 200 billion TL of sustainable loan financing to our country until 2030. In proportion to this loan volume, we aim to increase the sustainability-related financing we will provide until 2030. Akbank has developed a bifocal strategy of "Run the Bank" and "Crafting the Future" to structure its key priorities and reach its goals. "Running the bank" is focused on the present or short term, and even on the daily requirements of risk and return focused sound growth, expansion and activation of the customer base, managing the capital structure to be robust even through turbulent market conditions, maintaining the standard of best in class efficiency and sustainable high profitability and stakeholder value creation. "Crafting the future" goes hand in hand with running the bank, as it is crucial to create and maintain a superior customer experience, to leverage digitalization and advanced analytics and to invest in business models, the work environment and people, to mitigate environmental footprint while increasing positive impact which will ensure Akbank remains in a pioneering position. Akbank's sustainability strategy is focused on four areas: Sustainable Finance, Ecosystems Management, People & Culture and Climate Change. The work in these four areas is supported by the bank's strong financial performance and integrated governance approach. In line with its 4-pillar sustainability strategy, Akbank identified and announced long term, actionable targets in 2021, becoming the first Turkish deposit bank to announce commitments on both sides of the balance sheet. In order to govern and oversee Akbank's sustainability performance at board level, we have established a Sustainability Committee as of January 2021. The members of the committee are: Executive Board Member, Independent Board Member, CEO, CFO and SVP of Investor Relations and Sustainability. The committee convenes at least two times a year and oversees the efforts of all business units to achieve shared sustainability goals. Thanks to measurable solid targets and consistent implementation of its sustainability action plan, Akbank improved its scores in leading Sustainability Indices. Akbank's MSCI ESG rating has been upgraded two notches to BBB, while the Sustainability upgraded its assessment to "Low Risk". In 2021 Akbank became a member of UNEP FI and signatory of Responsible Banking Principles. Akbank also became a TCFD Supporter, a member of Valuable 500 and one of the founding members of UNEP FI Financial Health and Inclusion. Some of the awards received by Akbank in 2021 are as follows: ECHO Awards, first place in the online banking category; Turkey's Best Bank by Global Finance and Euromoney, Central and Eastern Europe's Best Private Banking Unit award at PWM Wealth Tech Awards 2021.

## C0.2

## (C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

## C0.3

## (C0.3) Select the countries/areas in which you operate.

Turkey

## C0.4

## (C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

## C0.5

## (C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset manager)	No	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TRAAKBNK91N6
Yes, a Ticker symbol	AKBNK

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board Chair	Akbank Chairman of the Board is also on the Sustainability Committee and Corporate Governance Committee. The board of directors accepts and embraces sustainability as an integral part of the way we do business. This kind of organizational structure enables the synergy between different approaches to support governing climate-related issues in a holistic way.
Board-level committee	<p>Our corporate governance committee convenes at least twice a year and oversees the compliance with corporate governance principles and ethical values. It also oversees the relationships with our investors and institutions and ensures an honest communication platform with our stakeholders. Determining the policies on social responsibility projects, it is responsible for the principles of digital channels, the protection of our bank's reputation, the assessment of the appropriate candidates for the management board and the preparation of annual reports and sustainability reports. The members of the Corporate Governance Committee are: Executive Board Member, Board Member and CFO.</p> <p>In 2021, it was decided to contact the relevant stakeholders to improve our performance in the Sustainability Indices. In addition the Committee decided to combine Sustainability Report and Financial report for the first time. The report has been prepared as an Integrated Annual Report.</p> <p>Also, the duties, authorities and responsibilities of the Corporate Governance Committee include:</p> <ul style="list-style-type: none"> <li>• Scoping and overseeing relationships with investors as well as authorized bodies such as the Capital Markets Board (CMB) and Borsa Istanbul (BIST),</li> <li>• Formulating the Code of Ethics and overseeing compliance,</li> <li>• Supervising the activities of the Shareholder Relations Unit,</li> <li>• Creating a transparent system for determining, evaluating and training suitable candidates for the Board of Directors, and conducting efforts to determine policies and strategies related to this issue,</li> <li>• Monitoring, auditing and reporting remuneration practices are conducted by Members of the Remuneration Committee on behalf of the Board of Directors,</li> <li>• Ensuring and supervising that the Bank's Annual Report, website, and similar publicity channels are prepared in conformity with the Corporate Governance Principles,</li> <li>• Ensuring and supervising that necessary actions are taken to protect the Bank's brand and reputation.</li> </ul>
Board-level committee	Credit Committee helps the bank to govern its aspirations in identifying and effectively managing the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. In this context, the Bank has developed an Environmental and Social Risk Assessment System. Our system and Environmental and Social Credit Policy, which is revised in line with changing and developing needs, is revised every year with the approval of our Board of Directors in accordance with current conditions. The approvals of the financings we provide in accordance with our policy are given by the Credit Committee within our Board of Directors or by the allocation authority authorized by our Board of Directors. In this context; we expanded the scope of our work in this area by reducing the Environmental and Social Impact Assessment limit of our new investment loans from US\$ 50 million to US\$ 10 million. The responsible board body is the Credit Committee which examines loan offers that have passed in terms of compliance with legal regulations, banking policies, environmental and social policies as well. In 2021, as a result of these studies, we determined that 25 of 431 loan applications were included in the list of activities that will not be credited, and we rejected their requests. In 2021, a total of 14 projects were included in the Environmental and Social Impact Assessment, and we determined 7 projects as high risk, 2 projects as medium risk and 5 projects as low risk. As an example, for this year activities, we conducted a new project to monitor and capture on-time risk factors of the credits we provide. Since we have calculation methodology for credit risks called Environmental and Social Impact Assessment (ESIA), this lets us to understand the potential impact of our credit portfolio based on low, medium, and high-risk levels. In order to understand deeply of our portfolio exposure risks, we developed a system that shows us in which credit has been linked to ESG criteria we set. With the help of this system, we can rapidly and accurately process of our credit portfolio in terms of climate change risk perspective.
Other, please specify (Board-level committee)	<p>Established at the beginning of 2021, our board-level sustainability committee (SC) is the highest-level body for the sustainability management and has oversight responsibility for all social, governance, environmental issues, including climate-related matters, social and environmental impact of the Bank. The members are Executive Board Member, Board Member, CEO, CFO and Head of Investor Relations &amp; Sustainability Department (IR and SD). Under this Committee, there are 4 sub-committees that we formed based on our strategic focus areas such as sustainable finance, climate change, ecosystem management, and people and communities. Particularly, the climate change subcommittee meets at least 3 times a year under the coordination of our IR and SD, under the leadership of our relevant Executive Vice Presidents, and with our representatives from relevant teams of the bank. Based on the output from committee meetings, we monitor our progress on a quarterly basis with representatives from relevant. We have set more than 100 actions (30% of these related to climate change and 81% of these action targets were met in 2021) in 4 focus areas to achieve our targets. As of 2021-year targets proposed by the SC, which are approved by the board, include:</p> <p>*Providing TL 200 bn sustainable loan financing until 2030, Becoming a carbon-neutral bank through eliminating operational emissions (scope 1 and 2) by 2025;</p> <p>*Decreasing the impact of loan portfolio on climate change until 2030. Aligning with these targets, the SC decided to purchase our electricity from renewable resources in order to reduce our carbon emissions to combat climate change. After this decision, we started to consume our 60% of electricity from renewable resources. As the SC, we do consider not only our operations but also monitor our project portfolio at the same time. With this regard, we financed renewable energy generation projects and avoided 3.8 million tons of CO2 emissions with these investments. Also, the Committee decided to start a project to enhance Sustainable Finance Framework, Environmental and Social Risk Framework and integrating Climate risks into banking operations. In addition, the Committee decided to be a TCFD supporter and a signatory of UNEP FI Responsible Banking Principles, to answering CDP Water Security questionnaire in order to track our water impact and performance transparently.</p>
Chief Executive Officer (CEO)	The CEO oversees and closely follows the progress in the bank's sustainability targets, both as a member of the board-level Sustainability Committee, and through ad-hoc meetings with the relevant business units. In 2021, the CEO approved that all employees at the bank will be responsible for the sustainability matters/impacts of the bank. In order to meet these targets (*becoming a carbon-neutral bank through eliminating operational emissions (scope 1 and 2) by 2025; *Decreasing the impact of loan portfolio on climate change until 2030), our CEO ratified that each employee including CEO, will have the KPI in their scorecards to measure the bank's sustainability performance throughout the year. Besides these achievements, the CEO approved the membership to the United Nations Environment Program Finance Initiative (UNEP FI) and the United Nations Responsible Banking Principles, giving our activities in this area an international identity. Since our CEO is the foremost spokesperson specifically in sustainability issues, he announced our support for the Task Force on Climate-related Financial Disclosures (TCFD).

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our banking activities Climate-related risks and opportunities to our insurance underwriting activities The impact of our own operations on the climate The impact of our banking activities on the climate The impact of our investing activities on the climate The impact of our insurance underwriting activities on the climate	<p>The Sustainability Committee including Executive and Independent Members of the Board, CEO, CFO and Head of Investor Relations and Sustainability, meets at least two times a year. Each meeting on the Sustainability Committee, a board-level representation, discusses progress on our goals for Climate Change. Addition to the Committee, there is a Climate Change Sub-Committee consisting of Executive Vice Presidents and it reports directly to the CEO. On the other hand, its activities are reported directly to the Sustainability Committee. The tasks and liabilities of the SC are: "Preparing a sustainability strategy in line with our bank's business strategy, market conditions and developments, "Carrying out all sustainability activities within the framework of our bank's sustainability strategy, priority areas and targets and strengthening our sustainability performance,"Integrating sustainability into all our ways of doing business, identifying relevant risks and opportunities, ensuring that our Bank's priority issues are aligned with sustainability issues,"Progress of our bank in harmony with the Sustainability Principles and other relevant legislation, follow-up and communication of the legislation, "Determining and monitoring the relations within the framework of sustainability with national and international organizations and authorized institutions related to sustainability,"Establishing and monitoring an honest and transparent communication platform with our bank's stakeholders on sustainability,"To ensure that the reports containing our bank's sustainability activities and performance indicators, our corporate website and similar promotional channels are prepared and supervised in accordance with the Corporate Governance Principles and Sustainability Principles.</p> <p>In line with EU Taxonomy requirements and international best practices, we strive to develop the sustainable finance framework within the wider banking operations. Akbank sees the current sustainable finance framework as a starting point and aims to expand its policies as a result of the analysis. Integrating sustainability into wider banking functions will mean development of new procedures, amendment of existing ones, engagement with stakeholders and alignment of processes. Akbank is also aiming to integrate climate related risks and opportunities into its banking operations. This will not only give Akbank a sound position to mitigate climate related financial risks in its portfolio but also a competitive edge to identify financing opportunities for climate mitigation and adaptation actions. In practice such integration means identification of climate risks and opportunities as well as climate sensitive sectors in the portfolio which will allow us to identify inside-out and outside-in impacts based on different scenarios. This will enable Akbank to have a concrete action plan to reduce its negative climate impact and be more resilient against climate change.</p>

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Our CEO, Sustainability Committee member and member of Board of Directors, has significant knowledge on sustainability due to his role in the bank as a spokesperson in the field of sustainability since he started working in Akbank. Since he has been following up the bank's sustainability agenda and performance closely, he has started to investigate the ways to increase the bank's climate change mitigation and adaptation capabilities.	<Not Applicable>	<Not Applicable>

**C1.2**

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other committee, please specify (Sustainability Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly
Chief Financial Officer (CFO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly
Other, please specify (Corporate Governance Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly
Credit committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	More frequently than quarterly
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly
Other, please specify (Climate Change Preliminary Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly
Other, please specify (Integrated Management System-Management Review Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Annually
Other, please specify (Business Continuity and Information Systems Continuity Committee)	Please select	Please select <i>The Business Continuity and Disaster Management System, which is implemented within our bank, operates in line with ISO 22301:2012 Social Security Business Continuity Management System standards. The Business Continuity Committee, which convenes twice a year, is responsible for monitoring and directing the work carried out within the scope of the Business Continuity and Disaster Management System. In line with ISO 22301:2012 standard, we continued to implement the Business Continuity Management Program also in 2021 in order to ensure the continuity of our critical business processes, to make them work within the foreseen downtime in the case of malfunctions, to prevent customer losses, and to protect the corporate reputation. The implementation of the Technology Continuity Program established within the Bank is followed up at the level of the Board of Directors.</i>	Please select	Please select

C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Akbank adapts sustainability in its business models and create a positive impact on its supply chain in an effort to reduce its environmental footprint. We continue to be the leading bank that drives Turkey into the future with a strong financial performance and integrated governance skills. In this sense, we defined four strategic focus areas in 2020 to create a holistic value. These are Sustainable Finance, Ecosystems Management, Climate Change and People & Community. With the Sustainability Committee established in 2020, we coordinate all our sustainability efforts at the Bank and monitor the successful realization of more than 100 actions in order to achieve the relevant targets. Permanent members of the Committee include Executive and Independent Members of the Board, CEO, CFO and Head of Investor Relations and Sustainability. Investor Relations and Sustainability Department sets the meeting agenda of the Committee which convenes minimum twice a year and conveys it to the permanent members of our Committee before the meeting. Subsequently, Committee members share their suggestions on the agenda with the Investor Relations and Sustainability Department. Depending on the agenda relevant business units, can also be represented by Deputy General Manager/Executive Vice Presidents or Department Heads. Our Corporate Governance Committee undertakes the monitoring, auditing and reporting of our sustainability activities meetings of our Sustainability Committee on behalf of the Board of Directors. Thus, our Board of Directors can independently audit the performance of our Sustainability Committee. With the feedback given by our Board of Directors, our Sustainability Committee is going to improvements or adjustments in its actions and activities. In addition to the audit of our Board of Directors, our Committee carries out a self-assessment of the sustainability performance of our Committee with the meetings we hold. Thus, we can take environmental and social actions quickly and effectively. The status of the decisions taken in our Committee is followed by our Investor Relations and Sustainability Department and we consider it as the first item in the agenda of the next meeting of our Committee. The Sustainability Committee is divided into pre-committees based on the strategic focus areas and continues to work actively with the participation of stakeholder teams formed with representatives from functions and under the leadership of the Assistant General Managers. The tasks and liabilities of the Committee include:

\*Preparation of sustainability strategy in accordance with the bank's business strategy, market conditions and developments,

\*Carrying out all sustainability activities within the framework of the bank's sustainability strategy, priority areas and objectives and strengthening the bank's sustainability performance,

\*Integrating sustainability into all forms of business, identifying related risks and opportunities, ensuring the compliance of the priority issues of our Bank with sustainability,

\*Ensuring compliance within the bank with sustainability principles and other relevant legislations, monitoring and communicating,

\*Determination and supervision of relations within the framework of sustainability with domestic and international organizations and authorized institutions associated with sustainability,

\*Establishment and supervision of an honest, transparent communication platform with the bank's stakeholders on sustainability,

\*To ensure the proper preparation and supervision of reports, websites and similar promotional channels involving the bank's sustainability activities and performance indicators in accordance with the Corporate Governance Principles and Sustainability Principles. The Sustainability Committee, which was established in 2020, coordinates all sustainability efforts at the Bank and monitors the successful realization of more than 100 actions in order to achieve the relevant targets. Among the permanent members of the Committee are our Board of Directors and Independent Members, CEO, Vice President of Financial Management, Head of Investor Relations and Sustainability Department. Investor Relations and Sustainability Department determines the meeting agenda of Committee, which meets at least twice a year and conveys it to the permanent members of the Committee before the meeting. Subsequently, Committee members share their suggestions on the agenda with the Investor Relations and Sustainability Department. Depending on the agenda, except the permanent members of the Committee; related business units, Vice President of CEO or Heads of Departments can also invite. The Corporate Governance Committee undertakes the monitoring, auditing and reporting of sustainability activities on behalf of the Board of Directors. The Investor Relations and Sustainability Department monitors the status of the decisions taken in the Committee and takes it as the first item in the Committee's next meeting agenda.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In 2021, the Board decided that the KPI's of the bank, including the CEO's, should include progress in the bank's sustainability targets, which also involve three specific targets related to climate change: *Becoming a carbon-neutral bank through eliminating operational emissions by 2025; *Decreasing the impact of loan portfolio on climate change until 2030; *Mitigating climate-related risks and impact on portfolio. The progress in sustainability is followed on a quarterly and is included in the bank's performance. Additionally, the responsibilities of the business units were determined jointly with the Organizational Development department in order to identify the prioritized sustainability issues in our bank and to carry out the necessary studies. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (30% of these related to climate change) in 4 focus areas to achieve our targets.

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Financial Officer (CFO)	Monetary reward	Emissions reduction target Energy reduction project Behavior change related indicator	In 2021, the Board decided that the KPI's of each employee in the bank, including the CEO's, should include progress in the bank's sustainability targets related to climate change: Becoming a carbon-neutral bank through eliminating operational emissions by 2025; Decreasing the impact of loan portfolio on climate change until 2030; Mitigating climate-related risks and impact on portfolio. The sustainability progress is followed on quarterly basis. The responsibilities of the business units were determined jointly with the Organizational Development department in order to identify the prioritized sustainability issues in our bank and to carry out the necessary studies. "Sustainability" has been added to the job descriptions of the relevant department heads and managers. CFO works with CHRO and monitor and control the function of review committee which is positioned under the climate change subcommittee. In 2021, we started the installation of the Integrated Management System covering ISO 14001 Environment, ISO 50001 Energy Efficiency and ISO 45001 Occupational Health and Safety Management Systems. Management Review Meetings are held at the Climate Change Preliminary Committee. It is carried out with the Sustainability team led by the CFO and the People and Culture EVPs. In the Management Review Meeting, based on the main theme of climate change, follow-up activities of the previous management review, reviewing the environment, energy and OHS (Sustainability Policy) policies, reviewing the environment, energy and OHS performance, legal and other legal and other obligations that the bank is obliged to comply with, the level of achievement of environmental, energy and OHS objectives, risks and opportunities, important environmental aspects, needs and expectations of stakeholders and changes in internal and external issues related to the Integrated Management System are discussed. We completed the installation, operation and audit processes of our Integrated Management System at our Head Office, Akbank Banking Center and 42 branches. In addition, we have carried out our certification processes with internationally valid accreditation by an independent certification body. We aim to bring 250 branches under the Integrated Management System until 2023, and all locations until 2024.
Other, please specify (Investor Relations and Sustainability Senior Vice President)	Monetary reward	Emissions reduction project Energy reduction project Behavior change related indicator	SVP of Sustainability is a member of the bank's highest-level body that oversees sustainability strategy and performance, the Sustainability Committee. The department also closely follows the progress on the bank's sustainability targets and how they feed into the bank's sustainability KPI's. In 2021, the Board decided that the KPI's of each employee in the bank, including the CEO's, should include progress in the bank's sustainability targets related to climate change: Becoming a carbon-neutral bank through eliminating operational emissions by 2025; Decreasing the impact of loan portfolio on climate change until 2030; Mitigating climate-related risks and impact on portfolio. The sustainability progress is followed on quarterly basis.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Energy reduction project Behavior change related indicator	A specific sub-department on Sustainability was established at the bank, in order to better coordinate and monitor the bank's sustainability performance. The performance of the Sustainability VP is entirely determined by sustainability-related activities. The Sustainability Department sets the meeting agenda of the Committee which convenes minimum twice a year and conveys it to the permanent members of our Committee before the meeting. The department also closely follows the progress on the bank's sustainability targets and how they feed into the bank's sustainability KPI's.
All employees	Monetary reward	Emissions reduction project Energy reduction project Behavior change related indicator	In 2021, the Board decided that the KPI's of each employee in the bank, including the CEO's, should include progress in the bank's sustainability targets related to climate change: Becoming a carbon-neutral bank through eliminating operational emissions by 2025; Decreasing the impact of loan portfolio on climate change until 2030; Mitigating climate-related risks and impact on portfolio. The sustainability progress is followed on quarterly basis. The responsibilities of the business units were determined jointly with the Organizational Development department in order to identify the prioritized sustainability issues in our bank and to carry out the necessary studies. "Sustainability" has been added to the job descriptions of the relevant department heads and managers. This can be considered as a critical step for the emission reduction targets to be included in the incentive mechanisms of the bank in the upcoming reporting periods.

**C-FS1.4**

**(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?**

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	No, but we plan to in the next two years	<Not Applicable>	We're considering to offer an employment-based retirement scheme that incorporates ESG principles in the upcoming years.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	1	With the uncertainty and continuity of the pandemic, we continued the time intervals similar to the previous year.
Medium-term	1	2	With the uncertainty and continuity of the pandemic, we continued the time intervals similar to the previous year.
Long-term	3	10	With the uncertainty and continuity of the pandemic, we continued the time intervals similar to the previous year.

## C2.1b

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### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

Akbank creates various internal platforms to manage climate change-related risks and opportunities in the short, medium and long term. 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 the broader sense risk assessment at Akbank is conducted in eleven different categories including market and counter party credit risk, liquidity risk, information security risks, interest rate risk, credit risk, operational risk, legal risks, reputation risk, clean banking risk, new product & service risk, privacy and information security risk. Climate-related risks are covered within operational, credit and liquidity risks and Environment and Social Impact Assessment system. The Climate Change Preliminary Committee, which has Executive Vice President representation, is responsible for the oversight of achieving the targets related to mitigate climate-related risks. The Sustainable Finance Committee is responsible for identifying and utilizing climate-related opportunities. The output of the Climate Change and Sustainable Finance Preliminary Committees in managing climate-change related risks and opportunities is overseen and evaluated by the board-level Sustainability Committee. The Committee decided to start a project to enhance Sustainable Finance Framework, Environmental and Social Risk Framework and integrating Climate risks into banking operations. In addition, the Committee decided to be a TCFD supporter and a signatory of UNEP FI Responsible Banking Principles, to answering CDP Water Security questionnaire in order to track our water impact and performance transparently. In order to include it in our risk inventory, we have started a large-scale project on the identification, definition, evaluation and/or measurement, monitoring, control, reporting and management of climate change risks. With the project, we aim to take actions such as determining the roadmaps to be followed, increasing access to sustainable funding sources, and enriching the product and financing opportunities that will support the transition to a low carbon economy. In line with these conditions, 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 Environmental and Social Risk Assessment System. we define a "substantive financial or strategic impact " to be a potential impact that exceeds a threshold of potential annual financial implications for our business. The quantifiable indicator we use is a TRY 89,091,000 (USD 10 million) threshold. It is directly linked to the Environmental and Social Impact Assessment limit. Therefore, for CDP reporting, we consider risks and opportunities with potential financial implications for our business of over TRY 89,091,000 (USD 10 million) per year to be substantive.

## C2.2

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## (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

### Risk management process

Integrated into multi-disciplinary company-wide risk management process

### Frequency of assessment

More than once a year

### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

### Description of process

The process is used to determine climate risk and opportunities (R/Os) in the bank consists of two parts: Outside in effect and inside out effect. Climate Change Risk and Opportunity Analysis for the Loan Portfolio - Evaluation of Climatic Financial Risks (Outside in effect – TCFD, Analysis of the qualitative effects of the risks and opportunities that may arise from climate change on the loan portfolio and the numerical effects of them on a selected customer). The analysis work will be carried out within the stages listed below. Within the scope of the analysis, the sectoral distribution of the entire commercial customer portfolio on 31 December 2021 was taken into consideration.

#### A. Methods Followed and Approaches Considered

Model-driven scenarios are at the heart of climate environmental research and predictions of the future state of the earth. In this context;

- Built-in "Representative Concentration Pathways" (RCPs) and "Shared Socio-economic Pathways" (SSPs) scenario models were mainly utilized.
- The "Task Force on Climate-related Financial Disclosures" (TCFD) framework was taken into account to identify vulnerabilities and understand their risks and opportunities.
- Within the framework of PESTEL analysis; The driving forces have been identified from a political, economic, social, technological, environmental and legal perspective.
- "The Intergovernmental Panel on Climate Change" (IPCC) reports on climate change in general and the physical and transition risks it will bring, as well as the World Bank climate database; International Energy Agency (IEA) scenarios on transition risks and carbon pricing related to the energy sector and UN FAO scenarios for impacts to the agricultural sector were considered.

#### B. Climate Change Analysis

Within the scope of the qualitative analysis of the risks and opportunities that climate change will bring on the loan portfolio, the following steps are evaluated respectively:

1. Identification of vulnerabilities in the existing loan portfolio
2. Classification of driving forces using PESTEL analysis
3. Selection of time frame and temperature rise scenario
4. Examination of impacts on sectors
5. Creation of a heat map for the risks and opportunities that climate change will create
6. Conducting a pilot project for a customer to examine the financial impacts and assessing how this could turn into a credit risk for Akbank

#### C. Identification of Vulnerabilities in The Existing Loan Portfolio

The sectors financed by our Bank were grouped together and 12 main sectors were formed and their relationship with both physical and transition risks was revealed.

Physical: Acute – Extreme weather events, forest fires, increasing number of hot waves, decrease in water level. Chronic – loss of biodiversity, water scarcity, rising of sea level, soil erosion. Emerging regulation: Carbon pricing, water pricing, exposure to lawsuits, exposure to lawsuits. Technology: low carbon technological developments, feasibility of CCUS. Market: Narrowing of insurance coverage changes in business partners' expectations, resource scarcity, changes in consumer expectations. Reputation: Increasing awareness of companies' commitments and policies to combat climate change, reputational damage. Social: increase of societal events (modern slavery, pandemics etc).

We recognize that climate change poses a number of physical risks and transition-related risks and opportunities for our business. \*Transitional Risk – Emerging regulation:

There is growing external pressures from investors and governments to become more greener economy. In this respect, requirement for mandatory reporting of GHG emissions as per Measurement, Reporting and Verification (MRV) guidelines were announced by the Ministry of Environment and Urbanization. In order to respond this risk, we monitor and calculate our greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) in accordance with the ISO 14064-1 Greenhouse Gas Emissions Reporting Standard and have them verified by independent accredited institutions. As a result of the work we carried out in 2021 and the pandemic, we achieved a significant gain in our fight against climate change by reducing our carbon emissions to 52.656 tons of CO2. We contribute to the transition to a sustainable and clean economy with our greenhouse gas emissions, which we managed to reduce by 27% compared to the previous year, despite our increasing revenue and sales each year. Also, In 2021, we started the installation of an Integrated Management System covering ISO 14001 Environment, ISO 50001 Energy Efficiency and ISO 45001 Occupational Health and Safety Management Systems. \*Transitional Risk: The EU Commission has introduced a new Circular Economy Action Plan (in 2020). Since, EU is Turkey's most important trade partner, making 50% of Turkey's total exports, this plan will effect on Turkey as well. Relevant governmental agencies in Turkey working on the developments in EU in respect of Green Deal and are expected to propose a roadmap for Turkey within 2021. In line with this risk, Carbon Border Adjustment Mechanism (CBAM) Impact Analysis Study was conducted in the reporting period. The balances of the cash loans extended to customers in the cement, electricity, fertilizer, iron and steel and aluminum sectors matching according to the 4-point nace code were used as of the end of December 2021. Customers who could not be systematically matched according to the 4-point nace code but were known to be in these sectors were matched with the sector code of our Bank. In this context, due to the fact that there are many credit customers, analysis was carried out by taking a sample of "the largest credit customers with a total of credit balances of at least 70%" for each sector. Accordingly;

- 71% of the total electricity portfolio with 14 customers with the largest risk balance in the electricity sector,
- 80% of the total aluminium portfolio with 6 customers with the biggest risk balance in the aluminium sector,
- 72% of the total cement portfolio with 2 customers with the largest risk balance in the cement sector,
- 78% of the total iron and steel portfolio with 25 customers with the largest risk balance in the iron and steel sector,
- 82% of the total fertilizer portfolio with the 2 customers with the largest risk balance in the fertilizer sector

form. For the customers whose sectors were identified, first of all, a study was carried out to determine their current financial situation. In this context, the rating information of our Bank, as well as the control and revisions of our Credit Monitoring and Allocation Teams and the current financial situation ratings of the customers were determined according to the 5-fold scale transmitted in the Working Framework. Since no customer's emission information was previously available in our Bank, Scope 1 emission data of customers was requested within the scope of this study.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulations directly affect the bank itself and customers (new carbon taxes, emissions trading systems, GHG emission reduction targets) and non-compliance can have an impact on the bank's and/or customers' cash flows and loan repayment capacity. As our bank's activities expand, all design and renovation activities will have to meet the relevant minimum requirements as well as the Regulation on Energy Performance in Buildings regarding our existing buildings (offices, branches, ATMs). This may cause additional costs to our operations. Apart from that, the regulatory framework on "Monitoring Greenhouse Gas Emissions" may affect the project finance of our borrowers from energy-intensive sectors and reduce their ability to repay. Addition to that, we provided our thought and comments during the development of Sustainable Banking Strategic Plan (2022-2025) prepared by Banking Regulation and Supervision Agency in Turkey.
Emerging regulation	Relevant, always included	At the end of 2021, Turkey ratified Paris Agreement since Turkey has been a signatory to the Paris agreement in April 2016.Related to this development, the first climate council meeting was held in Konya, Turkey in order to discuss possible solutions to mitigate climate change's adverse effects specifically on the reduction of greenhouse gas emissions in the fields of energy, industry and transportation; the reduction of greenhouse gas emissions in agriculture, waste, buildings and AKAKDO (land use, the change of land use and forestry); green financing and carbon pricing; adaptation to climate change; local administration; migration, fair transition and social policies and science and technology. Our efforts to support our country's transition to a low-carbon economy continue unabated as we promised. As the first deposit bank in the banking sector to set a concrete target in the field of sustainable finance, we continue our efforts to provide our country with a sustainable loan financing of TRY 200 billion until 2030.The EU Commission has introduced a new Circular Economy Action Plan (in 2020). Since, EU is Turkey's most important trade partner, making 50% of Turkey's total exports, this plan will effect on Turkey as well. Relevant governmental agencies in Turkey working on the developments in EU in respect of Green Deal and are expected to propose a roadmap for Turkey within 2021. In line with this risk, Carbon Border Adjustment Mechanism (CBAM) Impact Analysis Study was conducted in the reporting period. The balances of the cash loans extended to customers in the cement, electricity, fertilizer, iron and steel and aluminum sectors.In this context, due to the fact that there are many credit customers, analysis was carried out by taking a sample of "the largest credit customers with a total of credit balances of at least 70%" for each sector. Accordingly; <ul style="list-style-type: none"> <li>• 71% of the total electricity portfolio with 14 customers with the largest risk balance in the electricity sector,</li> <li>• 80% of the total aluminium portfolio with 6 customers with the biggest risk balance in the aluminium sector,</li> <li>• 72% of the total cement portfolio with 2 customers with the largest risk balance in the cement sector,</li> <li>• 78% of the total iron and steel portfolio with 25 customers with the largest risk balance in the iron and steel sector,</li> <li>• 82% of the total fertilizer portfolio with the 2 customers with the largest risk balance in the fertilizer sector form.</li> </ul>
Technology	Relevant, always included	Technology related risks are relevant and always included in our climate-related risk assessments when our operations are considered. Since we're operating in various locations with our branches and office buildings throughout Turkey and abroad, rise of mean temperatures will cause additional costs for the upgrade of our current air conditioning systems with more energy efficient ones. In this context, in 2021, we implemented the AkE4 (Akbank Industry 4.0) project, which enables us to remotely control and report our consumptions such as electricity, water, natural gas and diesel. With this project, we monitor and report electricity, water and fuel consumption. Our work for natural gas continues, and we aim to have remote monitoring in all our branches in 2022. In line with our effective natural resource use strategy, we are working to reduce our paper consumption. With our Digital Transformation process, we instantly apply the opportunities provided by new technologies to our products and services, and we provide Akbank users with a paperless banking experience by obtaining our contract and form approvals via our SMS and Digital Banking platforms. In addition, we provide self-service, simple, digital and mobile services that minimize paper usage in our New Generation branches. In addition, thanks to Gige Extras we have located in our branches as a part of our New Generation branch transformation, our customers can perform their previous transactions at the counters in a paperless manner at these new service points. With our "Finish with Mobile" application, we saved 86 million pieces of paper by providing our transaction and sales services for approximately 125 products both at the branch and remotely in 2021, and thanks to this savings, we saved an average of 7,300 trees. We provided paperless and fast transactions by providing digital archiving and transactions on tablets inside and outside the branch. Thanks to the document approvals that we started to receive through Akbank Mobile, we eliminate the need for physical signature process, document scanning and physical archiving, and offer our customers an end-to-end digital and fast experience, both inside and outside the branch.
Legal	Relevant, always included	Legal risks related to climate change are addressed in many areas, from environmental sanctions and penalties to uncertainty in the legal framework. In addition to legal risks that create uncertainty on issues such as new carbon taxes, emissions trading systems, GHG reduction targets, EU Green Deal Compliance Plan, there are also risks involving fines or sanctions, such as the Environmental Law legislation expressed in the Constitution of the Republic of Turkey. At the same time, these risks also apply to our customers. Our customers, who may be subject to penalties and sanctions as a result of not complying with environmental compliance laws, will have problems in loan repayments. This situation poses an indirect risk for our Bank. For the effective management of legal risks, our Bank has developed a comprehensive evaluation system to evaluate each project and SME financing. The Bank uses Environmental Social Management System to evaluate and monitor the customer's environmental legal obligations due to Environmental Regulations. Consultancy is provided for projects with high risk in legal terms. Projects included in the Non-Financing Activities list, which are available on our bank's website and implemented in 2019, are by no means financed within the framework of legal compliance. In 2021, 14 projects that we have taken into Environmental and Social Impact Assessment. 25 projects we rejected as a result of Environmental and Social Impact Assessment. Our requirement on compliance to international best standards also makes the Bank's borrowers to get prepared for stricter legal framework and eliminates the future non-compliance risks. The financial impact of non-compliance to environmental permits and licenses may lead to partly or fully suspension of operations. Such a situation may hinder the loan repayments to Bank or endanger the income and asset management of our bank.
Market	Relevant, always included	Climate impacts increasingly confront companies with unplanned and abrupt changes or disruptions to businesses or assets. In addition, companies face transition risk to a low-carbon economy. All these factors are changing the competition landscape and turn out to be a survival issue for the private sector. Such market conditions force companies to be flexible and proactive enough to gain the ability to transform their businesses according to emerging trends. At this point, Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. As of the end of 2021, the total project financing loan size we provided to renewable energy projects of TRY 89,091 (USD 10 million) and above reached TRY 13871,46 (1,577 million USD), while the share of these loans in energy generation projects reached 84%. With the renewable energy projects we financed, approximately 3,8 million tons of CO2e emission was prevented in 2021. In the reporting year, we continued to finance qualified energy projects. At the end of the year, 1,854 MW of our energy portfolio were HEPP, 865 MW WPP, 320 MW GES, 114 MW SPP and 21 MW Biomass projects. While the negative effects of the epidemic were felt intensely at the beginning of 2020, we took an important step for our sustainability approach and realized the Green Bond issuance and realized the Green Bond issuance of USD 50 million with a maturity of 4 years and 110 days. Thus, we became the Bank that signed Turkey's first Green Bill issuance during the pandemic process. International Capital Markets Agency (ICMA) – We have committed to make the financing available through our issuance in line with the Green and Social Bond Principles, to support renewable energy projects, which is one of the most important components of the fight against climate change.
Reputation	Relevant, always included	Failure to meet stakeholder expectations regarding climate crisis issues may result in a loss of national and international reputation for the bank. This loss of reputation can also hurt investor support and customer loyalty. Sustainable borrowing resources obtained by our bank from international financial institutions may be interrupted. Akbank manages reputational risks by its Business Continuity Management System. This system complies with ISO 22301 standard, in order to protect Akbank's employees, customer trust, bank reputation and stability in the market and manage the interruption risks in the services it provides to its customers. We realized all our foreign borrowings in 2021 with the theme of sustainability. While the negative effects of the pandemic continued in early 2021, the measures we took and the credit supports we provided increased our prestige and confidence in the international markets, while also facilitating our access to alternative funding sources. As of the end of 2021, our foreign borrowing amount of USD 3.8 billion long-term and USD 3.2 billion short-term, totalling USD 7 billion, is an important indicator that reflects this. The Bank is aware of the transformative power of financial services sector in a transition to low carbon economy. Akbank contributes to sustainable development, directly and indirectly, through various projects financed. Our responsible financing approach enables us to both protect our reputation and credit risks and to support high feasibility projects that create environmental and social benefits. In addition, we brought a total of TRY 25 billion of sustainable finance resources to the economy in 2021. These funding sources were provided under the ESIA and ESMS, as outlined in the "Legal" section. The Bank collects its activities to combat climate change under three main headings. 1- Reducing and controlling the energy consumption used in buildings. 2- Minimizing energy, paper and waste consumption in operations and recycling them. 3- Ensuring energy consumption in buildings from renewable energy sources.
Acute physical	Relevant, always included	Acute physical risks will have financial implications for any organization by implying direct damage to physical assets and will disrupt supply chains of related organizations. As we're the financier of multiple sectors, our borrowers' financial performances are closely linked to various effects like water availability, sourcing, and quality; food security; and extreme temperature changes. For example, the high default risk of farmers whose crops and income have been damaged by climate change indirectly puts the Bank's income at risk with low potential financial impact . Akbank manages acute physical risks by Business Continuity Management System. This system complies with ISO 22301 standard, in order to protect Akbank's employees, customer trust, bank reputation and stability in the market and manage the interruption risks in the services it provides to its customers. In addition climate-related risks that may directly impact Akbank are dealt with by a business continuity plan (BCP), including extreme weather events likely to affect its premises, such as storms, heatwaves, flooding etc. Within the scope of the ESIA and ESMS systems implemented, the resilience of the project and loan holders against acute physical risks is also measured. By selecting an Akbank customer from a sector that can contain many high risks and opportunities, a deeper qualitative analysis will be made on the customer, and the customer's risks and opportunities will be revealed by taking into account the parameters such as the customer's activities, geographical distribution of assets, etc. The risks and opportunities put forward will be digitized and the financial impact on the customer will be determined. In the last step, it will be discussed how the financial impact on the customer may be reflected on the credit risk of our Bank.
Chronic physical	Relevant, always included	According to the World Meteorological Organization's interim climate report for 2021, the year is expected to be 1.11 ± 0.13 °C warmer than the pre-industrial average (1850-1900). 2021 between the fifth and seventh warmest year on record globally, and all six show that the most recent seven years, 2015 to 2021, were the seven warmest years on record. According to the 2021 report of the General Directorate of Meteorology, Percentage of extreme events recorded in 2021 were; wind storm 40%, heavy rain/floods 28%, hail 13%, heavy snow %, lightning 5%, forest fire %3, frost 2%, and landslide 2%, avalanche, dust storm, fog, severe cold and drought less than 1%. As stated in Turkey 2021 Climate Assessment report, the average temperature of 19.3 °C in 2021 increased by 1.7 °C compared to 2020 and by 2.6 °C compared to the long-term average. Long-term shifts in climate patterns (e.g., sustained higher temperatures) that might cause sea level rise or chronic heat waves may affect our operations. Akbank's Environmental and Social Impact Assessment system covers this risk (sea level rise or drought due to higher temperature) in the evaluation process of a loan application. As a requirement of the banking sector, the average temperature increase during the summer months may cause an increase in the cooling costs of the Bank. This situation causes both more energy use and the use of more time and number of cooling systems. In order to respond this risk in terms of direct operations of Akbank, Akbank Data and Living Centre Project is built with "free cooling" technology that maximizes energy efficiency and has LEED Gold certificate. In accordance with LEED Gold criteria, rainwater is stored in large underground tanks (190 thousand liters) and used when needed, while the building is fully illuminated with low energy consuming LED systems. Likewise, all the trees used in the landscaping were selected from special types that consume less water, and the roof was painted with a special paint to prevent the building from heating the environment. By selecting an Akbank customer from a sector that can contain many high risks and opportunities, a deeper qualitative analysis will be made on the customer, and the customer's risks and opportunities will be revealed by taking into account the parameters such as the customer's activities, geographical distribution of assets, etc. The risks and opportunities put forward will be digitized and the financial impact on the customer.

## C-FS2.2b

## (C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

## C-FS2.2c

## (C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary company-wide risk management process	70	Qualitative and quantitative	Short-term Medium-term Long-term	Risk models Scenario analysis Stress tests Internal tools/methods	Carbon Border Adjustment Mechanism (CBAM) Impact Analysis Study was conducted in the reporting period. The balances of the cash loans extended to customers in the cement, electricity, fertilizer, iron and steel and aluminum sectors matching according to the 4-point nace code were used as of the end of December 2021. Customers who could not be systematically matched according to the 4-point nace code but were known to be in these sectors were matched with the sector code of our Bank. In this context, due to the fact that there are many credit customers, analysis was carried out by taking a sample of "the largest credit customers with a total of credit balances of at least 70%" for each sector. Accordingly; <ul style="list-style-type: none"> <li>• 71% of the total electricity portfolio with 14 customers with the largest risk balance in the electricity sector,</li> <li>• 80% of the total aluminium portfolio with 6 customers with the biggest risk balance in the aluminium sector,</li> <li>• 72% of the total cement portfolio with 2 customers with the largest risk balance in the cement sector,</li> <li>• 78% of the total iron and steel portfolio with 25 customers with the largest risk balance in the iron and steel sector,</li> <li>• 82% of the total fertilizer portfolio with the 2 customers with the largest risk balance in the fertilizer sector form.</li> </ul> For the customers whose sectors were identified, first of all, a study was carried out to determine their current financial situation. In this context, the rating information of our Bank, as well as the control and revisions of our Credit Monitoring and Allocation Teams and the current financial situation ratings of the customers were determined according to the 5-fold scale transmitted in the Working Framework. Since no customer's emission information was previously available in our Bank, Scope 1 emission data of customers was requested within the scope of this study. On this occasion, other criteria that are the subject of the analysis were created as questions and the following questions were asked to the customers in the sample. 1- Does it export products to the EU? (Yes/No) 2- What is the Share of EU Exports in Total Income or Turnover? (%; 2021) 3- What is the production method currently used? (Method and technology compliant with EU standards (meets the EU emission threshold in Table 2)/ Already Conventional (High Carbon Emission) Method and Technology) 4- A Concrete (Initiated or Projected) Investment or Plan to Reduce Carbon Emissions (None/ Relative Reduction / Improvement Foreseen/ Compliance with EU Standards) 5- The total Scope 1 emission value of the product produced (tCO2e) in tons? 6- Total annual production amount (tons)?
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

## C-FS2.2d

## (C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

## C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio

Banking (Bank)

Type of climate-related information considered

Emissions data  
Energy usage data  
Emissions reduction targets  
TCFD disclosures

Process through which information is obtained

Directly from the client/investee  
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Energy  
Materials

State how this climate-related information influences your decision-making

Carbon Border Adjustment Mechanism (CBAM) Impact Analysis Study was conducted in the reporting period. The balances of the cash loans extended to customers in the cement, electricity, fertilizer, iron and steel and aluminum sectors matching according to the 4-point nace code were used as of the end of December 2021. In this context, due to the fact that there are many credit customers, analysis was carried out by taking a sample of "the largest credit customers with a total of credit balances of at least 70%" for each sector. Accordingly;

- 71% of the total electricity portfolio with 14 customers with the largest risk balance in the electricity sector,
- 80% of the total aluminium portfolio with 6 customers with the biggest risk balance in the aluminium sector,
- 72% of the total cement portfolio with 2 customers with the largest risk balance in the cement sector,
- 78% of the total iron and steel portfolio with 25 customers with the largest risk balance in the iron and steel sector,
- 82% of the total fertilizer portfolio with the 2 customers with the largest risk balance in the fertilizer sector form.

For the customers whose sectors were identified, first of all, a study was carried out to determine their current financial situation. In this context, the rating information of our Bank, as well as the control and revisions of our Credit Monitoring and Allocation Teams and the current financial situation ratings of the customers were determined according to the 5-fold scale transmitted in the Working Framework. Since no customer's emission information was previously available in our Bank, Scope 1 emission data of customers was requested within the scope of this study. On this occasion, other criteria that are the subject of the analysis were created as questions and the following questions were asked to the customers in the sample.

1- Does it export products to the EU? (Yes/No)

2- What is the Share of EU Exports in Total Income or Turnover? (% , 2021)

3- What is the production method currently used? (Method and technology compliant with EU standards (meets the EU emission threshold in Table 2)/ Already Conventional (High Carbon Emission) Method and Technology)

4- A Concrete (Initiated or Projected) Investment or Plan to Reduce Carbon Emissions (None/ Relative Reduction / Improvement Foreseen/ Compliance with EU Standards)

5- The total Scope 1 emission value of the product produced (tCO2e) in tons?

6- Total annual production amount (tons)?

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?  
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

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 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 medium term 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 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.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

0

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

In the worse case scenario, some of Akbank's customers are not ready to MRV regulations and related to carbon pricing mechanism. So that, they may face risk of not achieving desired and planned levels of profitability and hence risk of repaying their loan amounts. Our "most carbon intensive sectors" were selected as; cement, machinery, automotive, textile, iron and steel, chemistry. With the assumption that 5 percent of the energy-intensive investments are affected negatively in the form of temporary cash flow problems, the Bank may incur extra provisional burden as the loan classifications can change and partial net interest income loss emanating from those loans. The total financial impact to Akbank is calculated but we cannot explain since it is a sensitive information.

**Cost of response to risk**

261156

**Description of response and explanation of cost calculation**

As we aspire 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 Environmental and Social Risk Assessment System. Accordingly, project loans and new commercial loan requests with total investment amount of TRY 89,091,000 (USD 10 million) shall be subject to an Environmental and Social Risk Assessment. Within the scope of "Non-Creditable Activities List" with the systemic controls we have brought to our infrastructure in 2019, We evaluate every commercial loan we make available regardless of the amount limit. In 2021, 25 projects we rejected as a result of Environmental and Social Impact Assessment. Due to pandemic measures, in the reporting period, our ESIA team carried out project field visits with online meetings. This year, our team organized a total of 27 online meetings.

Akbank builds inner capacity and attends training and/or conferences held by multinational finance institutions in order to update its knowledge and analyze international best practices (UNEP FI Training, ICMA training, Borsa Istanbul Training). To note, Akbank is a member of several institutions focusing on climate change issues especially such as UNEP FI RBP, Sustainable Development Association Turkey and UNGC Turkey Sustainable Finance Working Group. The total annual cost estimation of all above mentioned activities are 261,156 TRY.

**Comment**

We are considering this risk with medium financial impact.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Chronic physical	Other, please specify (Rising mean temperatures)
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

Operational risk

**Company-specific description**

According to the World Meteorological Organization's interim climate report for 2021, the year is expected to be  $1.11 \pm 0.13$  °C warmer than the pre-industrial average (1850-1900). 2021 between the fifth and seventh warmest year on record globally, and all six show that the most recent seven years, 2015 to 2021, were the seven warmest years on record. 168 stations

recorded new monthly extreme maximum and 4 stations recorded new monthly extreme minimum temperature. Percentage of extreme events recorded in 2021 were; wind storm 40%, heavy rain/floods 28%, hail 13%, heavy snow %7, lightning 5%, forest fire %3, frost 2%, and landslide 2%, avalanche, dust storm, fog, severe cold and drought less than 1%. As stated in Turkey 2021 Climate Assessment report, the average temperature of 19.3 °C in 2021 increased by 1.7 °C compared to 2020 and by 2.6 °C compared to the long-term average. This situation causes both more energy use and the use of more time and number of cooling systems.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

0

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

As stated in Turkey 2021 Climate Assessment report, the average temperature of 19.3 °C in 2021 increased by 1.7 °C compared to 2020 and by 2.6 °C compared to the long-term average. This situation causes both more energy use and the use of more time and number of cooling systems. However, due to the COVID-19, consumption, it has been observed that electricity consumption has decreased during the weekdays compared to the previous year and the consumption hours have also changed. The most serious decrease was experienced in the industrial and commercial group, while residential consumption increased. So that we are not precisely calculating operation cost of due to COVID-19 effect. Regarding to this, for the reporting year we can assume the potential impact to this risk is zero.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Akbank had started to build new Data and Living Center in Sekerpinar, Kocaeli, Turkey in 2018 and the building has been completed in June 2019. There is an energy efficiency application in Data center. This application includes high efficient cooling system and LED lighting (all 32.000 m<sup>2</sup> area is lightened) Also presence sensors are used to decrease LED usage around the building. In data center, Air to Air indirect evaporative cooling which is the top 3 cooling solution in respect of efficiency was implemented. it saves carbon footprint especially in winter and also it supports OPEX positively. From the beginning, the aim was to design it as a green data center. The building's design and application compliance with global standards are documented with Uptime Institute Tier 3 Design Certification and Uptime Institute Tier 3 Constructed Facility Certification.

**Comment**

We are considering this risk with medium financial impact.

---

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

Within the framework of the "Fit for 55 Package" published by the EU Commission in 2021, Carbon at the Border for the five carbon-intensive sectors (cement, electricity, fertilizer, iron-steel and aluminum) of the Regulatory Mechanism, starting from 2023, firstly, an emission reporting obligation, and then from 2026, a tax based on the mentioned reporting systematic implementation is foreseen. It is estimated that our customerclients in these five sectors and exporting to the EU may be affected by this regulation. For this reason, we conducted an impact analysis study on clients in this sector with significant risk exposure in our portfolio. In summary, within the scope of impact analysis: According to the current financial situation of customerclients operating in these five sectors and exporting to the EU, (1) Importance/weight of their exports to the EU within their financial structure, (2) (if any) existing emissions data and (3) (if any) projects and investments to reduce carbon emissions consideration It has been tried to estimate the loan repayment capacities in 2026 and beyond.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Akbank's clients in these 5 sectors and representing 70% of the portfolio in terms of risk size were examined. An evaluation was made according to the export shares of the clients to the EU and their carbon intensities. In addition, strategies and plans to reduce carbon intensities were questioned. According to the data obtained, the financial conditions of the clients are the same or worsened. Accordingly, it has been observed that approximately 1% (negligible rate) of the portfolio that are included in the sample might be adversely affected due to the carbon tax regulation at the border.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

**Comment**

We are considering this risk with medium financial impact.

---

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Acute physical	Wildfire
----------------	----------

**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

Climate Change Impact on Akbank as for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical & transition risks and opportunities. In this context, we conducted a research on the forest fires that took place in the summer months in 2021 regarding acute physical risks. We tried to identify clients who might have a relationship with both location proximity and raw material supply.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We realized that the number of clients close to the regions where forest fires took place was very low, and we could not detect a direct relationship with the raw material. Accordingly, we found that forest fires can have a negligible impact on our loan portfolio.

**Cost of response to risk****Description of response and explanation of cost calculation****Comment**

We are considering this risk with medium financial impact.

**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Acute physical	Drought
----------------	---------

**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

Droughts may affect water availability for sectors and may create business disruptions especially for water intense sectors such as cement production, mining and refinery. Also, tourism sector may be affected due to decline in sales, transport by river waters can be interrupted. This leads to require new investments for increasing water consumption efficiency.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**



<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Due to those acute physical risks, some of the Akbank clients may be exposed to business interruption, which may create a default risk for Akbank. It may create operational disruption/production loss in cement, energy-non renewables, energy-renewables, agriculture and food, natural resources including metals and mining, petrochemicals, textile sectors. Also, asset damage may be occurred for transportation and logistic sectors. Besides, cost increase in operations may be observed for agriculture and food and textile sectors. The total financial impact to Akbank is calculated but we cannot disclose this figure since it is a sensitive information. However, because of the well diversified nature of Akbank's loan portfolio in terms of sectors, the impact is expected to be limited.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

Akbank has its Sustainable Finance Framework which is aligned with international and local regulations, principles. Under this framework, we prioritize green investments, especially accelerating transition to low carbon economy investments. We have climate change and sustainable finance committees which focus on sustainable finance lending, climate change risks management. We are also closely monitoring global esg risks, including climate risks and working on integration of those risks into business models. In FY 2021, CC risks (outside in effects of C to portfolio) study is initiated and it will be a focus study in FY 2022.

**Comment**

We are considering this risk with medium financial impact.

**Identifier**

Risk 6

**Where in the value chain does the risk driver occur?**

Banking portfolio

**Risk type & Primary climate-related risk driver**

Market	Other, please specify (Shift in consumer, market)
--------	---

**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Market risk

**Company-specific description**

Shift in consumer and business partners (stakeholders) expectations may have many effects on sectors. For some of them, it may create sales decrease where as for others can result in sales increase. (e.g. Moving away from meat industry to plant based proteins will have an impact on agri-business on both directions). In addition, increasing investor scrutiny could result in increased cost due to new liabilities such as reporting and accountability requirements whereas it could also create new business opportunities.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Due to market risk, price volatility in cement, energy renewables & non renewables, agriculture and food, natural resources including metals and mining, tourism and transportation/logistics sector may be observed. Also, market risk may create cost of increase of operations in construction and infrastructure, energy, retailer sectors. The total financial impact to Akbank is calculated but we cannot disclose this figure since it is a sensitive information. However, because of the well diversified nature of Akbank's loan portfolio in terms of sectors, the impact is expected to be limited.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

Akbank has its Sustainable Finance Framework which is aligned with international and local regulations, principles. Under this framework, we prioritize green investments, especially accelerating transition to low carbon economy investments. We have climate change and sustainable finance committees which focus on sustainable finance lending, climate change risks management. We are also closely monitoring global esg risks, including climate risks and working on integration of those risks into business models. In FY 2021, CC risks (outside in effects of C to portfolio) study is initiated and it will be a focus study in FY 2022.

**Comment**

We are considering this risk with medium financial impact.

**Identifier**

Risk 7

**Where in the value chain does the risk driver occur?**



**Risk type & Primary climate-related risk driver**

Technology	Unsuccessful investment in new technologies
------------	---

**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Other non-financial risk

**Company-specific description**

For those emerging technologies, initial investment costs & operational costs may rise for multiple sectors due to investments in low carbon technologies and CCSU availability. If industry is able to adapt to new operations, this increase in cost may soon be recovered through new fields of operation but also increase in sales. Otherwise, that may have consequences on product prices and thus may lead to decrease in sales.

**Time horizon**

Long-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Transition risk in technological pillar may create development of new low carbon technology risk which affects construction and infrastructure, manufacturing, cement, energy, agriculture and food, petrochemicals, retailer, textile, transport and logistics sectors in the fields of sales decrease, resource unavailability, cost increase of operations. The total financial impact to Akbank is calculated but we cannot disclose this figure since it is a sensitive information. However, because of the well diversified nature of Akbank's loan portfolio in terms of sectors, the impact is expected to be limited.

**Cost of response to risk****Description of response and explanation of cost calculation**

Akbank has its Sustainable Finance Framework which is aligned with international and local regulations, principles. Under this framework, we prioritize green investments, especially accelerating transition to low carbon economy investments. We have climate change and sustainable finance committees which focus on sustainable finance lending, climate change risks management. We are also closely monitoring global ESG risks, including climate risks and working on integration of those risks into business models. In FY 2021, CC risks (outside in effects of C to portfolio) study is initiated and it will be a focus study in FY 2022.

**Comment**

We are considering this risk with medium financial impact.

**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a****(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Other, please specify (Increased demand for products and services)

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

"Akbank currently uses the Environmental and Social Impact Assessment (ESIA) 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/medium-term, Akbank will be ready for potential risks implications thanks to

tighter social and environmental policies we already have in place. In addition, Akbank established the Social Environmental Management System (SEMS) as a result of its loan agreement with IFC, therefore the tightening of such policies in Turkey can turn into an opportunity for Akbank. Akbank is also a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance finalized as ""Sustainable Finance Declaration"" in 2017 and updated in 2018. As one of the seven pioneering supporters, Akbank signed the declaration which indicates its commitment for sustainable finance issues. ((declaration was revised in 2018.)) Sustainability Committee targeted to make sure that the Committee The corporate governance committee targeted to make sure that the Sustainability Team is better equipped in terms of environmental and social risks evaluation methodology. Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. As of the end of 2021, the total project financing loan size we provided to renewable energy projects of TL 89,091,000 (USD 10 million) and above reached TL 11,768,921,100 (USD 1,321 million), while the share of these loans in energy generation projects reached 84%. With the renewable energy projects we financed, approximately 3.8 million tons of CO2e emission was prevented in 2021. In 2021, we continued to finance qualified energy projects. As in the last four years, we provided 100% of the financing for renewable projects in 2021, while the ratio of renewable energy projects in our total portfolio was 84%. In addition, we continued to provide financing for biomass projects since 2019. At the end of the year, 1,854 MW of our energy portfolio were HEPP, 865 MW WPP, 320 MW GES, 114 MW SPP and 21 MW Biomass projects .

#### Time horizon

Medium-term

#### Likelihood

Very likely

#### Magnitude of impact

High

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

89091000

#### Potential financial impact figure – maximum (currency)

14049650700

#### Explanation of financial impact figure

Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. As of the end of 2021 the total project financing loan size we provided to renewable energy projects of TRY 89,091,000 (USD 10 million) and above reached TRY 14,049,650,700 (1,321 million USD), while the share of these loans in energy generation projects reached 84%. With the renewable energy projects we financed, approximately 3.8 million tons of CO2e emission was avoided in 2021. 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. In line with this, we aim to provide 200 billion TL sustainable financing which loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development by 2030.

#### Cost to realize opportunity

261156

#### Strategy to realize opportunity and explanation of cost calculation

As we aspire 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 Environmental and Social Risk Assessment System. Accordingly, project loans and new commercial loan requests with total investment amount of TRY 89,091,000 (USD 10 million) shall be subject to an Environmental and Social Risk Assessment. Within the scope of "Non-Creditable Activities List" with the systemic controls we have brought to our infrastructure in 2019, We evaluate every commercial loan we make available regardless of the amount limit. In 2021, 25 projects we rejected as a result of Environmental and Social Impact Assessment. Due to pandemic measures, in the reporting period, our ESIA team carried out project field visits with online meetings. This year, our team organized a total of 27 online meetings.

Akbank builds inner capacity and attends training and/or conferences held by multinational finance institutions in order to update its knowledge and analyze international best practices (UNEP FI Training, ICMA training, Borsa Istanbul Training) . To note, Akbank is a member of several institutions focusing on climate change issues especially such as UNEP FI RBP, Sustainable Development Association Turkey and UNGC Turkey Sustainable Finance Working Group. The total annual cost estimation of all above mentioned activities are 261,156 TRY.

#### Comment

We are considering this opportunity with high financial impact.

#### Identifier

Opp2

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Resource efficiency

#### Primary climate-related opportunity driver

Other, please specify (Reduced use of paper due to digital solutions)

#### Primary potential financial impact

Reduced direct costs

#### Company-specific description

Akbank encourages the use of digital channels and offers a "self-service", lean, digital and mobile customer experience that minimizes the use of paper for customers who prefer the new generation Akbank branches and the branch channel. Thanks to our new sales service model, many innovations have been implemented to reduce paper consumption. By ensuring that the contracts received in printed form are received via Akbank Mobile, our customers were provided with a paperless experience.

#### Time horizon

Short-term

#### Likelihood

Virtually certain

#### Magnitude of impact

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1440000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Thanks to the document approvals we started to receive through Akbank Mobile, we eliminate the need for the physical signature process, document scanning and physical archiving, and offer an end-to-end digital and fast experience to our customers inside and outside the branch. 86 million paper savings and an average of 7,300 trees saved through approximately 125 paperless transactions with the Finish with Mobile application. In addition, thanks to Gişe Extras we have located in our branches as a part of our New Generation branch transformation, our customers can perform their previous transactions at the counters in a paperless manner at these new service points.

**Cost to realize opportunity**

1416432354

**Strategy to realize opportunity and explanation of cost calculation**

In line with our effective natural resource use strategy, we are working to reduce our paper consumption. With our Digital Transformation process, we instantly apply the opportunities provided by new technologies to our products and services, and we provide Akbank users with a paperless banking experience by obtaining our contract and form approvals via our SMS and Digital Banking platforms. In addition, we provide self-service, simple, digital and mobile services that minimize paper usage in our New Generation branches. With our new Sales Model, we have implemented many new applications that will reduce paper consumption. We provided paperless and fast transactions by providing digital archiving and transactions on tablets inside and outside the branch. In 2021, we invested to the technological improvement areas with 1,416,432,354 TRY.

**Comment**

We are considering this opportunity with high financial impact.

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of climate adaptation, resilience and insurance risk solutions

**Primary potential financial impact**

Increased access to capital

**Company-specific description**

With the relevant ESG infrastructure, organizations that can meet the criteria of the investors can issue Green Bonds. Green Bond is the general name given to bonds where the resource provided by issuance is used in financing or refinancing existing or new Green (Eco-Friendly and Sustainable) Projects. The size of the Green Bond market cumulative issuances has exceeded USD 600 billion. Annual issues are ~ USD 200 billion. The resource obtained from the Green Bond issuance is used as financing for the following projects. • Renewable Energy • Energy Efficiency • Prevention and Control of Environmental Pollution • Sustainable Management of Natural Resources and Land Use • Conservation of Biodiversity • Environmentally Friendly Public Transport • Sustainable Management of Water and Waste Water • Adaptation to Climate Change • Conversion Technologies • Green Buildings Further compliance with the ESG transformation of Akbank will pave the way for Green Bond issuance for our bank. The financing provided from this market will support the further diversification of our bank's foreign borrowing portfolio. Akbank is expected to use such borrowing instruments in the next 2 years.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

16400000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

In order to create a sustainable economy despite the negative conditions of the COVID-19 process, we issued the first Green Bond in Turkey with a maturity of 4 years and 110 days and TRY 370,970, 000 (USD 50 million) million. In addition, we became a part of Turkey's largest Sustainable Loan Agreement of 650 million Euros through the consortium formed with 6 banks. The total amount of sustainable finance provided in 2021 was 27 billion TRY. (According to the unconsolidated management reporting, cash and non-cash SME loans (assessed by Environmental and Social Impact Assessment) and renewable project finance loans and Environmental Social Governance type Eurobond purchases are included.)

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

In order to give a sustainable quality to our country's economy, we are further strengthening our project financing support within the scope of Environmental Social Governance with our international banking network. At this point, we work with many international financial institutions such as the International Financial Institution (IFC), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), OPIC. Since we have a powerful relation with these international financial institutions, there is no additional cost for realizing this opportunity.

#### Comment

With this awareness and responsibility, we are committed to providing 200 billion TL of sustainable loan financing to our country by 2030. In proportion to this loan volume, we aim to increase the financing associated with the sustainability we will provide by 2030. In the coming period, we will continue to prioritize borrowing based on sustainable financing in parallel with our environmental investments and the increase in our sustainability-oriented credit activities. By the end of 2021, we increased the share of our funding for sustainable activities to above 30% of the total funding.

---

#### Identifier

Opp4

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Resource efficiency

#### Primary climate-related opportunity driver

Move to more efficient buildings

#### Primary potential financial impact

Reduced indirect (operating) costs

#### Company-specific description

Turkey has signed but has not yet ratified the Paris Agreement and has published an Intended National Determined Contribution (INDC) including a target to reduce country emissions. In this context, Turkey aims 18% to 21% reduction in GHG emissions by 2030 compared to Business as Usual (BAU) Scenario. In this context, as Turkey is a partner of PMR (Partnership for Market Readiness) project of the World Bank, in a near future, we expect an ETS/Carbon Tax system which will affect all over business units and line of Migros. Turkey is piloting an MRV (Monitoring Reporting and Verification) CO2 regulation that is highly expected to evolve into a European Union based Emissions Trading System (ETS). Climate Change and Air Management department of the Ministry of Environment and Urbanization recently did a study evaluating carbon prices in Turkey. According to the authorities, \$10/tCO2e was evaluated as the best option for Turkey, based on the examples in the world and the meetings and workshops organized by the regulators. This possible system, which implement an extra tax, carries a significant risk in terms of increasing our operational costs.

#### Time horizon

Long-term

#### Likelihood

Very likely

#### Magnitude of impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

65932653

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

In case there is an extra carbon tax of TRY 89,091,000 (USD 10 million equivalent) in 2021 tax per tCO2e, we anticipate that taxation will be made for direct CO2 emissions at the outset. If we could not reduce our Scope 1 and Scope 2 emissions comparing to previous reporting year, we would pay extra TRY 659,326.53

#### Cost to realize opportunity

0

#### Strategy to realize opportunity and explanation of cost calculation

Considering that Turkey ratified the Paris Climate Agreement has set a net zero emission target to be achieved by 2053, we aim to offer new and innovative sustainable finance products and solutions in all sectors in order to accelerate the transition to a low carbon economy, especially in the fight against the climate crisis. We monitor the effects of the loans we provide as part of our Sustainable Finance efforts on climate change. As Akbank, we aim to reduce the negative effects of our loan portfolio on climate change until 2030.

#### Comment

We are considering this opportunity with high financial impact.

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#### Identifier

Opp5

#### Where in the value chain does the opportunity occur?

Downstream

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

#### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

#### Company-specific description

As Akbank, we support our businesses for a more sustainable economy with our sustainable finance approach which focuses on many sub-topics. We see Sustainable

Finance as a tool to create benefits for nature, our business and society. To do so, we are focusing on combating with climate crisis with our products such as;

- Transforming businesses to decrease their carbon footprint with Transition to Low Carbon Economy Loan for commercial and corporate segments,
- Rooftop PV investment Loan for corporate, commercial, SME and retail segments,
- Business transformation from carbon intensive to less carbon intensive, (we develop mechanisms for that)
- Blue Finance Package: Akbank has implemented Turkey's first and only Blue Financing Product Package in order to develop sustainable tourism, reduce the environmental footprint in marine tourism, port and maritime activities, and protect the seas.

Akbank continues to develop products aimed at protecting natural resources with the increasing population and climate change. Determining sustainable finance as one of its priority areas in its sustainability activities, Akbank offers three different products called Blue Tourism Loans, Blue Port Loans and Blue Transportation Loans under the umbrella of Blue Financing to develop sustainable tourism, reduce the environmental footprint in marine tourism activities, protect the seas in port activities and accelerate the transition to low carbon economy. All three products are implemented within the scope of reducing the environmental footprint in tourism, protecting the seas, protecting and developing biodiversity, and supporting the fight against pollution.

- EV/Hybrid Car Loan for retail segment
- Agricultural loans for SME segment (e.g. drip irrigation loan)
- SME Eco- Transformation Loan Package: Akbank is taking action for all SMEs to turn the risks they will face due to the Carbon Border Adjustment Mechanism into opportunities and increase their competitiveness. The "SME Eco Transformation Package", the first and most comprehensive sustainability package designed specifically for SMEs in the sector, aims to encourage and finance all activities aimed at reducing the carbon footprint of SMEs and lowering their energy costs.
- Renewable Energy loans, e.g. solar, wind, biomass etc.

#### Time horizon

Medium-term

#### Likelihood

Very likely

#### Magnitude of impact

High

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

27000000000

#### Potential financial impact figure – maximum (currency)

#### Explanation of financial impact figure

#### Cost to realize opportunity

#### Strategy to realize opportunity and explanation of cost calculation

#### Comment

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#### Identifier

Opp6

#### Where in the value chain does the opportunity occur?

Downstream

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Shift in consumer preferences

#### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

#### Company-specific description

With new regulatory changes in Europe and Turkey, there are huge opportunities for Akbank to increase revenues. We are closely monitoring EU Green Deal & Carbon Border Adjustment Mechanism and their effects to both our bank and clients.

- EU Green Deal provides huge opportunities to transform businesses & will boost transition to low carbon economy in both EU & Turkey. EU Green Deal comes with many opportunities in the fields of climate targets, clean and affordable transition, safe energy, circular economy, smart systems for cities, clean and toxic free environment, healthy and environmentally friendly agriculture, sustainable finance

- Especially in Europe, all traders from non-EU countries will be directly affected from "EU Carbon Border Adjustment Mechanism (EU CBAM)". Companies exporting from non-EU countries to EU countries will be charged under EU CBAM. CBAM firstly focused on high carbon intensive sectors such as cement, agriculture, energy. Companies must decrease their carbon emissions to reduce carbon fees. Turkey's leading corporate & commercial corporations have already started working on this issue & have been organizing meetings with Turkish banks for low carbon transition finance. As Akbank, our first aim is to boost transition to low carbon economy. To do that, we are working with our clients. We have "Sustainable Finance Management" under "Investment Banking" which mainly focuses on evaluating client's current ESG performance & offering the best finance product which directly match client's needs. Akbank offers many innovative and green finance solutions for its clients from variety sectors.

#### Time horizon

Medium-term

#### Likelihood

Very likely

#### Magnitude of impact

High

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

27000000000

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Comment

### C3. Business Strategy

#### C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

No

Mechanism by which feedback is collected from shareholders on your transition plan

Our transition plan is voted on at Annual General Meetings (AGMs)

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

#### C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years	<Not Applicable>	<Not Applicable>

#### C3.2a

**(C3.2a) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA NZE 2050	Company-wide	<Not Applicable>	<p>We included in our scope of research the following IAE scenarios:</p> <ul style="list-style-type: none"> <li>- IAE NZE 2050 to be aligned with a 1.5°C world</li> <li>- Announced Policies Scenario – as the closer proxy to a non 1.5°C world, towards a 3.5°C world.</li> </ul> <p>We have used these scenarios mainly for the technological aspects of our analysis. More specifically, for assessing price comparison of technologies such as hydrogen, hybrid cars, and fuel cells. Other qualitative aspects have also been considered, especially referred to the qualitative and global description of the scenarios.</p>
Physical climate scenarios RCP 2.6	Company-wide	<Not Applicable>	<p>As for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical &amp; transition risks and opportunities. The works carried out within the scope of heat work are: Identify vulnerabilities in alignment with The Bank's loan portfolio (Twelve main sectors in The Bank's loan portfolio that will be most affected by climate change were identified. Then, we started to assess the impact of risks &amp; opportunities qualitatively and reflect it to a heat map based on our risk exposure.) Classify driving forces by using PESTEL framework. (The most relevant vulnerabilities for The Bank's loan portfolio were determined.) Choose time horizon and temperatures trajectories aligning with The Bank (2030-time horizon, 1.5°C (optimistic) and 3.5°C (BaU) temperature trajectories were selected for climate scenarios.) Understand the impact on each sector and map climate related risks and opportunities. There are main drivers for climate related risks, which are also taken into consideration in this study. Main drivers are: Political and legal-geopolitical context, international regulations to combat against climate change (including pricing and regulatory compliance), Technological-transition technologies, disruptive technologies, Economic-macroeconomic trends, Social- social awareness and behavior, social conflicts Environmental- extreme weather events and conditions, biosphere conditions. On the other hand, the followings can be classified as main opportunities regarding the heat map analysis: Development of new low-carbon technologies or solutions (Transition/technological), CCUS feasibility (Transition/technological). As a result, leveraging from the heatmap and the pilot study we will develop an implementation plan, which will enable the Bank to be more resilient against climate change. Scenario models such as "RCPs" and "Shared Socio-economic Pathways" (SSPs) which are used as built-ins, were mainly used. Within the framework of PESTEL analysis, the driving forces have been determined from a political, economic, social, technological, environmental and legal perspective. The World Bank climate database and the reports of "IPCC" on climate change and its physical and transitional risks in general, International Energy Agency (IEA) scenarios regarding the transition risks and carbon pricing related to the energy sector, and UN FAO scenarios for the effects on the agricultural sector were taken into consideration.</p>

**C3.2b**

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

1. What are the qualitative effects of risks and opportunities arising from climate change, in the fields of transition and physical risk perspective, on our portfolio?
2. How can we analyze the numerical effects on a selected client?
3. What will be the regulatory requirements of European Union and Turkey and the other international frameworks such as UNEP FI PRB?
4. Which qualitative and quantitative data we need for different sectors that Akbank is involved in?
5. How to prioritize the sectors that Akbank is involved in?
6. How to reflect these results into our environmental and social risk framework, financial products, training and so on?

**Results of the climate-related scenario analysis with respect to the focal questions**

As Akbank, we realize that climate change poses both risks and opportunities. As a result of this perspective, we carry out studies to evaluate the qualitative effects of risks and opportunities arising from climate change, in the fields of transition and physical risk perspective, on our portfolio and plan to analyze the numerical effects on a selected client. That is, Climate Change Impact on Akbank (outside in) as for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical & transition risks and opportunities. In this direction, the works carried out within the scope of heat work are mentioned in (C3.2a).

There are main drivers for climate related risks, which are also taken into consideration in this study. Main drivers are, summarized as below:

- Political and legal: geopolitical context, international regulations to combat against climate change (including pricing and regulatory compliance)
- Technological: transition technologies, disruptive technologies
- Economic: macroeconomic trends
- Social: social awareness and behaviour, social conflicts
- Environmental: extreme weather events and conditions, biosphere conditions

According to heap map study and within relevance of vulnerabilities per sector sectors, the main risks can be stated as follows:

- Increase in extreme weather events , such as precipitation/hail etc. (Physical/acute)
- Droughts (dry-spells and/or low riverine water levels) (Physical/acute)
- Wild e fires (Physical/acute)
- Water scarcity (chronic droughts, low water table etc.) (Physical/chronic)
- Regulation/pricing on GHG emissions (Transition/regulatory)
- Regulation/pricing on water usage (Transition/regulatory)
- Exposure to litigation(Transition/regulatory)
- Lack of visibility of brands commitment to fight climate change (Transition/Reputational)

On the other hand, the followings can be classified as main opportunities regarding the heat map analysis:

- Development of new low-carbon technologies or solutions (Transition/technological)
- CCUS (Carbon Capture, Utilization and Storage) feasibility (Transition/technological)

As a result, leveraging from the heatmap and the pilot study we will develop an implementation plan, which will enable Akbank to be more resilient against climate change.

**C3.3**



**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	We are aware of the importance of the banking sector in tackling and contributing positively on combating climate change. We are aware of our power to shape a low-carbon future in Turkey with this regard, we are developing several procedures and updating our way of business regarding to meet the need of our stakeholders. As the Sustainability Committee (SC) established in the reporting period, we coordinate all our sustainability efforts at the Bank and monitoring risks and opportunities for the short, medium and long terms. The SC also consists of four pre-committees that focus on the Bank's material issues which are Sustainable Finance, Ecosystem Management, Climate Change and People & Community. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. As a part of our focus area (Sustainable Finance and Climate Change), we have been providing diverse service and product to our customers. In line with this objective, we evaluate the environmental and social impact - value created by our projects and operations and perform credit operations accordingly. We expand our collaboration with international finance institutions for a better and more sustainable support to the economy despite the negative conditions of the COVID-19 process. The total amount of sustainable finance we provided in 2021 was 25 billion TL. we issued the first Green Bond in Turkey with a maturity of 4 years and 110 days and TRY 445,455,000. In addition, we became a part of Turkey's largest Sustainable Loan Agreement of 650 million Euros through the consortium formed with 6 banks. As of the end of 2021 the total project financing loan size we provided to renewable energy projects of TRY 74,194,000 and above reached TRY 11,768,921,100 while the share of these loans in energy generation projects reached 84%. With the renewable energy projects we financed, approximately 3.8 million tons of CO <sub>2</sub> e emission was avoided in 2021. At the end of the reporting year, we provided total 4,772 MW installed power in Turkey. We will also publish our Sustainable Finance Framework in 2021, setting comprehensive rules defining which financing products that can be classified as sustainable by outlining social and green eligibility criteria, contributing to United Nations Sustainable Development Goals (UN SDGs).
Supply chain and/or value chain	Yes	Climate-related risks & opportunities influence our supply chain covering our upstream and downstream operations. As an example to this, our purchasing & procurement principles we defined: Purchasing activities are in line with our Bank's sustainability policy; which aims to maximize the contribution & value provided by effective, cost-sensitive and dynamic operations. In this regard, we have a goal to provide financial inclusion and sustainable funds available to our customers. So that, we issued the first green bond in the Turkish banking industry during the COVID-19 pandemic and offered sustainable funds to meet the requests and expectations of our clients. With the syndicated loan renewed in the reporting year, we supported the economy with USD 800 million. Furthermore, we became a part of Turkey's largest Sustainable Loan Agreement worth 650 million Euros through the consortium formed by 6 banks. Furthermore, in an effort to support the small traders and businesses with financial resources against the negative impact of COVID-19, we signed an agreement with the European Bank for Reconstruction and Development (EBRD) on November 10, 2021 for USD 50 million with a maturity of 2.5 year. With these international financial resources, we supported the companies and micro-segment clients of Akbank with operating capital. With our Environmental and Social Impact Assessment System (ESIA), we subject our customers' credit demands to environmental and social risk assessments, and with this practice, we maintain our leading role in the banking sector. We are indirectly exposed to the impacts of climate risks on our suppliers. We carry out our purchasing activities in line with our ethical principles. Our main goal in our purchasing activities is in line with our Bank's sustainability policy; to maximize the contribution and value provided by effective, cost-sensitive and dynamic operations. As Akbank; we receive declarations from our suppliers regarding the implementation of all the elements in the UNGC in the provision of services, we give priority to suppliers that work with systems that are more sensitive to society and the environment. In addition our procurement team is regularly reviewing sustainability issues and strengthen our sustainable procurement policy and implementations.
Investment in R&D	Yes	As a pioneer bank in digitalization, we worked hard to offer a unique banking experience for our clients by analyzing emerging trends and customer expectations through investing R&D projects. The culture transformation program supports and complements the digital transformation we initiated in 2018. This program helps us offer uninterrupted and high-quality services during the pandemic. We also closely monitor the trends in real economy and develop simple, easy-to-use and practical products and services. In this sense, we take steps with the inclusion of our branches. We have 711 modern branches, 494 of which were renovated in 2021. In 2021, 6.6 million clients used Akbank's digital channels. The share of direct loans among consumer loans issued by Akbank stood at 84% and the share of credit card sales through non-branch channels reached 52%. Also With our Digital Transformation process, we instantly apply the opportunities provided by new technologies to our products and services, and we provide Akbank users with a paperless banking experience by obtaining our contract and form approvals via our SMS and Digital Banking platforms. This leads to a reduction our scope 3 emissions indirectly. As an actor of financial services sector, Investment in R&D from a climate change perspective does not directly influence our business strategy. But we finance & engage with relevant actors of R&D and Innovation ecosystem such as fintechs & other related organizations.
Operations	Yes	Our business strategy is influenced directly from our operations from a climate change perspective. We may suffer directly from operational losses due to acute and chronic physical risks arising from climate change. We're evaluating and managing risks & opportunities related to our operations from business continuity management perspective and informing our business strategy with related risk mitigation activities and their possible costs on our financial planning. Also we are monitoring our energy consumption and Scope 1 + 2 emissions annually respect to ISO 14064 Standard. Additionally, our data center has an energy efficiency ratio of 1.4, which is the best achievable for a building of this scale in Istanbul. It helps to improve the environmental footprint of our branch transformation program with emission reduction activities such as automatic lighting, heating & cooling system at our headquarters and insulation of heating line valves in some branches. "Akbank Data and Living Centre", which we position as the heart of all our operations, continues to serve our customers in an area of 6,700 square meters with approximately 3 thousand Akbank employees. With certificates such as the "Uptime Institute Tier III Design Certificate" and the "Uptime Institute Tier III Constructed Facility Certificate", we have documented that our Akbank Data and Living Centre meets international standards with its design and implementation. We aim to achieve our carbon neutralization target while minimizing our operational emissions with our energy efficiency and energy supply projects from renewable energy sources in the upcoming period. We aim to reduce our energy consumption by 5% with the solar energy panels to be installed and in 2022 we aim to meet 80% of the electricity consumption with wind energy. In the upcoming period, we also aim to strengthen our energy management capability by obtaining ISO 50001 certification and to empower our environmental policies by obtaining ISO 14001 Environmental Management System certificate.

**C3.4**

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Access to capital	Revenue, Direct & Indirect costs, Capital expenditures, Access to capital are the primary elements that can influence our business strategy and financial planning in terms of climate-related risks and opportunities. Revenue: As the leading bank in financing renewable energy projects in Turkey, we are developing funding options that are advantageous with regards to term and cost and continue our activities with the approach to offer responsible products and services in this direction. We are aware that minimizing the dependence on foreign resources in Turkey is only possible through renewable energy investments. Within this scope, we have continued to develop original financing solutions for solar power and geothermic energy projects supported by the public and the government. In 2021, the share of renewable energy projects in our energy production loan portfolio reached 84%. Direct costs & Indirect costs: We are developing models to evaluate the influence & impact of climate-related risks & opportunities on our financial planning as of reporting year. Climate change related risks & opportunities influence our financial planning from our revenue streams, direct & indirect costs, ability to access capital and assets channels. Such influence is solidified by the defined risks & opportunities we've disclosed in C2 Risks & Opportunities section of our CDP Reporting. We consider these costs and expenditures under operational cost. Addition to this, we have capital expenditure as well. These two main costs are budgeted annually in order to allocate for emission reduction initiatives, process optimizations, energy efficiency etc. In the reporting period, as Akbank, we avoided 95.4 tCO <sub>2</sub> . Access to capital: we want to build a better and sustainable future for the Turkish economy and our stakeholders. We expand our collaboration with international finance institutions for a better and more sustainable support to the economy despite the negative conditions of the COVID-19 process. we issued the first Green Bond in Turkey with a maturity of 4 years and 110 days and TRY 445,455,000 (USD 50 million) million. In addition, we became a part of Turkey's largest Sustainable Loan Agreement of 650 million Euros through the consortium formed with 6 banks. As of the end of 2021 the total project financing loan size we provided to renewable energy projects of TRY 74,194,000 (USD 10 million) and above reached TRY 11,768,921,100 (1,321 million USD), while the share of these loans in energy generation projects reached 84%. With the renewable energy projects we financed, approximately 3.8 million tons of CO <sub>2</sub> e emission was avoided in 2021. At the end of the reporting year, we provided total 4,722 MW installed power in Turkey (HEPP (3,163 MW), Wind (1,037 MW), Geothermal (320 MW), Solar (181 MW), Biomass (21 MW)). Thus, we became the Bank that signed Turkey's first Green Bill issuance during the pandemic process. International Capital Markets Agency (ICMA) – We have committed to make the financing available through our issuance in line with the Green and Social Bond Principles, to support renewable energy projects, which is one of the most important components of the fight against climate change. We will also publish our Sustainable Finance Framework in 2021, setting comprehensive rules defining which financing products that can be classified as sustainable by outlining social and green eligibility criteria, contributing to United Nations Sustainable Development Goals (UN SDGs).



### C3.5

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**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

Yes

#### C3.5a

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**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.**

**Financial Metric**

OPEX

**Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)**

5

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**

20

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)**

30

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

This year, we tracked these expenditures with OPEX in order to keep the expenditures within the scope of combating climate change limited. In the coming years, we expect percentage share of selected financial metric planned to align with a 1.5°C world to increase with the inclusion of the expenditures for carbon credits and carbon neutral studies, and we are making our plans according to this increase.

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### C-FS3.6

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**(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?**

Yes, our framework includes both policies with client/investee requirements and exclusion policies

#### C-FS3.6a

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**(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.**

**Portfolio**

Banking (Bank)

**Type of policy**

Credit/lending policy

**Portfolio coverage of policy**

100

**Policy availability**

Publicly available

**Attach documents relevant to your policy**

**Criteria required of clients/investees**

Other, please specify (The Bank shows due diligence to ensure the following matters are considered in proposed measures for managing environmental and social risks in medium- and high-risk projects)

**Value chain stages of client/investee covered by criteria**

Direct operations only

**Timeframe for compliance with policy criteria**

Clients/investees must be compliant within the next year

**Industry sectors covered by the policy**

Other, please specify (All)

**Exceptions to policy based on**

<Not Applicable>

**Explain how criteria coverage and/or exceptions have been determined**

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 Environmental and Social Risk Assessment System. Accordingly, project loans with total investment amount of USD10 million and over, and new commercial loan requests with total investment amount of USD50 million and over, shall be subject to an Environmental and Social Risk Assessment.

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#### C-FS3.6b

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(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

**Portfolio**

Banking (Bank)

**Type of exclusion policy**

All Coal

**Year of exclusion implementation**

2017

**Timeframe for complete phase-out**

By 2030

**Application**

New business/investment for new projects

**Country/Region the exclusion policy applies to**

Turkey

**Description**

Akbank does not lend to companies that are categorized as medium- and high-risk by the Environmental and Social Impact Assessment System, and that do not agree to take actions to mitigate or eliminate the identified risks as required. Akbank has also adopted a "Non-Financing Activities List" which stipulates the activities Akbank will not finance, regardless of limit and without requiring an environmental and social impact assessment, including the operations that are prohibited by the national legislation and the international treaties Turkey is a party to. These include; • Production or trading of any products or services that are deemed illegal by the national legislation and the international treaties our country is a party to, • Production of weapons of mass destruction or land mines, • Activities that involves illegal child labor and violating human rights • Production or trading of chainless (prohibited) asbestos, • Production and trading of ozone-depleting products (products that are included in the Regulation on the Reduction of Ozone-Depleting Substances • Production and trading, regardless of industry, of products that contain polychlorinated biphenyls (PCBs) – a group consisting of highly toxic chemicals (products within the scope of Article 5 of the Regulation on the Control of Polychlorinated Biphenyls and Polychlorobiphenyls, • Fishing operations that involve use of drift nets longer than 2.5 km and/or explosive sand toxic substances, • Commercial activity using rainforest, trading of wildlife products of CITES-listed species, • Production or trading of radioactive products (with the exception of purchasing medical equipment, quality control [measurement] equipment, or equipment with an insignificant source of radioactivity and/or equipment that is protected properly), • Ship demolition operations. • Casinos or accommodation facilities with casinos • Activities in areas designated as the Convention on Wetlands of International Importance (RAMSAR) sites. In 2021, we became the first bank to decide not to finance the New (Greenfield) Coal Power Plants and add this decision to our Environmental and Social Credit Policies. In addition, we have decided not to finance the coal mining and coal transportation activities of our SME customers. In 2030, we aim to allocate all of the financing we have allocated for our projects in the construction phase since 2016 to renewable energy projects.

C-FS3.8

(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	Yes	<Not Applicable>	<Not Applicable>

C-FS3.8a

(C-FS3.8a) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your climate-related policies.

Types of covenants used	Asset class/product types	Please explain
Purpose or use of proceeds clause refers to sustainable project Covenants related to compliance with your policies	Corporate loans	The Bank prioritizes the lending of projects that improve environmental and social conditions such as renewable energy investments, eco-friendly technology projects, waste recycling investments, investments that reduce carbon emissions, increase efficiency, access to basic services, and provide employment. The Bank supports the borrower when the latter has to make improvements in projects with negative unforeseen environmental impact, encourages the efficient use of natural resources. Akbank supports sustainable production and consumption, innovative and social initiatives. The Bank attaches importance to the elimination or reduction of potential negative impacts on disadvantaged / vulnerable groups and gender equality in the projects it finances. 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 Environmental and Social Risk Assessment System. Accordingly, project finance loans with total investment amount of USD10 million and over, and new commercial loan requests with total investment amount of USD10 million and over, shall be subject to an Environmental and Social Risk Assessment. The Bank applies the following criteria as part of its Environmental and Social Risk Assessment System: • New investment projects (or loan requests) with financing requests are classified as low-, medium-, and high risk based on the potential environmental and social impact. • Additional assessment criteria vary according to the industry, and they are applied for the industries with high environmental and social risks. • The assessment takes, the environmental and social risks associated with the current operations of the potential borrower, and the methods applied for environmental and social risk management, also into consideration. An Environmental and Social Assessment Report by an independent consultant shall be requested for medium- and high-risk projects and loan requests. The company applying for a loan and/or project financing is asked to provide an Environmental and Social Action Plan, and an Environmental and Social Commitments list. • The Environmental and Social Action Plan, and the Environmental and Social Commitments list are also added to the contract with the customer.

C4. Targets and performance

C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target  
Intensity target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)**

<Not Applicable>

**Base year**

2020

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

10298

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

47770

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

58068

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

17.73

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

82.27

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

<Not Applicable>

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2025

**Targeted reduction from base year (%)**

100

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

0

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

18187

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

24300

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

52656

**% of target achieved relative to base year [auto-calculated]**

9.32010746021905

**Target status in reporting year**

Underway

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

<Not Applicable>

**Please explain target coverage and identify any exclusions**

As Akbank, we monitor our greenhouse gas emissions from our operational activities as part of our fight against the climate crisis. In this context, we make analyzes. With the results we get from these analyzes, we carry out mitigation studies and various applications. As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025. As of 2021, we started to obtain 44.7% of the electrical energy we use in all our buildings and operations from renewable energy. We aim to reduce our energy consumption by 5% in 2022 with the solar energy panels installed on the roof of Akbank Banking Center. By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

#### Plan for achieving target, and progress made to the end of the reporting year

As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025. We have a 3-step roadmap to achieve carbon neutrality:

1. Decreasing energy consumption with efficiency energy efficient technology & infrastructure:
  - 1.4 power usage efficiency, LEED Gold Green Building Certification in Data and Living Center
  - Akbank Industry 4.0 project: remote monitoring of energy consumption in all buildings, including branches
  - ISO 50001 certification obtained in 2021, with increasing coverage until 2023

#### 2. Renewable energy use

-44,7% of electricity sourced from renewable source

#### 3. Carbon offsetting

With the actions taken, our operational emissions (Scope 1&2) were down by 27% in 2021. We will further expand ISO 50001 & 14000 certificates to include to more branches and increase electricity sourcing from renewable resources.

#### List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

## C4.1b

### (C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

#### Target reference number

Int 1

#### Year target was set

2016

#### Target coverage

Company-wide

#### Scope(s)

Scope 1

Scope 2

#### Scope 2 accounting method

Location-based

#### Scope 3 category(ies)

<Not Applicable>

#### Intensity metric

Other, please specify (Metric tons CO2e per assests)

#### Base year

2014

#### Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

4.23e-8

#### Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

#### Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

#### Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

2.532e-7

#### % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

16.71

#### % of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

#### % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

#### % of total base year emissions in all selected Scopes covered by this intensity figure

100

#### Target year

2020

#### Targeted reduction from base year (%)

16

#### Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

2.12688e-7

#### % change anticipated in absolute Scope 1+2 emissions

5

#### % change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

18187

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

24300

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

5.6e-8

% of target achieved relative to base year [auto-calculated]

486.769352290679

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

Our intensity figure for 2021 is calculated with the figures: 42,487 metric tons CO2e Scope 1+2 emissions and TRY 762,798 million revenue for 2021. Considering the related values of 2021, our intensity figure for the reporting year (2021) is calculated as 0,000000056. Besides our related values for 2021, our gross global Scope 1+2 emissions for the base year was calculated as 55,372 metric tons of CO2e. As of the base year (2014) our total revenue was TRY 218.70 billion. Considering the related values of the base year, our intensity figure was calculated as 0,00000253.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

## C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

## C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2020

Consumption or production of selected energy carrier in base year (MWh)

% share of low-carbon or renewable energy in base year

20

Target year

2021

% share of low-carbon or renewable energy in target year

60

% share of low-carbon or renewable energy in reporting year

44.7

% of target achieved relative to base year [auto-calculated]

61.75

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

No

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

Within the scope of combating the climate crisis, we monitor our greenhouse gas emissions originating from our operations and take various actions for reduction studies as a result of our analyses. We continue our efforts to install renewable energy systems and increase the rate of renewable electricity supply in our bank. As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025. As of 2021, we started to obtain 44.7% of the electrical energy we use in all our buildings and operations from renewable energy. We aim to reduce our energy consumption by 5% in 2022 with the solar energy panels installed on the roof of Akbank Banking Center. By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

**Plan for achieving target, and progress made to the end of the reporting year**

As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025. As of 2021, we started to obtain 44.7% of the electrical energy we use in all our buildings and operations from renewable energy. We aim to reduce our energy consumption by 5% in 2022 with the solar energy panels installed on the roof of Akbank Banking Center.

**List the actions which contributed most to achieving this target**

<Not Applicable>

**Target reference number**

Low 2

**Year target was set**

2021

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2021

**Consumption or production of selected energy carrier in base year (MWh)**

41401.07

**% share of low-carbon or renewable energy in base year**

44.7

**Target year**

2022

**% share of low-carbon or renewable energy in target year**

80

**% share of low-carbon or renewable energy in reporting year**

44.7

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

No

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

Within the scope of combating the climate crisis, we monitor our greenhouse gas emissions originating from our operations and take various actions for reduction studies as a result of our analyses. We continue our efforts to install renewable energy systems and increase the rate of renewable electricity supply in our bank. As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025. As of 2021, we started to obtain 44.7% of the electrical energy we use in all our buildings and operations from renewable energy. We aim to reduce our energy consumption by 5% in 2022 with the solar energy panels installed on the roof of Akbank Banking Center. By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

**Plan for achieving target, and progress made to the end of the reporting year**

As part of our strategy to combat climate change, we aim to be a Carbon Neutral Bank in terms of our operations by 2025. As of 2021, we started to obtain 44.7% of the electrical energy we use in all our buildings and operations from renewable energy. We aim to reduce our energy consumption by 5% in 2022 with the solar energy panels installed on the roof of Akbank Banking Center. By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

**List the actions which contributed most to achieving this target**

<Not Applicable>

## (C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

## Target reference number

Oth 1

## Year target was set

2020

## Target coverage

Company-wide

## Target type: absolute or intensity

Absolute

## Target type: category &amp; Metric (target numerator if reporting an intensity target)

Green finance	Green finance raised and facilitated (denominated in currency)
---------------	--

## Target denominator (intensity targets only)

&lt;Not Applicable&gt;

## Base year

2020

## Figure or percentage in base year

16400000000

## Target year

2030

## Figure or percentage in target year

200000000000

## Figure or percentage in reporting year

25000000000

## % of target achieved relative to base year [auto-calculated]

4.68409586056645

## Target status in reporting year

Underway

## Is this target part of an emissions target?

No

## Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

## Please explain target coverage and identify any exclusions

As Akbank, we continue our financing activities in line with our environmental and social credit policies. We are proud to be the first Turkish bank to sign the United Nations Global Compact and see our products and services as an important tool in the journey towards solving global problems. We see renewable energy as an important solution against Turkey's dependence on the outside in energy consumption. On the other hand, we know and support the importance of renewable energy projects to reduce greenhouse gas emissions that have increased rapidly in the last 20 years. In this context, in 2021, we increased the share of renewable energy projects in our energy production loan portfolio to 76%. We are committed to increasing the financing resources we allocate for sustainable projects to 200 billion TL by 2030.

## Plan for achieving target, and progress made to the end of the reporting year

We are committed to increasing the financing resources we allocate for sustainable projects to 200 billion TL by 2030. Target coverage as percentage in reporting year is calculated as TRY 25,000,000,000/ TRY 200,000,000,000=12.5%

## List the actions which contributed most to achieving this target

&lt;Not Applicable&gt;

## Target reference number

Oth 2

## Year target was set

2020

## Target coverage

Company-wide

## Target type: absolute or intensity

Absolute

## Target type: category &amp; Metric (target numerator if reporting an intensity target)

Please select

## Target denominator (intensity targets only)

&lt;Not Applicable&gt;

## Base year

2020

## Figure or percentage in base year

10

**Target year**

2030

**Figure or percentage in target year**

30

**Figure or percentage in reporting year**

40

**% of target achieved relative to base year [auto-calculated]**

150

**Target status in reporting year**

Achieved

**Is this target part of an emissions target?**

No

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions****Plan for achieving target, and progress made to the end of the reporting year**

&lt;Not Applicable&gt;

**List the actions which contributed most to achieving this target**

As Akbank we pledged to source 30% of wholesale funding from ESG-linked structures or sources in 2021. • To elaborate on Akbank's sustainability linked funding at a glance We issued our first Green bond in 2020 during the peak of COVID-19 pandemic, which represents an important milestone in Akbank's sustainability efforts. This transaction triggered the necessity and importance of having a modern and inclusive sustainable finance framework – that was published in February 2021 with an SPO from Sustainalytics. We signed our first ESG linked syndication in April 2021, which totals USD 675 million. (gender equality in the bank's workforce, non-lending to coal power plants and sourcing the bank's energy from renewable resources). In June 2021, we successfully issued our USD 500 million sustainable subordinated bond – which was the first among deposit banks in Türkiye. In July, we signed a USD 100 million facility with AIIB to support SME's as part of their COVID response facility. Meanwhile, we signed our second ESG-linked syndication in October 2021 with total of USD 700 million. With this transaction, we became the first bank in Türkiye to align both syndications with ESG KPI's. In November, we signed two ESG themed facilities with EBRD and IFC. The first agreement is under EBRD's Türkiye Women in Business program. In December, we launched our women entrepreneurs program with funding obtained from this facility. The second facility from IFC targets SMEs located in 22 provinces, mainly in the south and southeast of Türkiye. We successfully finalized our ESG-linked syndication loan in 2022 with a roll-over ratio of over 100%, with criteria of environmentally-friendly credit cards use and increasing our total renewable energy purchase from 60% to 80% as of Q2. With these transactions, we have increased the amount of sustainable themed loans we obtained from abroad to over USD 2 billion. We will continue to be opportunistic in our capital markets transactions – but in any case we will aim to make it sustainable. Our 2021 sustainable funding target was to reach 30% of the wholesale funding portfolio. With more than 90% of new funding in sustainable fashion in 2021, we have already reached 40%.

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	30000
Implementation commenced*		
Implemented*	2	3823470
Not to be implemented		

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Energy efficiency in buildings	Lighting
--------------------------------	----------

**Estimated annual CO2e savings (metric tonnes CO2e)**

54.1

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary



**Annual monetary savings (unit currency – as specified in C0.4)**

74295

**Investment required (unit currency – as specified in C0.4)****Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Akbank had started to build new Data and Living Center in Sekerpinar, Kocaeli, Turkey in 2018 and the building has been completed in June 2019. There is an energy efficiency application in Data center. This application includes high efficient cooling system and LED lighting (all 32.000 m² area is lightened) Also presence sensors are used to decrease LED usage around the building. In data center, Air to Air indirect evaporative cooling which is the top 3 cooling solution in respect of efficiency was implemented. it saves carbon footprint especially in winter and also it supports OPEX positively. Also in Silivri, we made the similar changes in lighting infrastructure. From the beginning, the aim was to design it as a green data center. The building's design and application compliance with global standards are documented with Uptime Institute Tier 3 Design Certification and Uptime Institute Tier 3 Constructed Facility Certification. In this year we didn't spare any budget to this initiative.

**Initiative category & Initiative type**

Low-carbon energy consumption	Wind
-------------------------------	------

**Estimated annual CO2e savings (metric tonnes CO2e)**

12295.5

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)****Investment required (unit currency – as specified in C0.4)****Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

11-15 years

**Comment**

We used 60% of electricity consumption from renewable sources during the first six-month of 2021, on the annual average this percentage was calculated as 44.7%.

**Initiative category & Initiative type**

Low-carbon energy consumption	Large hydropower (>25 MW)
-------------------------------	---------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

5807.14

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)****Investment required (unit currency – as specified in C0.4)****Payback period**

&lt;1 year

**Estimated lifetime of the initiative**

11-15 years

**Comment**

We used 60% of electricity consumption from renewable sources during the first six-month of 2021, on the annual average this percentage was calculated as 44.7%.

**C4.3c****(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for other emissions reduction activities	Our dedicated sustainability capex budget funded an additional TRY 74,295.25 in energy efficiency projects in 2021, including 2820 LED retrofit projects and power purchase agreement. LED retrofits completed during the reporting period are now saving TRY 220,344 in energy costs and have reduced 54.10 tons GHG emissions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Banking	Project finance
---------	-----------------

Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

In energy production, we have been crediting only renewable energy production since 2016. While closely following different technologies and hybrid investments in the energy generation sector, we continued to strengthen our renewable energy portfolio in 2021 as well. The ratio of renewable energy projects in our total portfolio was 76%. As of the end of the year, 3,163 MW of the energy projects we have financed so far consisted of HEPP, 1,037 MW of WPP, 320 MW of GPP, 181 MW of GES and 21 MW of Biomass.

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Portfolio value (unit currency – as specified in C0.4)

11768921100

% of total portfolio value

76

Type of activity financed/insured or provided

Renewable energy

Product type/Asset class/Line of business

Banking	Project finance
---------	-----------------

Taxonomy or methodology used to classify product

Externally classified using other taxonomy or methodology, please specify

Description of product

Akbank continues to develop products aimed at protecting natural resources with the increasing population and climate change. Determining sustainable finance as one of its priority areas in its sustainability activities, Akbank offers Blue Tourism Loans, Blue Harbor Loans and Blue Transportation Loans under the name of Blue Financing for the development of sustainable tourism, reducing the environmental footprint in marine tourism activities, protecting the seas in port activities and accelerating the transition to low carbon. It offers three different products. All three of these products are implemented within the scope of reducing the environmental footprint in tourism, protecting the seas, protecting and developing biodiversity, and supporting the fight against pollution.

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Portfolio value (unit currency – as specified in C0.4)

% of total portfolio value

Type of activity financed/insured or provided

Nature-based solutions

Product type/Asset class/Line of business

Banking	Project finance
---------	-----------------

Taxonomy or methodology used to classify product

**Description of product**

In 2021, we provided a sustainable finance loan for the high-speed train project with a line length of 200 km. It will serve the objectives of establishing a low-cost, environmentally friendly and sustainable transportation network by increasing the quality of transportation services with the financing, which is the first Green Loan given in this field in Turkey.

**Product enables clients to mitigate and/or adapt to climate change**

Mitigation

**Portfolio value (unit currency – as specified in C0.4)**

11688.73

**% of total portfolio value****Type of activity financed/insured or provided**

Low-emission transport

**Product type/Asset class/Line of business**

Banking	Project finance
---------	-----------------

**Taxonomy or methodology used to classify product**

Green Bond Principles (ICMA)

**Description of product**

With our agricultural loans, especially with drip irrigation loans, we prevent wild irrigation and ensure the protection of water resources with efficient irrigation.

**Product enables clients to mitigate and/or adapt to climate change**

Adaptation

**Portfolio value (unit currency – as specified in C0.4)****% of total portfolio value****Type of activity financed/insured or provided**

Sustainable agriculture

## C5. Emissions methodology

## C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

## C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?****Row 1****Has there been a structural change?**

No

**Name of organization(s) acquired, divested from, or merged with**

<Not Applicable>

**Details of structural change(s), including completion dates**

<Not Applicable>

## C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	In 2021, we expanded the scope of our Scope 1 emissions through including fire extinguishers and HFC gases emission calculation. Besides, we took into consideration more than 5300 ATM machines (increased %6 compared to more than 5000 of ATM in the previous year), and 711 branches (decreased 1% compared to 716 of branches in 2020 since these 5 branches were closed). In addition to expanding our Scope 1 emissions, calculations of emissions came from Scope 3 including purchased goods and services, capital goods and downstream transportation and distribution, end of life treatment of sold products, Other (downstream) are added in the reporting period.

C5.1c

(C5.1c) Have your organization’s base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the operations acquired or divested did not exist in the base year	

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

9254

Comment

Scope 2 (location-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

46118

Comment

Akbank purchases electricity from the main grid. Turkish Electricity Grid's RECs certification, - direct contracts (low-carbon, renewable etc.) - residual mix totals attributes are not available and that's why our market-based Scope 2 emissions are same as our location-based Scope 2 emissions.

Scope 2 (market-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

46118

Comment

Akbank purchases electricity from the main grid. Turkish Electricity Grid's RECs certification, - direct contracts (low-carbon, renewable etc.) - residual mix totals attributes are not available and that's why our market-based Scope 2 emissions are same as our location-based Scope 2 emissions.

Scope 3 category 1: Purchased goods and services

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

1198.84

Comment

Scope 3 category 2: Capital goods

Base year start

January 1 2021

Base year end

December 31 2021

Base year emissions (metric tons CO2e)

24305.59

Comment

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

356.6

**Comment**

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 5: Waste generated in operations**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

1524.77

**Comment**

**Scope 3 category 6: Business travel**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

61.4

**Comment**

**Scope 3 category 7: Employee commuting**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

49.3

**Comment**

**Scope 3 category 8: Upstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

10671879.04

**Comment**

**Scope 3 category 10: Processing of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start  
January 1 2020

Base year end  
December 31 2020

Base year emissions (metric tons CO2e)  
40135

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start  
January 1 2020

Base year end  
December 31 2020

Base year emissions (metric tons CO2e)  
919.4

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.  
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

18186.7

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

In 2021, we implemented the Ak-E4 (Akbank Industry 4.0) project, which allows us to remotely control and report our consumptions such as electricity, water, natural gas and diesel. With this project we monitor and report electricity, water and fuel consumption. We calculate our emission based on the guidance of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). There is an increase compared to the previous year due to the expansion in our emission calculation boundary, which we handle within Scope 1 in 2021.

**C6.2**

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are not reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

We purchases electricity from the main grid in Turkey. Turkish Electricity Grid's REC certification, direct contracts (low-carbon, renewable, etc.) – residual mix totals attributes are not available and that's why our market-based Scope 2 emissions are same as our location-based Scope 2 emissions.

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

<Not Applicable>

**Scope 2, market-based (if applicable)**

24300.018

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

We purchases electricity from the main grid in Turkey. Turkish Electricity Grid's REC certification, direct contracts (low-carbon, renewable, etc.) – residual mix totals attributes are not available and that's why our market-based Scope 2 emissions are same as our location-based Scope 2 emissions. In 2021, we implemented the Ak-E4 (Akbank Industry 4.0) project, which allows us to remotely control and report our consumptions such as electricity, water, natural gas and diesel. With this project we are able to monitor and report electricity, water and fuel consumption. We calculate our emission based on the guidance of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). During the reporting period, we reduced electricity usage compared to the last year (2020).The reason effects on reduction of electricity consumption and its emissions came from that we used 60% of electricity consumption from renewable sources during the first six-month of 2021, on the annual average this percentage was calculated as 44.7%.

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

## Purchased goods and services

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

1198.84

### Emissions calculation methodology

Average product method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Based on the MOTAT data, the calculation was made on the assumption that the purchased products have the same weight as the waste. Defra Carbon Factors – Greenhouse Gas Conversion Factor Repository is used in the calculation methodology. At Sabancı Center, 55% of the waste was taken as Akbank and waste data generated at ABM has been taken into account. Paperboard:  $(4800 \text{ kg} + 3095 \text{ kg} + 25821 \text{ kg}) = 33716 \text{ kg} \times (\text{Emission factor}) 881.19 \text{ kgCO}_2\text{e} = 29.71 \text{ tCO}_2\text{e}$   
The Life Cycle Assessment of toner evidences that the GHG emissions are in the region of 16 metric tons per 1 metric ton of toner produced.

Toner:  $(1256 \text{ kg} + 2 \text{ kg}) = 1,258 \text{ kg} = 1.258 \text{ tonnes}$

Total Emission from Toner =  $1.258 \times 16 = 20.13 \text{ tCO}_2\text{e}$

When calculating the total debit and credit cards purchased in the reporting year, a separate calculation will be made for cards with recycling features and separately for cards that do not.

Total non-recycled debit and credit card: 6,023,264

Total recycled debit and credit card: 61,263

Total emissions from non-recycled cards:  $6,023,264 \times 189 \text{ grCO}_2\text{eq} = 1,138 \text{ tCO}_2$

Total emissions from recycled cards:  $61,263 \times 180 \text{ grCO}_2\text{eq} = 11.02 \text{ tCO}_2$  Total emissions from cards =  $1,138 + 11.02 = 1,149 \text{ tCO}_2\text{eq}$

## Capital goods

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

24305.59

### Emissions calculation methodology

Average product method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Emission calculations were made for LED/LCD monitors, laptops, mobile phones and tablet computers from IT equipment. For each device, the watts consumed according to the model/brand were analyzed and an average watt value was obtained in separate categories (separately for laptops, separately for mobile phones, etc.). With this information, use emission and embodied emission values were obtained with the information obtained from ICT Sector Guidance built on the GHG Protocol Product Life Cycle Accounting and Reporting Standard and the formulas used for each category, and the total emission was calculated with these values.

Calculation Methodology:

Use GHG Emissions = typical active power consumption (W) \* typical power consumption factor (TPCF) \* Power Usage Effectiveness factor (PUE) \* product life expectancy (years) \* duty cycle (hours) \* 1 kWh/1,000 Wh \* Electricity emission factor in Turkey

Embodied GHG Emissions = (Use GHG Emissions / life cycle stage ratio) \* (1 - life cycle ratio)

Total Embodied GHG Emissions = E\_embodied \* number of item

LED/LCD Monitor Total Embodied Emission = 12,667,702 kgCO<sub>2</sub>

Laptop Total Embodied Emission = 10,655,391 kgCO<sub>2</sub>

Telephone Total Embodied Emission = 102,433 kgCO<sub>2</sub>

Tablet PC Total Embodied Emission = 7,064 kgCO<sub>2</sub>

Router Total Embodied Emission = 872,998 kgCO<sub>2</sub>

Akbank Total Embodied Emission = 24,305,590 kgCO<sub>2</sub> = 24,305.590 tCO<sub>2</sub>

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

86633.91

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Within the scope of calculating the emissions from taxi, the information on how many liters of fuel was consumed was obtained by using the taximeter opening price and the price per km over the total number of invoices and the total paid amount.

Total number of taxi receipts: 29,269

Total amount paid: TRY 1,676,792

Total opening price:  $29,269 \times (\text{Opening Price}) 5.55 \text{ TL} = \text{TRY } 162,442.95$

Excluding the opening price:  $1,676,792 - 162,442.95 = \text{TRY } 1,514,349.05$

Total km:  $1,514,349.05 / (\text{price per km}) 3.45 \text{ TL} = 438,941.754 \text{ km}$

Total fuel use:  $438,941.754 \text{ km} \times (\text{Average fuel consumption}) 0.09 \text{ liter/km} = 39,504.75 \text{ liter gasoline}$

Total emissions:  $39,504.75 \text{ liter} \times (\text{emission factor}) 2.193 \text{ kgCO}_2\text{e/liter} = 86,633.91 \text{ kgCO}_2\text{e}$  (DEFRA, Fuels, cell E95)



## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

This category is calculated as Scope 1 and 2 emission. Therefore there is no additional upstream sources.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

1178.73

### Emissions calculation methodology

Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

All waste amounts within scope 3 were obtained by following the MOTAT (Mobile Waste Tracking System) reports and multiplying by the emission factor obtained from DEFRA. At Sabancı Center, 55% of the waste was taken as Akbank and waste data generated at ABM has been taken into account. Unfortunately, there is no information flow from the branches regarding the amount of waste. Total amount of waste (ABM + Sabancı Center) = 44,417 kg + 10,939 kg = 55,356 kg.

(ABM + Sabancı Center)

Waste printing toners containing dangerous substances = (1256 kg + 2 kg) x 21.294 kgCO2e (Conversion Factor) = 26,787 kgCO2e

Other engine, transmission and lubricating oils = (1827 kg + 1440.5 kg) x 21.294 kgCO2e (Conversion Factor) = 69,567 kgCO2e

Paper and cardboard packaging = (4800 kg + 25821 kg + 3095 kg) x 21.294 kgCO2e (Conversion Factor) = 717,948 kgCO2e

Plastic packaging = (960 kg + 355 kg) x 21.294 kgCO2e (Conversion Factor) = 28,001 kgCO2e

Absorbers, filter materials (oil filters not otherwise specified), cleaning cloths, protective clothing contaminated with hazardous substances = (7920 kg + 1440.5 kg) x 21.294 kgCO2e (Conversion Factor) = 199,322 kgCO2e

Oil filters = 1820 kg (Only in ABM) x 21.294 kgCO2e (Conversion Factor) = 38,755 kgCO2e

Wastes whose collection and disposal is subject to special treatment in order to prevent infection = (13 kg + 46.5 kg) x 21.294 kgCO2e (Conversion Factor) = 1,267 kgCO2e

(Only in Sabancı Center)

(Packages containing residues of dangerous substances or contaminated with dangerous substances (196.5 kg) + Antifreeze liquids containing dangerous substances

(1154.5 kg) + Organic wastes containing dangerous substances (196.5 kg) + Lead-acid batteries and accumulators (291.5 kg) + Cables other than 17 04 10 (40 kg) +

Fluorescent lamps and other mercury-containing waste (290.5 kg) + Metals (2390 kg) ) x 21.294 kgCO2e (Conversion Factor) = 97,090 kgCO2e

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

133.325

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

The scope 3 source Business travel refers to business travels by air, train, hired cars and vehicles owned by staff. This emission source includes domestic flights less than 400 km: 295,222 passenger\*km

## Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

10035.87

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

The shuttle services of the employees are evaluated within scope 3 together with the data on the total distance traveled and the amount of fuel consumed : 837,200 liter diesel

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

The electricity usage of the buildings we are tenants is evaluated within Scope 2.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

20879076.665

### Emissions calculation methodology

Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Rental vehicle fuel consumption of sales teams is evaluated within Scope 1. Data on courier services hired to carry out transactions such as card, contract deliveries to customers are evaluated within Scope 3. GHG Emissions from Transport or Mobile Sources tool was used to calculate emissions from couriers. Existing daily courier distance data (Car: 150-200km/day given, 175 km/day chosen and Motorbike: 250-300 km/day given, 275 km/day chosen) were multiplied by the total working days in 2021 (250) and inserted into the formula (total distance section) within GHG Emissions from Transport or Mobile Sources to calculate the total amount of emissions: 23.085 tCO<sub>2</sub>e

2. For emissions originating from customers visiting the branches, it is assumed that a diesel vehicle that burns 5 liters per 100 kilometers travels an average of 10 kilometers to and from the branch.  $2 \text{ (round trip)} \times 0.5 \text{ liter fuel} \times 2.54603 \text{ kg/CO} \times 711 \text{ (branch)} \times 11,534,076 \text{ visitor} = 20,879,053.58 \text{ tCO}_2\text{e}$

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As we don't sell intermediate products that require processing into final products, we don't have any emissions in this category.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

As we operate in the financial service sector, our main products are credit and debit cards. Since there is no resource consumption during using cards, this emission category is not relevant for our company.

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

1149.02

### Emissions calculation methodology

Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

When calculating the total debit and credit cards used in the reporting year, a separate calculation will be made for cards with recycling features and separately for cards that do not.

Total non-recycled debit and credit card: 6,023,264

Total recycled debit and credit card: 61,263

Total emissions from non-recycled cards:  $6,023,264 \times 189 \text{ grCO}_2\text{eq} = 1,138 \text{ tCO}_2$

Total emissions from recycled cards:  $61,263 \times 180 \text{ grCO}_2\text{eq} = 11.02 \text{ tCO}_2$

Total emissions from cards =  $1,138 + 11.02 = 1,149 \text{ tCO}_2\text{eq}$

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Our branches' energy consumption is included into Scope 2 calculation. Therefore there is no additional downstream sources.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Akbank does not have any franchises. Therefore, it is not relevant and not calculated for Scope 3 emissions.

## Investments

### Evaluation status

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

## Other (upstream)

### Evaluation status

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

#### Other (downstream)

##### Evaluation status

Relevant, calculated

##### Emissions in reporting year (metric tons CO<sub>2</sub>e)

33208.72

##### Emissions calculation methodology

Average data method

##### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

##### Please explain

Calculations were made by making various assumptions with the data obtained about ATM Roll papers. The total weight was calculated by calculating the A4 paper equivalent of the total roll amount and the amount of emission caused was calculated by multiplying it with the emission factor taken from DEFRA.

A4 area = 623,7 cm<sup>2</sup>

80mmx300m Roll Paper area= 240000 cm<sup>2</sup>

80mmx500m Roll Paper area= 400000 cm<sup>2</sup>

1 80mmx300m Roll Paper= 384 A4 paper

1 80mmx500m Roll Paper= 641 A4 paper

Total 80mmx300m ATM Roll Paper= 4,580

Total A4 Eq. of 80mmx300m= 1,762,385

Total 80mmx500m ATM Roll Paper=8,518

Total A4 Eq. of 80mmx500m= 5,462,882

Total A4 Eq. of all Roll Paper= 7,225,268

Total weight= A4 weight (5 gr)x7,225,268= 36.12 tonnes

Emission= Emission factor (919.4 kgCO<sub>2</sub>)x 36.12 = 33,208.72 tCO<sub>2</sub>

## C6.7

### (C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

## C6.10

### (C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

#### Intensity figure

5.6e-8

#### Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)

42487

#### Metric denominator

unit total revenue

#### Metric denominator: Unit total

762798000000

#### Scope 2 figure used

Market-based

#### % change from previous year

116

#### Direction of change

Decreased

#### Reason for change

Our intensity figure for the reporting year is calculated with the figures: 42,487tons CO<sub>2</sub>e Scope 1+2 emissions and TRY 762,798 million revenue for 2021. Considering the related values of 2021, our intensity figure for the reporting year (2021) is calculated as 0,000000056. Besides our related values for 2021, our gross global Scope 1+2 emissions for 2020 were calculated as 58,068 metric tons of CO<sub>2</sub>e. As of 2020 our total revenue was TRY 478,317 million. There was a mistake (kilogramme of CO<sub>2</sub>e used instead of tonne) of the last year calculation and its result. However, reconsidering the related values of 2020, our intensity figure for the previous year (as recalculated and corrected for 2020) was calculated as 0,000000121. By these calculations our intensity figure has decreased as much as 116% approximately. It comes from increasing radically in our revenue on the contrary to our gross emissions decreased.

## C7. Emissions breakdowns

### C7.1

#### (C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	18089	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	23	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	75	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	18186.7

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.  
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Diesel consumption for company vehicles	5105.5
Gasoline consumption for company vehicles	33.3
Natural gas consumption	5161
Fuel-oil consumption	57.1
Diesel consumption for heating	483.8
Coal consumption	6
Refrigerant consumption	115.9
Fire extinguisher	7085.3
Power generator diesel consumption	138.9

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	24300	24300

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.  
By activity

C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity consumption from non-renewable resources	24300	24300
Electricity consumption from renewable resources	0	0

**C7.9****(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

**C7.9a****(C7.9a) 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.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	18732.7	Increased	32.3	We have determined that our second focus area in reducing our operational greenhouse gas emissions is to provide the electricity we use from renewable energy sources. We see one of our most important points in reaching our goal of being a Carbon Neutral Bank by 2025, as meeting our electricity consumption, which is our Bank's biggest source of emissions, from renewable energy sources. In the reporting period, we consumed 41.401.073.98 kwh electricity from renewable energy resources. We used 20% of electricity consumption from hidro power sources during the first five-month, then 60% in June from hidro power again and last six-month, 60% from wind power, on the annual average this percentage was calculated as 44.7%. Besides, we installed solar panels at Akbank Banking Center building rooftop and we will use its energy in the next year. Therefore, through consumption from RE in the reporting period, we avoided 18,732.7 tonnes of CO2e. The total Scope 1 and Scope 2 emissions in the previous year was 58,068 tCO2e, therefore the obtained increase was 32.3% (18,732.7 / 58,068). In 2022, we aim to reduce our energy consumption with the solar energy panels installed on the roof of Akbank Data Center. And by 2022, we aim to supply up to 80% of the electricity we use in all our buildings and operations from renewable energy.
Other emissions reduction activities		<Not Applicable>		
Divestment	0	No change	0	There is no divestment occurred in 2021.
Acquisitions	0	No change	0	There is no acquisition occurred in 2021.
Mergers	0	No change	0	There is no merger occurred in 2021.
Change in output	15582.48	Decreased	27	During the reporting period, we reduce our carbon footprint (gross scope 1 & 2) 27% compared to the last year's emissions. Firstly, it is resulted from on reduction of electricity consumption and its emissions came from that we used 60% of electricity consumption from renewable sources during the first six-month of 2021, on the annual average this percentage was calculated as 44.7%. On the other hand, we extended our scope 1 emission resources such as fire extinguisher, number of ATM included. Due to these additions, our Scope 1 emissions increased 43% compared to the last year. The total Scope 1 and Scope 2 emissions in the previous year was 58,068 tCO2e, therefore the obtained decrease was 27 % (15,582.48 / 58,068).
Change in methodology	2843.1	Decreased	4.9	In the reporting year, there has been a decrease in Turkey's grid emission factor by 11.7% when compared to 2020 value (from 0,000505 (2020) vs 0,000452 (2021)). The total Scope 2 emissions in 2021 would be 2,843.10 tCO2e higher if we used the previous year's emission factor. This resulted in a total artificial decrease of 1.29% in 2021 total Scope 1+2 emission (2,843.10 / 58,068 = 4.9%).
Change in boundary	7889	Decreased	14	In 2021, we expanded the scope of our Scope 1 emissions through including fire extinguishers and HFC gases emission calculation. Besides, we took into consideration more than 5300 ATM machines (increased %6 compared to more than 5000 of ATM in the previous year), and 711 branches (decreased 1% compared to 716 of branches in 2020 since these 5 branches were closed). This resulted in a total artificial decrease of 14% in 2021 total Scope 1+2 emission (7,889/58,068 = 14%).
Change in physical operating conditions	0	No change	0	There is no change in physical operating conditions.
Unidentified	0	No change	0	We did not have any unidentified changes in our emissions in the reporting year.
Other	0	No change	0	We did not have any category to account for changes in our emissions in the reporting year.

**C7.9b****(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**C8. Energy****C8.1**

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

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

**C8.2****(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

**C8.2a****(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	44650.49	44650.49
Consumption of purchased or acquired electricity	<Not Applicable>	0	53705.43	53705.43
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	41401.07	98355.92	139756.99

**C8.2b****(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c****(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.****Sustainable biomass****Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self- cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Comment**

Our company does not use biomass in its operations.

**Other biomass**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Our company does not use biomass in its operations.

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Our company does not use renewable fuel in its operations.

**Coal**

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Our company does not use coal in its operations.



## Oil

### Heating value

#### Total fuel MWh consumed by the organization

0

#### MWh fuel consumed for self-generation of electricity

0

#### MWh fuel consumed for self-generation of heat

0

#### MWh fuel consumed for self-generation of steam

<Not Applicable>

#### MWh fuel consumed for self-generation of cooling

<Not Applicable>

#### MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

### Comment

Our company does not use oil in its operations.

## Gas

### Heating value

LHV

#### Total fuel MWh consumed by the organization

24784.89

#### MWh fuel consumed for self-generation of electricity

0

#### MWh fuel consumed for self-generation of heat

24784.89

#### MWh fuel consumed for self-generation of steam

<Not Applicable>

#### MWh fuel consumed for self-generation of cooling

<Not Applicable>

#### MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

### Comment

The natural gas used in our company's operations is used in the heating process of our units. In 2021, 24,784.89 MWh of energy was used.

## Other non-renewable fuels (e.g. non-renewable hydrogen)

### Heating value

LHV

#### Total fuel MWh consumed by the organization

19865.6

#### MWh fuel consumed for self-generation of electricity

527.46

#### MWh fuel consumed for self-generation of heat

19338.13

#### MWh fuel consumed for self-generation of steam

<Not Applicable>

#### MWh fuel consumed for self-generation of cooling

<Not Applicable>

#### MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

### Comment

Non-renewable fuels such as diesel and gasoline used in our company's operations are used in transportation actions and generators connected to our units. While a total of 19,865.60 MWh of energy was used in 2021, 527.46 MWh of this was used for electricity and the remaining 19,338.13 MWh was used for heating.

**Total fuel****Heating value**

LHV

**Total fuel MWh consumed by the organization**

44650.49

**MWh fuel consumed for self-generation of electricity**

527.46

**MWh fuel consumed for self-generation of heat**

44123.03

**MWh fuel consumed for self-generation of steam**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self- cogeneration or self-trigeneration**

&lt;Not Applicable&gt;

**Comment****C8.2e**

---

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Electricity

**Low-carbon technology type**

Wind

**Country/area of low-carbon energy consumption**

Turkey

**Tracking instrument used**

Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

28666.43

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Turkey

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2021

**Comment**

We used 28,666.43 MWh of electrical energy through wind power plants during the year.

---

**Sourcing method**

Direct procurement from an off-site grid- connected generator e.g. Power purchase agreement (PPA)

**Energy carrier**

Electricity

**Low-carbon technology type**

Large hydropower (&gt;25 MW)

**Country/area of low-carbon energy consumption**

Turkey

**Tracking instrument used**

Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

12734.63

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Turkey

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2021

**Comment**During the year, we used 12,734.63 MWh of electrical energy through hydroelectric power plants.

---

**C8.2g**

---

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
Turkey
Consumption of electricity (MWh)
53705.43
Consumption of heat, steam, and cooling (MWh)
0
Total non-fuel energy consumption (MWh) [Auto-calculated]
53705.43
Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste
Metric value
55.35
Metric numerator
tons
Metric denominator (intensity metric only)
% change from previous year
Direction of change
<Not Applicable>
Please explain
Thanks to Zero Waste procedures we are following up in the bank, we can monitor, calculate, and disclose our waste performance via our integrated annual reports, and sustainability report formerly. In 2021, we are granted to establish our Integrated Management System (IMS) including ISO 14001 Environment, ISO 50001 Energy Efficiency Management, and ISO 45001 Health and Safety Management System. In 2021, we have completed our work to establish intended IMS structure in line with the relevant standards for the Head Offices and the 42 branches. We aim to implement IMS in all our branches in 2024.

Description
Energy usage
Metric value
41401073.98
Metric numerator
kwh
Metric denominator (intensity metric only)
% change from previous year
Direction of change
<Not Applicable>
Please explain
In order to reach being carbon neutral bank by 2025, we started to purchase electricity from renewable resources by 44.7 percent in the reporting period. Along with this reduction, we planned to increase renewable energy consumption rate in the upcoming years.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

akbank\_integrated\_annual\_report\_2021.pdf

Page/ section reference

The pages referred in the assurance report where the relevant assured indicators are presented can be viewed in our Integrated Report 2021: 562

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

akbank\_integrated\_annual\_report\_2021.pdf

Page/ section reference

The pages referred in the assurance report where the relevant assured indicators are presented can be viewed in our Integrated Report 2021: 562

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

**Scope 3 category**

Scope 3: Business travel

Scope 3: Employee commuting

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

akbank\_integrated\_annual\_report\_2021.pdf

**Page/section reference**

The pages referred in the assurance report where the relevant assured indicators are presented can be viewed in our Integrated Report 2021: 562

**Relevant standard**

ISAE 3410

**Proportion of reported emissions verified (%)**

0.004

## C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

## C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year emissions intensity figure	ISAE 3410	Emission intensity is calculated the ratio of the company's Scope 1 and Scope 2 emissions to total assets during the reporting period.
C4. Targets and performance	Renewable energy products	ISAE 3410	Number of projects evaluated within the scope of Environmental and Social Impact Assessment (ESIA) during the reporting period, the number of rejected projects among these projects, the project-based ratings (high risk, medium risk and low risk) according to the assessment results, and the site visits made as part of the ESIA in the process.  Total installed power (MW) of all renewable energy projects to which the Bank has allocated loans and which have open risk, by renewable energy type, as of the end of the reporting period.  Number by renewable energy type of all renewable energy projects to which the Bank has allocated loans and which have open risk, as of the end of the reporting period.
C6. Emissions data	Year on year emissions intensity figure	ISAE 3410	In the reporting period, oil filters, wastes contaminated with hazardous materials, waste toner and batteries, hazardous waste; sanitary pads, cardboard, valuable paper, plastic and household waste are considered as non-hazardous waste.  Recycled hazardous waste is calculated as all waste contaminated with oil filters and hazardous materials.  Recycled non-hazardous waste means all cardboard, valuable paper, and plastic waste.  Total plastic consumption (tonnes) includes plastic used for 1 portion from plastic bottled water and food company. The number of plastics used for 1 portion from the catering company is calculated over the number of people who brought the food.  Reused / recycled non-hazardous waste rate (%) means the ratio of the recycled non-hazardous waste amount to the total non-hazardous waste amount.  The rate of reused / recycled hazardous waste (%) means the ratio of the amount of recycled hazardous waste to the total amount of hazardous waste.

## C11. Carbon pricing

### C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

### C11.1d

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**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Akbank Sustainability team works to identify

A price on carbon helps shift the burden for the damage back to those who are responsible for it, and who can reduce it. Instead of dictating who should reduce emissions where and how, a carbon price gives an economic signal and polluters decide for themselves whether to discontinue their polluting activity, reduce emissions, or continue polluting and pay for it. In this way, the overall environmental goal is achieved in the most flexible and least-cost way to society. The carbon price also stimulates clean technology and market innovation, fuelling new, low-carbon drivers of economic growth.

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**C11.2**

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

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**C11.3**

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**(C11.3) Does your organization use an internal price on carbon?**

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

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**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers/clients

Yes, our investees

Yes, other partners in the value chain

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**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.****Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

12

**% total procurement spend (direct and indirect)**

0

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

The main target in Akbank purchasing activities is in line with our bank's sustainability policy; is to maximize the contribution and value provided by effective, cost-sensitive and dynamic operations. In this direction, one of our main goal is to establish value-creating, transparent, sustainable, reliable and quality business relationships with our suppliers. We receive declarations from our suppliers regarding the implementation of all the elements in the United Nations Global Compact, also by our suppliers, \* In the provision of services and services, we give priority to suppliers that work with systems that are more sensitive to society and the environment, \*We strive to provide the relevant undertaking and annual survey form in order to evaluate the work and working conditions of the third-party employees we receive service within the scope of their commitments to international organizations.

**Impact of engagement, including measures of success**

We developed supplier questionnaire in according to IFC requirements in order to our term and conditions throughout the engagement. This questionnaire includes several topics such as: \*Does your organisation have a named officer responsible for environmental management? \* Does your organisation have in place an environmental management system? \* Does your organisation hold any environment related accreditations such as ISO14001? \* Do you have an appointed Health and Safety Manager? \*Freedom of association & collective bargaining rights, and so forth. ESG questions began to be asked to new suppliers in 2021. These questions were forwarded to a total of 208 suppliers.

**Comment**

We believe that we have a responsibility not only in our direct operations but also in our supply chain. So that, we are developing several procedures to control, monitor our supply chain's effectiveness and its impacts on the society and environment as well. Our supplier ecosystem, which we have created and continuously developed in order to meet the needs of our bank, which changes in line with the developing market conditions, is of critical importance for our bank's procurement policies and processes are in line with our sustainability vision. Our purchasing policies are updated periodically by making necessary checks.

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**Type of engagement**

Innovation & collaboration (changing markets)

#### Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

#### % of suppliers by number

#### % total procurement spend (direct and indirect)

#### % of supplier-related Scope 3 emissions as reported in C6.5

#### Rationale for the coverage of your engagement

In line with our environmental, social and governance (ESG) practices, we switch to the use of recycled plastic paper and envelopes in all Akbank card types. Environmental transformation started with Axess, which celebrated its 20th anniversary with the 'Well-Living Club' platform in the past months. New cards are produced and delivered from environmentally friendly materials to customers who apply to pocketable Axess or when it is time to renew their card.

#### Impact of engagement, including measures of success

Starting to purchase recycled material product for our banking cards, we avoided 170.6 tons of emission through not using virgin materials. We aim to increase number of recycled materials in our operations.

#### Comment

Our supplier ecosystem, which we have created and continuously developed in order to meet the needs of our bank, which changes in line with the developing market conditions, is of critical importance for our bank. Our bank's procurement policies and processes are in line with our sustainability vision. Our purchasing policies are updated periodically by making necessary checks.

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#### Type of engagement

Innovation & collaboration (changing markets)

#### Details of engagement

Collaborate with suppliers on innovative business models to source renewable energy

#### % of suppliers by number

#### % total procurement spend (direct and indirect)

#### % of supplier-related Scope 3 emissions as reported in C6.5

#### Rationale for the coverage of your engagement

Akbank is on track to become carbon-neutral in operational emissions by 2025.

We see one of our most important points in reaching our goal of being a Carbon Neutral Bank by 2025, as meeting our electricity consumption, which is our Bank's biggest source of emissions, from renewable energy sources. As of 2021, we started to obtain an important amount of electrical energy we use in all our buildings and operations from renewable energy.

In this respect Enerjisa Energy (energy provider) and Akbank have collaborated on an innovative pilot project: by using block chain to source renewable energy, Akbank will be able to choose renewable energy sources based on location, distance and type within the scope of this cooperation. It will be able to monitor the source of the energy it consumes on an hourly basis and automatically achieve its sustainability goals.

#### Impact of engagement, including measures of success

Using its green energy product in line with its sustainability goals, Akbank will be able to choose renewable energy sources based on location, distance and type within the scope of this cooperation. It will be able to monitor the source of the energy it consumes on an hourly basis and automatically achieve its sustainability goals. Thus, Enerjisa will add an extra level of transparency to its green tariff and offer easy access to sustainability tools for Akbank.

With Blockchain technology, Akbank will be able to report on which renewable energy source it matches, by choosing renewable energy sources while accessing digital energy services, and present it in its annual integrated report.

In addition, Akbank will be able to choose among renewable power plants located close to their defined locations in the system and support domestic energy use.

With this digital platform, Enerjisa Energy will be the first electricity supply company in Turkey to provide this service by matching location and hourly (24/7) renewable energy supply in the world.

#### Comment

By 2022, we aim to supply 80% of the electricity we use in all our buildings and operations from renewable energy.

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## C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

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## C-FS12.1b

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**(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.**

**Type of clients**

Customers/clients of Banks

**Type of engagement**

Information collection (understanding client behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from long-term clients

**% client-related Scope 3 emissions as reported in C-FS14.1a**

0

**Portfolio coverage (total or outstanding)**

84

**Rationale for the coverage of your engagement**

Non-targeted engagement

**Impact of engagement, including measures of success**

We see climate risks and opportunities as one of our Bank's top priorities. Therefore; we aim to reduce our environmental footprint while increasing our positive impact by looking at all our decision-making processes from a sustainability perspective. In this context, after the basic evaluations, we started to make environmental, social and governance (ESG) evaluations in the selected sector in order to bring our sustainable finance products, which we developed for the sectors, to our customers by making sectoral evaluations in order to accelerate the transition to a low carbon economy. We will extend this assessment to other sectors as well. We make fundamental analyses based on all these main topics: • In order to understand the current situation of the customers and to offer suggestions that will encourage transformation in the long term, we first conduct a basic sustainability analysis and understand the current situation of our customers who request low carbon credits.

After understanding the basic sustainability performance of our customers, we recommend the most suitable sustainable finance product to our customers based on their demands.

After creating the product package, we monitor our customers' sustainability performance throughout the loan term.

**Type of clients**

Customers/clients of Banks

**Type of engagement**

Education/information sharing

**Details of engagement**

Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services

**% client-related Scope 3 emissions as reported in C-FS14.1a**

2.03

**Portfolio coverage (total or outstanding)**

2.03

**Rationale for the coverage of your engagement**

Non-targeted engagement

**Impact of engagement, including measures of success**

We started a project changing Akbank credit cards to recycled ones. With this project, we are switching to the use of recycled plastic, paper and envelopes in Axess, Wings, Akbank Kart, all free retail and commercial credit cards until the end of 2022. Until 2025, all Akbank cards will be made from recycled materials. We deliver cards made of environmentally friendly materials to our customers who apply for a card to Axess Digital for the first time or who need to renew their card. Today, nearly 18 million cards are used by our customers at our Bank.

In this direction, we aim to reduce natural resource consumption and environmental impact by recycling and reusing possible materials. To this end, we aim to reduce natural resource consumption and environmental impact by recycling and reusing possible materials.

**Type of clients**

Customers/clients of Banks

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Other, please specify (A pilot project (Financial impact of the climate related risks on one client and how it reflects as a financial risk to the bank. ))

**% client-related Scope 3 emissions as reported in C-FS14.1a**

**Portfolio coverage (total or outstanding)**

**Rationale for the coverage of your engagement**

Please select

**Impact of engagement, including measures of success**

As Akbank we need to understand the nature of the climate related risks and opportunities we may face.

Therefore we have identified 12 main sectors in our loan portfolio that will be most affected by climate change and started to assess the impact of risks & opportunities qualitatively and reflect it to a heatmap based on our risk exposure.

In addition to the qualitative analysis we will conduct a pilot study (with one client) to assess the financial impact of the climate related risks on one client and how it reflects as a financial risk to the bank.

Leveraging from the heatmap and the pilot study we will develop an implementation plan which will enable Akbank to be more resilient against climate change.

**C-FS12.1c**

**(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.**



## C12.1d

### (C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Akbank ensures stakeholder engagement in investments by developing collaborations with different stakeholder groups, particularly with non-governmental organizations. These initiatives contribute to the UN SDGs and meets the current needs of the society. We engage with international financial institutions such as IFC, EBRD and EIB. Loans that Akbank secures from the aforementioned 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. In order to give a sustainable quality to our country's economy, we are further strengthening our project financing support within the scope of Environmental Social Governance with our international banking network. At this point, we work with many international financial institutions such as the International Financial Institution (IFC), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), OPIC. From the beginning of COVID-19 pandemic, Akbank continued its efforts to support and ensure the sustainability of the national economy. We created our Sustainable Finance Framework in February 2021 as a continuation of our sustainability strategy that we announced by leading the sector in January 2021. Accordingly, we received our first syndicated loan with the theme Environmental, Social and Governance (ESG) in April 2021. We have committed to make available the financing provided through our issuance in accordance with the Green and Social Bond Principles, to support renewable energy projects, which is one of the most important components of the fight against climate change.

We stand by our customers in their green transformation journeys with our innovative sustainable financing products that we offer specific to the sector and the customer. Our customer-specific solutions that we have developed in all segments create a positive impact. We support the transition of mobility to a low-carbon economy through pioneering financing structures such as electric vehicle production and purchasing and rail transportation. The share of renewable energy projects in our total energy production loans reached a high rate of 84%. We were also the first and only bank in Turkey which sets targets in the field of sustainability-related funding. In 2021, we raised more than \$2 billion in sustainable funding through our diverse and pioneering operations. Thus, we exceeded our sustainable financing-based loan target of 30% within total loan for 2021. This rate reached 40% by the end of 2021.

Moreover, together with experts in their fields, we held the Sustainable Finance for the Future Summit in 4 different panels. With the Sustainable Finance Issue Process for the Future, we support young participants working and/or aiming to work in the field of sustainable finance to produce projects. In this project, which was realized with the participation of 15 teams from 18 different cities, we continue to interact with the 3 teams that were ranked. Sustainable finance will continue to be an important part of our innovative way of doing business in the future. With our strategic focus areas that we determined in 2021, we aim to create value for all our stakeholders in the short, medium and long term throughout our operations. Akbank Environmental and Social Management System (ESMS), which is an exemplary practice in the field of environmental and social management system for SME customers, is the environmental and social management system of IFC within the scope of the loan agreement signed with the International Finance Corporation (IFC) in 2016. implemented on the basis of performance standards. Accordingly, our Environmental and Social Management System (ESMS) team holds regular meetings with our Regional ESMS Teams to manage the environmental and social risks of our SME customers. As part of the USD 250 million securitization transaction with the International Finance Corporation (IFC), we started to establish Environmental and Social Management Systems to be applied to SME loans. With this system, we align Akbank SME loan processes with the environmental and social standards defined by IFC. Thus, as Akbank, we are furthering our pioneering efforts in the field of sustainability. We also focused on young adults to explain sustainable finance, sustainability and climate change issues throughout the reporting period. In line with this we organized the Sustainable Finance for the Future Hackathon, ESG meetings with university students, Climate Crisis & Sustainability 101 Training Program with Youth Academy. We share our ESG performances through presentations, newsletters, and videos on our website.

## C12.2

### (C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

## C12.2a

### (C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

#### Climate-related requirement

Climate-related disclosure through a non-public platform

#### Description of this climate related requirement

We developed supplier questionnaire in according to IFC requirements in order to our term and conditions throughout the engagement. This questionnaire includes several topics such as: \*Does your organisation have a named officer responsible for environmental management? \* Does your organisation have in place an environmental management system? \* Does your organisation hold any environment related accreditations such as ISO14001? \* Do you have an appointed Health and Safety Manager? \*Freedom of association & collective bargaining rights, and so forth. ESG questions began to be asked to new suppliers in 2021. These questions were forwarded to a total of 208 suppliers.

#### % suppliers by procurement spend that have to comply with this climate-related requirement

12

#### % suppliers by procurement spend in compliance with this climate-related requirement

12

#### Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

#### Response to supplier non-compliance with this climate-related requirement

Retain and engage

## C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

[https://www.akbankinvestorrelations.com/en/images/pdf/akbank\\_integrated\\_annual\\_report\\_2021.pdf](https://www.akbankinvestorrelations.com/en/images/pdf/akbank_integrated_annual_report_2021.pdf)  
akbank\_integrated\_annual\_report\_2021.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

Considering that Turkey ratified the Paris Climate Agreement has set a net zero emission target to be achieved by 2053, we aim to offer new and innovative sustainable finance products and solutions in all sectors in order to accelerate the transition to a low carbon economy, especially in the fight against the climate crisis. We monitor the effects of the loans we provide as part of our Sustainable Finance efforts on climate change. As Akbank, we aim to reduce the negative effects of our loan portfolio on climate change until 2030. In this direction, we actively participating governmental and regulative meetings on particularly sustainable finance and climate finance topics. Additionally, this year, we joined UNEP FI PRB, TCFD Supporter, WBCSD Turkey (Sustainable Finance and Risk Management Working Group, Transition to a Low Carbon Economy and Efficiency Working Group and Sustainable Industry and Circular Economy Working Group).

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

## C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

**Focus of policy, law, or regulation that may impact the climate**

Carbon tax

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Carbon Price Communiqué

**Policy, law, or regulation geographic coverage**

Global

**Country/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

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 try to understand the risks and opportunities for banks and customers. We monitor closely new regulations on carbon pricing and new tax system.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Focus of policy, law, or regulation that may impact the climate**

Sustainable finance

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Declaration on Sustainable Finance

**Policy, law, or regulation geographic coverage**

Global

**Country/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Akbank is the first signatory of the UNGC among the Turkish banks (2007) and actively supports the UNGC's activities. 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 seven pioneering supporters, we signed it to show our commitment for sustainable finance issues. The scope of the Declaration on Sustainable Finance, signed in 2017 with the UN Global Compact working group, was expanded in 2021 and updated again.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Focus of policy, law, or regulation that may impact the climate**

Sustainable finance

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Sustainable Banking Strategic Plan (2022-2025)

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Turkey

**Your organization's position on the policy, law, or regulation**

Please select

**Description of engagement with policy makers**

We provided our thought and comments during the development of Sustainable Banking Strategic Plan (2022-2025) prepared by Banking Regulation and Supervision Agency in Turkey.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Focus of policy, law, or regulation that may impact the climate**

Sustainable finance

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Sustainable Finance Meeting

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Turkey

**Your organization's position on the policy, law, or regulation**

Please select

**Description of engagement with policy makers**

We attended the Sustainable Finance meeting and gave our opinion on the Environmental Label study.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is not aligned

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**Focus of policy, law, or regulation that may impact the climate**

Sustainable finance

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Turkish Banking Association Sustainability Working Group Preparation of Heat Map Methodologies and the Sub-Working Group on Establishing the Green Asset Ratio

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Turkey

**Your organization's position on the policy, law, or regulation**

Please select

**Description of engagement with policy makers**

We are actively involved in the working group on the Preparation of Heat Map Methodologies and the Sub-Working Group on Establishing the Green Asset Ratio.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is not aligned

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C12.4

(C12.4) 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**

In mainstream reports

**Status**

Complete

**Attach the document**

akbank\_integrated\_annual\_report\_2021.pdf

**Page/Section reference**

Page 260

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

In our first integrated annual report, we published our financial and non financial activities in terms of integrated thinking. The report covers our outlook for 2021, targets and performance, risks and opportunity together with our value creation perspective. We reflect our sustainability strategy across all of our business processes and create value for all our stakeholders with our focus areas and sub-focus areas on Sustainable Finance, People and Society, Ecosystem Management and Climate Change. Aiming 100% compliance with the Sustainability Principles Compliance Framework, which was prepared in line with the amendment dated 02.10.2020 made by the Capital Markets Board in the Corporate Governance Communiqué, Akbank has achieved a great deal of harmony as a result of the studies it has done in this field in the past years. In addition, Akbank continued improving its compliance with these mandatory principles in 2021, taking into account the benefits of all stakeholders, especially shareholders. We strictly adhere to the Corporate Governance Principles determined by the Capital Markets Board, Turkish Commercial Code and Banking Legislation. We continue to fully comply with the mandatory articles of the Corporate Governance Principles published by the Capital Markets Board.

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

akbank\_integrated\_annual\_report\_2021.pdf

**Page/Section reference**

Page 3,5,21,22

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

As Akbank, we share our ESG performance, strategies, targets and commitments in detail under the headings of Sustainable Finance, Ecosystems Management, People & Community, Climate Change and Integrated Governance.

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

akbank\_integrated\_annual\_report\_2021.pdf

**Page/Section reference**

Page 18

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

As Akbank, we share our consolidated financial results in detail and examine each situation affecting our operations in detail. We also share the projects we plan to realize in 2022 and the environmental, social and governance impacts we foresee.

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	CDP Signatory Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact UNEP FI Principles for Responsible Banking	<p>A signatory to the UN Global Compact, Akbank encourages all its corporate lending clients to embrace the UN Global Compact principles in their business procedures. In order to update the Sustainable Financing Declaration signed in 2017 with the UN Global Compact working group, Akbank worked together with other signatory banks in 2018. The scope of the Sustainable Finance Statement, signed in 2017 with the UN Global Compact working group, was expanded in 2021 and updated again.</p> <p>Reducing the impact of our loan portfolio on climate change by 2030 is among our goals to combat the climate crisis. Accordingly, we announced our support to the Task Force on Climate Related Financial Disclosures (TCFD) in 2021.</p> <p>As a member of the United Nations Environment Program Finance Initiative (UNEP FI), we signed the Principles of Responsible Banking and became the founding signatory of the UNEP FI Financial Health and Inclusion Commitment.</p> <p>As the first and only company from Turkey to be included in the 2010 Global 500 Report of the Carbon Disclosure Project, we were included in the World Sector Leaders category with a high score.</p>

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

**Lending to all carbon-related assets**

**Are you able to report a value for the carbon-related assets?**

Yes

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**

72020000000

**New loans advanced in reporting year (unit currency – as specified in C0.4)**

27000000000

**Total premium written in reporting year (unit currency – as specified in C0.4)**

<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**

18.3

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**

<Not Applicable>

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**

<Not Applicable>

**Lending to coal**

**Are you able to report a value for the carbon-related assets?**

No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**

<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**

<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**

<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**

<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**

Important, but not immediate priority

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**

Both coal and oil and gas lendings are evaluated within the lendings given to carbon-related assets, and no separate categorization is made. Therefore, its financial details and its share in the portfolio are not measured. However, there are plans to separately categorize and evaluate in detail coal, oil and gas lendings in the future.

**Lending to oil and gas**

**Are you able to report a value for the carbon-related assets?**

No, but we plan to assess our portfolio's exposure in the next two years

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**

<Not Applicable>

**New loans advanced in reporting year (unit currency – as specified in C0.4)**

<Not Applicable>

**Total premium written in reporting year (unit currency – as specified in C0.4)**

<Not Applicable>

**Percentage of portfolio value comprised of carbon-related assets in reporting year**

<Not Applicable>

**Primary reason for not providing a value for the financing and/or insurance to carbon-related assets**

Important, but not immediate priority

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**

Both coal and oil and gas lendings are evaluated within the lendings given to carbon-related assets, and no separate categorization is made. Therefore, its financial details and its share in the portfolio are not measured. However, there are plans to separately categorize and evaluate in detail coal, oil and gas lendings in the future.

**C-FS14.1**

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**(C-FS14.1) Does your organization measure its portfolio impact on the climate?**

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	No, but we plan to do so in the next two years	<Not Applicable>	Climate change has a 2 dimensional (exposure & impact) effect on the portfolio's of financial services actors. Banks should cover these 2 particular dimensions of climate change deliberately. Parallel to our efforts about our portfolio's exposure to specific climate-related risks & opportunities (also reported in C2 Risks & Opportunities section of our CDP Climate Change Reporting), we're actively considering estimating the impact of our portfolio on climate, since the majority of emissions associated with the financial services sector occur in the investment chain - within the financial products and services we provide and/or in our investments. Arising from this fact we plan to conduct analysis to understand how our portfolio impacts the climate. By 2030, we aim to reduce the impact of our loan portfolio on climate change and to minimize the exposure of our portfolio to the effects of climate change. In addition, we are committed to being a carbon-neutral bank by zeroing our operational greenhouse gas emissions by 2025. (Scope 1 and 2 emissions). By 2050, we are committed to being net-zero by decarbonizing our bank's portfolio (Scope 3 emissions). Align with this perspective, we started to understand and calculate our portfolio exposure by climate change impacts in the reporting period as a first phase of our climate change strategy plan. As a first step, we performed a portfolio assessment to understand the ratio of each sector in the overall portfolio. Following, we performed scenario analysis and we identified each sector's physical and transitional risks/opportunities. Physical risks/opportunity factors included but not limited to wildfires, increase in heatwaves, sea level rises, biodiversity losses, land scarcity. Transition risks/opportunity factors included but not limited to regulatory, technological, reputational, market and social factors. As a result, a heat map was generated. As a next step, we will perform a case study with one of the selected clients to analyse financial impacts of climate change exposures to both the client and Akbank. Accordingly, we announced our support to the Task Force on Climate Related Financial Disclosures (TCFD) this year.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C-FS14.3****(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?**

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	Yes	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

**C-FS14.3a****(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?**

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	Yes, for some	We see climate risks and opportunities as one of our Bank's top priorities. Therefore; we aim to reduce our environmental footprint while increasing our positive impact by looking at all our decision-making processes from a sustainability perspective. In this context, after the basic evaluations, we started to make environmental, social and governance (ESG) evaluations in the selected sectors in order to bring our sustainable finance products, which we developed for the sectors, to our customers by making sectoral evaluations in order to accelerate the transition to a low carbon economy. We will extend this assessment to other sectors as well. We make fundamental analyses based on all these main topics: In order to understand the current situation of the customers and to offer suggestions that will encourage transformation in the long term, we first conduct a basic sustainability analysis and understand the current situation of our customers who request low carbon credits. After understanding the basic sustainability performance of our customers, we recommend the most suitable sustainable finance product to our customers based on their demands. After creating the product package, we monitor our customers' sustainability performance throughout the loan term.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

**C15. Biodiversity****C15.1**

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Established at the beginning of 2021, our board-level sustainability committee is the highest-level body for the sustainability management and has oversight responsibility for all social, governance, environmental issues, including climate-related matters, social and environmental impact of the Bank. Under our Sustainability Committee, there are 4 preliminary committees that we formed based on our strategic focus areas. These committees meet at least 3 times a year under the coordination of our Investor Relations and Sustainability Department, under the leadership of our relevant Executive Vice Presidents, and with our representatives from functions. We have set more than 100 actions in 4 focus areas to achieve our sustainability targets. 30% of 100 actions were related to Climate Change. We achieved 81% of them. As a part of our Climate Change Preliminary Committee, the Reviewing Committee is responsible for the coordination of the activities related to the establishment, operation, and continuity of the Integrated Management System at the locations within the Bank and representing the Bank in the certification audits carried out by independent institutions. (The Integrated Management system was set to establish a governance structure for environmental management and energy efficiency for the bank's operations, including managing and mitigating operational emissions.) Our Sustainable Finance and Climate Change Preliminary Committees and Sustainability Committee review and, if necessary, updates and enhances Environment and Social Credit Policies once a year. In this respect we don't finance damaging projects such as commercial activities using rainforests, trading in CITES- restricted natural life elements and products, projects that have the potential to damage the ozone layer, have a risk of deforestation, and activities that do not comply with local legislation and international agreements on the protection of biodiversity resources. We support the inclusion of information on risks and opportunities caused by climate change in environmental and/or technical reports. We question the existence of the Biodiversity Action Plan in the projects we finance and monitor the implementation of this plan. We require a variety of elements, including assessing project impacts in terms of biodiversity, monitoring impacts, setting targets, using performance indicators, reviewing impacts, and reporting results.	Risks and opportunities to our own operations Risks and opportunities to our bank lending activities The impact of our own operations on biodiversity The impact of our bank lending activities on biodiversity

**C15.2****(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas Commitment to no trade of CITES listed species	CITES Other, please specify (The Convention on Biological Diversity, RAMSAR Agreement, Resettlement Action Plan, the minimum level of tree , the best level of protection of the natural balance)

**C15.3****(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in both our upstream and downstream value chain	Bank lending portfolio (Bank)

**C15.4****(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness

**C15.5****(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Response indicators



C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments Impacts on biodiversity Other, please specify (ESIA (Environment And Social Impact Assessment))	AKBANK INTEGRATED ANNUAL REPORT 2021 page 190, 192,193, 264, 265 akbank_integrated_annual_report_2021.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Sustainability Vice President	Environment/Sustainability manager

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

FW-FS1.1a

(FW-FS1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for forests- and/or water-related issues.

Issue area(s)	Position of individual(s)	Please explain
Forests Water	Board Chair Chief Executive Officer (CEO) Board-level committee	Akbank Chairman of the Board is also on the Sustainability Committee and Corporate Governance Committee. The board of directors (BoD) accepts and embraces sustainability as an integral part of the way we do business. This kind of organizational structure enables the synergy between different approaches to support governing climate-related issues in a holistic way. The CEO oversees and closely follows the progress in the bank's sustainability targets, both as a member of the board-level Sustainability Committee, and through ad-hoc meetings with the relevant business units. In 2021, the CEO approved that all employees at the bank will be responsible for the sustainability matters/impacts of the bank. In order to meet these targets (*becoming a carbon-neutral bank through eliminating operational emissions (scope 1 and 2) by 2025; *Decreasing the impact of loan portfolio on climate change until 2030), our CEO ratified that each employee including CEO, will have the KPI in their scorecards to measure the bank's sustainability performance throughout the year. Besides these achievements, the CEO signed approved for the membership to the United Nations Environment Program Finance Initiative (UNEP FI) and the United Nations Responsible Banking Principles, giving our activities in this area an international identity. Since our CEO is the foremost spoken spokesperson specifically in sustainability issues, he announced our support for the Task Force on Climate-related Financial Disclosures (TCFD).

FW-FS1.1b

**(FW-FS1.1b) Provide further details on the board's oversight of forests- and/or water-related issues.**

**Issue area(s)**

Forests

**Frequency with which the issue area(s) is a scheduled agenda item**

Scheduled - all meetings

**Governance mechanisms into which this issue area(s) is integrated**

Reviewing and guiding strategy

Reviewing and guiding major plans of action

Reviewing and guiding risk management policies

Reviewing and guiding business plans

Setting performance objectives

Monitoring implementation and performance of objectives

Overseeing major capital expenditures, acquisitions and divestitures

Monitoring and overseeing progress against goals and targets for addressing forests- and/or water-related issues

**Scope of board-level oversight**

Risks and opportunities to our banking activities

**Please explain**

We have set more than 100 actions ( 81% of these action targets were met in 2021) in 4 focus areas to achieve our targets. As of 2021-year targets proposed by the SC, which are approved by the board, include: \*Providing TL 200 bn sustainable loan financing until 2030, Becoming a carbon-neutral bank through eliminating operational emissions (scope 1 and 2) by 2025; \*Decreasing the impact of loan portfolio on climate change until 2030. Aligning with these targets, the SC decided to diversify the ESG products and services and Sustainable Finance team developed new products such as Blue Finance Package. In addition the Environmental and Social Risk Framework of Akbank has been updated via excluding coal, improving biodiversity approach and so on. Also, the Committee decided to start a project to enhance Sustainable Finance Framework, Environmental and Social Risk Framework and integrating Climate risks into banking operations which the results will be disclosed in 2022. In addition, the Committee decided to be a TCFD supporter and a signatory of UNEP FI Responsible Banking Principles, to answering CDP Water Security questionnaire in order to track our water impact and performance transparently.

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**Issue area(s)**

Water

**Frequency with which the issue area(s) is a scheduled agenda item**

Scheduled - all meetings

**Governance mechanisms into which this issue area(s) is integrated**

Reviewing and guiding strategy

Reviewing and guiding major plans of action

Reviewing and guiding risk management policies

Reviewing and guiding business plans

Setting performance objectives

Monitoring implementation and performance of objectives

Overseeing major capital expenditures, acquisitions and divestitures

Monitoring and overseeing progress against goals and targets for addressing forests- and/or water-related issues

**Scope of board-level oversight**

Risks and opportunities to our banking activities

**Please explain**

We have set more than 100 actions ( 81% of these action targets were met in 2021) in 4 focus areas to achieve our targets. As of 2021-year targets proposed by the SC, which are approved by the board, include: \*Providing TL 200 bn sustainable loan financing until 2030, Becoming a carbon-neutral bank through eliminating operational emissions (scope 1 and 2) by 2025; \*Decreasing the impact of loan portfolio on climate change until 2030. Aligning with these targets, the SC decided to diversify the ESG products and services and Sustainable Finance team developed new products such as Blue Finance Package. In addition the Environmental and Social Risk Framework of Akbank has been updated via excluding coal, improving biodiversity approach and so on. Also, the Committee decided to start a project to enhance Sustainable Finance Framework, Environmental and Social Risk Framework and integrating Climate risks into banking operations which the results will be disclosed in 2022. In addition, the Committee decided to be a TCFD supporter and a signatory of UNEP FI Responsible Banking Principles, to answering CDP Water Security questionnaire in order to track our water impact and performance transparently.

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**FW-FS1.1c**

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(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?

**Forests**

**Board member(s) have competence on this issue area**

Yes

**Criteria used to assess competence of board member(s) on this issue area**

Our CEO, Sustainability Committee member and member of Board of Directors, has significant knowledge on sustainability due to his role in the bank as a spokes person in the field of sustainability since he started working at Akbank. Since he has been following up the bank's sustainability agenda and performance performance closely, he has started to investigate the ways to increase the bank's climate change mitigation and adaptation capabilities as well as other related issues such as biodiversity.

**Primary reason for no board-level competence on this issue area**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**

<Not Applicable>

**Water**

**Board member(s) have competence on this issue area**

Yes

**Criteria used to assess competence of board member(s) on this issue area**

Our CEO, Sustainability Committee member and member of Board of Directors, has significant knowledge on sustainability due to his role in the bank as a spokes person in the field of sustainability since he started working at Akbank. Since he has been following up the bank's sustainability agenda and performance performance closely, he has started to investigate the ways to increase the bank's climate change mitigation and adaptation capabilities as well as other related issues such as biodiversity.

**Primary reason for no board-level competence on this issue area**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**

<Not Applicable>

FW-FS1.2

(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.

**Name of the position(s) and/or committee(s)**

Sustainability committee

**Reporting line**

Reports to the Board directly

**Issue area(s)**

Forests

Water

**Responsibility**

Both assessing and managing risks and opportunities

**Coverage of responsibility**

Risks and opportunities related to our banking portfolio

**Frequency of reporting to the board on forests- and/or water-related issues**

Quarterly

**Name of the position(s) and/or committee(s)**

Credit committee

**Reporting line**

Reports to the Board directly

**Issue area(s)**

Forests

Water

**Responsibility**

Both assessing and managing risks and opportunities

**Coverage of responsibility**

Risks and opportunities related to our banking portfolio

**Frequency of reporting to the board on forests- and/or water-related issues**

More frequently than quarterly

**Name of the position(s) and/or committee(s)**

Other, please specify (Sustainable Finance Preliminary Committee)

**Reporting line**

Corporate Sustainability/CSR reporting line

**Issue area(s)**

Forests

Water

**Responsibility**

Both assessing and managing risks and opportunities

**Coverage of responsibility**

Risks and opportunities related to our banking portfolio

**Frequency of reporting to the board on forests- and/or water-related issues**

Quarterly

**Name of the position(s) and/or committee(s)**

Other, please specify (Climate Change Preliminary Committee)

**Reporting line**

Corporate Sustainability/CSR reporting line

**Issue area(s)**

Forests

Water

**Responsibility**

Both assessing and managing risks and opportunities

**Coverage of responsibility**

Risks and opportunities related to our banking portfolio

**Frequency of reporting to the board on forests- and/or water-related issues**

Quarterly

**Name of the position(s) and/or committee(s)**

Other, please specify (Integrated Management System-Management Review Committee )

**Reporting line**

Finance – CFO reporting line

**Issue area(s)**

Forests

Water

**Responsibility**

Both assessing and managing risks and opportunities

**Coverage of responsibility**

Risks and opportunities related to our banking portfolio

**Frequency of reporting to the board on forests- and/or water-related issues**

Annually

**FW-FS2.1****(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?**

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	Yes	<Not Applicable>
Banking – Water exposure	Yes	<Not Applicable>
Investing (Asset manager) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

**FW-FS2.1a****(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.****Portfolio**

Banking (Bank)

**Exposure to**

Water-related risks and opportunities

**Type of risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Proportion of portfolio covered by risk management process**

**Type of assessment**

Quantitative only

**Time horizon(s) covered**

Medium-term

**Tools and methods used**

Scenario analysis

WRI Aqueduct

**Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities**

According to our heap map study and within relevance of vulnerabilities per sector sectors, the main risks including forest and water-related risks can be stated as follows:

Increase in extreme weather events , such as precipitation/hail etc. (Physical/acute)

Droughts (dry-spells and/or low riverine water levels) (Physical/acute)

Wild e fires (Physical/acute)

Water scarcity (chronic droughts, low water table etc.) (Physical/chronic)

Regulation/pricing on GHG emissions (Transition/regulatory)

Regulation/pricing on water usage (Transition/regulatory)

Exposure to litigation(Transition/regulatory)

Lack of visibility of brands commitment to fight climate change (Transition/Reputational)

On the other hand, the followings can be classified as main opportunities regarding the heat map analysis including forest-water related opportunities:

Development of new low-carbon technologies or solutions (Transition/technological)

CCUS (Carbon Capture, Utilization and Storage) feasibility (Transition/technological)

Droughts may affect water availability for sectors and may create business disruptions especially for water intense sectors such as cement production, mining and refinery. Also, tourism sector may be affected due to decline in sales, transport by river waters can be interrupted. This leads to require new investments for increasing water consumption efficiency.

Due to those acute physical risks, some of the Akbank clients may be exposed to business interruption, which may create a default risk for Akbank. It may create operational disruption/production loss in cement, energy-non renewables, energy-renewables, agriculture and food, natural resources including metals and mining, petrochemicals, textile sectors. Also, asset damage may be occurred for transportation and logistic sectors. Besides, cost increase in operations may be observed for agriculture and food and textile sectors. The total financial impact to Akbank is calculated but we cannot disclose this figure since it is a sensitive information. However, because of the well diversified nature of Akbank's loan portfolio in terms of sectors, the impact is expected to be limited.

**Portfolio**

Banking (Bank)

**Exposure to**

Forests-related risks and opportunities

**Type of risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Proportion of portfolio covered by risk management process****Type of assessment**

Quantitative only

**Time horizon(s) covered**

Medium-term

**Tools and methods used**

Scenario analysis

**Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities**

According to our heap map study and within relevance of vulnerabilities per sector sectors, the main risks including forest and water-related risks can be stated as follows:

Increase in extreme weather events , such as precipitation/hail etc. (Physical/acute)

Droughts (dry-spells and/or low riverine water levels) (Physical/acute)

Wild e fires (Physical/acute)

Water scarcity (chronic droughts, low water table etc.) (Physical/chronic)

Regulation/pricing on GHG emissions (Transition/regulatory)

Regulation/pricing on water usage (Transition/regulatory)

Exposure to litigation(Transition/regulatory)

Lack of visibility of brands commitment to fight climate change (Transition/Reputational)

On the other hand, the followings can be classified as main opportunities regarding the heat map analysis including forest-water related opportunities:

Development of new low-carbon technologies or solutions (Transition/technological)

CCUS (Carbon Capture, Utilization and Storage) feasibility (Transition/technological)

Droughts may affect water availability for sectors and may create business disruptions especially for water intense sectors such as cement production, mining and refinery. Also, tourism sector may be affected due to decline in sales, transport by river waters can be interrupted. This leads to require new investments for increasing water consumption efficiency.

Due to those acute physical risks, some of the Akbank clients may be exposed to business interruption, which may create a default risk for Akbank. It may create operational disruption/production loss in cement, energy-non renewables, energy-renewables, agriculture and food, natural resources including metals and mining, petrochemicals, textile sectors. Also, asset damage may be occurred for transportation and logistic sectors. Besides, cost increase in operations may be observed for agriculture and food and textile sectors. The total financial impact to Akbank is calculated but we cannot disclose this figure since it is a sensitive information. However, because of the well diversified nature of Akbank's loan portfolio in terms of sectors, the impact is expected to be limited.

(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	Yes	<Not Applicable>
Banking – Water-related information	Yes	<Not Applicable>
Investing (Asset manager) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

FW-FS2.2a

(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.

**Portfolio**

Banking (Bank)

**Information related to**

Forests

**Type of information considered**

Commitment to eliminate deforestation/conversion of other natural ecosystems

**Process through which information is obtained**

Directly from the client/investee

From an intermediary or business partner

Data provider

**Industry sector(s) covered by due diligence and/or risk assessment process**

Energy

Materials

Pharmaceuticals, Biotechnology & Life Sciences

Real Estate

**State how these forests- and/or water-related information influences your decision making**

In order to understand the current situation of the customers and to offer suggestions that will encourage transformation in the long term, we first conduct a basic sustainability analysis and understand the current situation of our customers who request low carbon credits. We support the inclusion of information on risks and opportunities caused by climate change in environmental and/ or technical reports. Information on physical risks related to climate change defined by the Task Force on Climate Related Financial Disclosure (TCFD) in the Environmental and/or technical reports of all category A and category B large-scale infrastructure projects approved by the ESIA Team should be included in the independent consultant reports. We question the existence of the Biodiversity Action Plan in the projects we finance and monitor the implementation of this plan. We require a variety of elements, including assessing project impacts in terms of biodiversity, monitoring impacts, setting targets, using performance indicators, reviewing impacts, and reporting results.

We strive to minimize and evaluate the risks in the proposed actions for the management of environmental and social risks in high and medium-risk projects, through checking and taking into account stakeholder engagement and grievance mechanism processes, compliance of the company or the project owner with the legislation related to Occupational Health and Safety, the proximity of the project to the wetlands determined in the RAMSAR Agreement, or in projects involving land acquisition or resettlement, by considering the "Resettlement Action Plan" and thorough checking and taking into account the minimum level of tree cutting in the projects and by taking into account many criteria such as the best level of protection of the natural balance of the region covered by the project, the amount of carbon emissions that high-risk projects in terms of carbon emissions will create during the operation process and the carbon cost that will occur, the evaluation processes of the effects on biodiversity, and the existence of an Environmental and Social Management System which the project owner already has or is developing. We evaluate every commercial loan that we have extended, regardless of the amount limit, within the scope of the "List of Activities that will not be Creditable", with the systemic controls we have added to our infrastructure in 2019.

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**Portfolio**

Banking (Bank)

**Information related to**

Water

**Type of information considered**

Water withdrawn from water stressed areas

Breaches to local water regulations

**Process through which information is obtained**

Directly from the client/investee

From an intermediary or business partner

**Industry sector(s) covered by due diligence and/or risk assessment process**

Energy

Materials

Consumer Durables & Apparel

Real Estate

**State how these forests- and/or water-related information influences your decision making**

In order to understand the current situation of the customers and to offer suggestions that will encourage transformation in the long term, we first conduct a basic sustainability analysis and understand the current situation of our customers who request low carbon credits. We support the inclusion of information on risks and opportunities caused by climate change in environmental and/ or technical reports. Information on physical risks related to climate change defined by the Task Force on Climate Related Financial Disclosure (TCFD) in the Environmental and/or technical reports of all category A and category B large-scale infrastructure projects approved by the ESIA Team should be included in the independent consultant reports. We question the existence of the Biodiversity Action Plan in the projects we finance and monitor the implementation of this plan. We require a variety of elements, including assessing project impacts in terms of biodiversity, monitoring impacts, setting targets, using performance indicators, reviewing impacts, and reporting results.

We strive to minimize and evaluate the risks in the proposed actions for the management of environmental and social risks in high and medium-risk projects, through checking and taking into account stakeholder engagement and grievance mechanism processes, compliance of the company or the project owner with the legislation related to Occupational Health and Safety, the proximity of the project to the wetlands determined in the RAMSAR Agreement, or in projects involving land acquisition or resettlement, by considering the "Resettlement Action Plan" and thorough checking and taking into account the minimum level of tree cutting in the projects and by taking into account many criteria such as the best level of protection of the natural balance of the region covered by the project, the amount of carbon emissions that high-risk projects in terms of carbon emissions will create during the operation process and the carbon cost that will occur, the evaluation processes of the effects on biodiversity, and the existence of an Environmental and Social Management System which the project owner already has or is developing. We evaluate every commercial loan that we have extended, regardless of the amount limit, within the scope of the "List of Activities that will not be Creditable", with the systemic controls we have added to our infrastructure in 2019.

(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

## FW-FS2.3a

(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.

**Identifier**

Risk1

**Portfolio where risk driver occurs**

Banking (Bank) portfolio

**Issue area risk relates to**

Forests

**Risk type & Primary risk driver**

Acute physical	Wildfire
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**Primary potential financial impact**

Increased credit risk

**Risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

Climate Change Impact on Akbank as for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical & transition risks and opportunities. In this context, we conducted a research on the forest fires that took place in the summer months in 2021 regarding acute physical risks. We tried to identify clients who might have a relationship with both location proximity and raw material supply.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

We realized that the number of clients close to the regions where forest fires took place was very low, and we could not detect a direct relationship with the raw material. Accordingly, we found that forest fires can have a negligible impact on our loan portfolio.

**Cost of response to risk****Description of response and explanation of cost calculation**

We conducted a research on the forest fires that took place in the summer months in 2021 regarding acute physical risks. We tried to identify clients who might have a relationship with both location proximity and raw material supply. We realized that the number of clients close to the regions where forest fires took place was very low, and we could not detect a direct relationship with the raw material. Accordingly, we found that forest fires can have a negligible impact on our loan portfolio.

**Comment**

We are considering this risk with medium financial impact.

**Identifier**

Risk2

**Portfolio where risk driver occurs**

Banking (Bank) portfolio

**Issue area risk relates to**

Water



**Risk type & Primary risk driver**

Acute physical	Drought
----------------	---------

**Primary potential financial impact**

Increased credit risk

**Risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

Droughts may affect water availability for sectors and may create business disruptions especially for water intense sectors such as cement production, mining and refinery. Also, tourism sector may be affected due to decline in sales, transport by river waters can be interrupted. This leads to require new investments for increasing water consumption efficiency.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Due to those acute physical risks, some of the Akbank clients may be exposed to business interruption, which may create a default risk for Akbank. It may create operational disruption/production loss in cement, energy-non renewables, energy-renewables, agriculture and food, natural resources including metals and mining, petrochemicals, textile sectors. Also, asset damage may be occurred for transportation and logistic sectors. Besides, cost increase in operations may be observed for agriculture and food and textile sectors. The total financial impact to Akbank is calculated but we cannot disclose this figure since it is a sensitive information. However, because of the well diversified nature of Akbank's loan portfolio in terms of sectors, the impact is expected to be limited.

**Cost of response to risk****Description of response and explanation of cost calculation**

Akbank has its Sustainable Finance Framework which is aligned with international and local regulations, principles. Under this framework, we prioritize green investments, especially accelerating transition to low carbon economy investments. We have climate change and sustainable finance committees which focus on sustainable finance lending, climate change risks management. We are also closely monitoring global esg risks, including climate risks and working on integration of those risks into business models. In FY 2021, CC risks (outside in effects of C to portfolio) study is initiated and it will be a focus study in FY 2022.

**Comment**

We are considering this risk with medium financial impact.

**FW-FS2.4**

**(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

**FW-FS2.4a**

**(FW-FS2.4a) Provide details of forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Portfolio where opportunity occurs**

Banking (Bank) portfolio

**Issue area opportunity relates to**

Forests

**Opportunity type & Primary opportunity driver**

Products and services	Reputational benefits resulting in increased demand for products and services
-----------------------	---

#### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

#### Company- specific description

Akbank has set solid long-term targets, which includes providing TL 200 billion sustainable loan financing until 2030. To do so, Akbank has established "Sustainable Finance Framework (SFF)". All of our sustainable finance credit process are in line with our SFF.

To boost transition to low carbon economy, We are organizing meetings with our clients to discuss both credit details and the way of usage credits in sustainability projects, such as climate mitigation projects. We set KPI's if the credit is Green Loan or Sustainability Linked Loans. After that we start monitoring of GL/SLL.

As Akbank, we support our businesses for a more sustainable economy with our sustainable finance approach which focuses on many sub-topics. We see Sustainable Finance as a tool to create benefits for nature, our business and society. To do so, we are focusing on combating with climate crisis with our products such as;

Akbank continues to develop products aimed at protecting natural resources with the increasing population and climate change. Determining sustainable finance as one of its priority areas in its sustainability activities, Akbank offers three different products called Blue Tourism Loans, Blue Port Loans and Blue Transportation Loans under the umbrella of Blue Financing to develop sustainable tourism, reduce the environmental footprint in marine tourism activities, protect the seas in port activities and accelerate the transition to low carbon economy. All three products are implemented within the scope of reducing the environmental footprint in tourism, protecting the seas, protecting and developing biodiversity, and supporting the fight against pollution.

-EV/Hybrid Car Loan for retail segment

-Agricultural loans for SME segment (e.g. drip irrigation loan)

-SME Eco- Transformation Loan Package: Akbank is taking action for all SMEs to turn the risks they will face due to the Carbon Border Adjustment Mechanism into opportunities and increase their competitiveness. The "SME Eco Transformation Package", the first and most comprehensive sustainability package designed specifically for SMEs in the sector, aims to encourage and finance all activities aimed at reducing the carbon footprint of SMEs and lowering their energy costs. (e.g.Sustainable Agriculture Loan)

#### Time horizon

Medium-term

#### Likelihood

Very likely

#### Magnitude of impact

High

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

27000000000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

#### Cost to realize opportunity

#### Strategy to realize opportunity and explanation of cost calculation

#### Comment

#### Identifier

Opp2

#### Portfolio where opportunity occurs

Banking (Bank) portfolio

#### Issue area opportunity relates to

Water

#### Opportunity type & Primary opportunity driver

Products and services	Reputational benefits resulting in increased demand for products and services
-----------------------	---

#### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

#### Company- specific description

Akbank has set solid long-term targets, which includes providing TL 200 billion sustainable loan financing until 2030. To do so, Akbank has established "Sustainable Finance Framework (SFF)". All of our sustainable finance credit process are in line with our SFF.

To boost transition to low carbon economy, We are organizing meetings with our clients to discuss both credit details and the way of usage credits in sustainability projects, such as climate mitigation projects. We set KPI's if the credit is Green Loan or Sustainability Linked Loans. After that we start monitoring of GL/SLL.

As Akbank, we support our businesses for a more sustainable economy with our sustainable finance approach which focuses on many sub-topics. We see Sustainable Finance as a tool to create benefits for nature, our business and society. To do so, we are focusing on combating with climate crisis with our products such as;

-Blue Finance Package: Akbank has implemented Turkey's first and only Blue Financing Product Package in order to develop sustainable tourism, reduce the environmental footprint in marine tourism, port and maritime activities, and protect the seas.

Akbank offers three different products called Blue Tourism Loans, Blue Port Loans and Blue Transportation Loans under the umbrella of Blue Financing to develop sustainable tourism, reduce the environmental footprint in marine tourism activities, protect the seas in port activities and accelerate the transition to low carbon economy. All three products are implemented within the scope of reducing the environmental footprint in tourism, protecting the seas, protecting and developing biodiversity, and supporting the fight against pollution.

-EV/Hybrid Car Loan for retail segment

-SME Eco- Transformation Loan Package: Akbank is taking action for all SMEs to turn the risks they will face due to the Carbon Border Adjustment Mechanism into opportunities and increase their competitiveness. The "SME Eco Transformation Package", the first and most comprehensive sustainability package designed specifically for SMEs in the sector, aims to encourage and finance all activities aimed at reducing the carbon footprint of SMEs and lowering their energy costs. (e.g. Water Management Loan, Waste Water Management Loan)

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

27000000000

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

**Comment**

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**FW-FS3.1**

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**(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?**

## Forests

### Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

### Description of influence on organization's strategy including own commitments

We are aware of our power to strengthen sustainability development in Turkey and with this regard, we are developing several procedures and updating our way of business regarding to meet the need of our stakeholders. As the Sustainability Committee (SC) established in the reporting period, we coordinate all our sustainability efforts at the Bank and monitoring risks and opportunities including forest and related issues for the short, medium and long terms. The SC also consists of four pre-committees that focus on the Bank's material issues which are Sustainable Finance, Ecosystem Management, Climate Change and People & Community. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. As a part of our focus area (Sustainable Finance and Climate Change), we have been providing diverse service and product to our customers. In line with this objective, we evaluate the environmental and social impact - value created by our projects and operations and perform credit operations accordingly. Revenue, Direct & Indirect costs, Capital expenditures, Access to capital are the primary elements that can influence our business strategy and financial planning in terms of all sustainability risks and opportunities including climate change, water-forest related issues.

### Financial planning elements that have been influenced

Revenues  
Indirect costs  
Capital allocation  
Access to capital

### Description of influence on financial planning

Akbank has developed the Akbank Sustainable Finance Framework (the "Framework") under which it intends to issue green, social and sustainability bonds and loans, using the proceeds to finance and refinance, in whole or in part, existing and future projects that facilitate the transition to a low-carbon economy and advance socio-economic development in Turkey.

The Framework defines green eligibility criteria in eight areas:

1. Energy Efficiency
2. Green Buildings
3. Sustainable Water and Wastewater Management
4. Renewable Energy
5. Environmentally Sustainable Management of Natural Resources
6. Clean Transportation
7. Pollution Prevention and Control
8. Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes

Furthermore, the Framework defines social eligibility criteria in three areas:

1. Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socioeconomic Crises, including through the Potential Effect of SME Financing and Microfinance
2. Access to Essential Services
3. Affordable Housing

### Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

## Water

### Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

#### Description of influence on organization's strategy including own commitments

We are aware of our power to strengthen sustainability development in Turkey and with this regard, we are developing several procedures and updating our way of business regarding to meet the need of our stakeholders. As the Sustainability Committee (SC) established in the reporting period, we coordinate all our sustainability efforts at the Bank and monitoring risks and opportunities including forest and related issues for the short, medium and long terms. The SC also consists of four pre-committees that focus on the Bank's material issues which are Sustainable Finance, Ecosystem Management, Climate Change and People & Community. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. As a part of our focus area (Sustainable Finance and Climate Change), we have been providing diverse service and product to our customers. In line with this objective, we evaluate the environmental and social impact - value created by our projects and operations and perform credit operations accordingly. Revenue, Direct & Indirect costs, Capital expenditures, Access to capital are the primary elements that can influence our business strategy and financial planning in terms of all sustainability risks and opportunities including climate change, water-forest related issues.

#### Financial planning elements that have been influenced

Revenues  
Indirect costs  
Capital allocation  
Access to capital

#### Description of influence on financial planning

Akbank has developed the Akbank Sustainable Finance Framework (the "Framework") under which it intends to issue green, social and sustainability bonds and loans, using the proceeds to finance and refinance, in whole or in part, existing and future projects that facilitate the transition to a low-carbon economy and advance socio-economic development in Turkey.

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1. Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socioeconomic Crises, including through the Potential Effect of SME Financing and Microfinance
2. Access to Essential Services
3. Affordable Housing

#### Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning

<Not Applicable>

## FW-FS3.2

(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?

## Forests

### Scenario analysis conducted to identify outcomes for this issue area

Yes, we have conducted scenario analysis and we have identified outcomes for this issue area

### Type of scenario analysis used

Climate-related

### Parameters, assumptions, analytical choices

Climate Risk Analysis- Heat Map Study

As Akbank, we understood that climate change contains both risks and opportunities. As a result of this perspective, we carry out studies to evaluate the qualitative effects of risks and opportunities arising from climate change, in the fields of transition and physical risk perspective, on our portfolio and plan to analyze the numerical effects on a selected client. That is, Climate Change Impact on Akbank (outside in) as for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical & transition risks and opportunities. In this direction, the works carried out within the scope of heat work are as follows.

Ø Identify vulnerabilities in alignment with Akbank's loan portfolio (Twelve main sectors in Akbank's loan portfolio that will be most affected by climate change were identified. Then, we started to assess the impact of risks & opportunities qualitatively and reflect it to a heat map based on our risk exposure.)

Ø Classify driving forces by using PESTEL framework. (The most relevant vulnerabilities for Akbank's loan portfolio were determined.)

Ø Choose time horizon and temperatures trajectories aligning with Akbank (2030 time horizon and 1.5°C (optimistic senario) and 3.5°C (BaU/Business as Usual) temperature trajectories were selected for Akbank climate scenarios.)

Ø Understand the impact on each sectors and map climate related risks and opportunities

Ø In addition to the qualitative analysis, we will conduct a pilot study to assess the financial impact of the climate related risks on selected client and how it reflects as a financial risk to the bank. In near future, we are planning to expand this modeling for other sectors and clients with strategic focus areas.

### Description of outcomes for this issue area

There are main drivers for climate related risks, which are also taken into consideration in this study. Main drivers are, summarized as below:

- Political and legal: geopolitical context, international regulations to combat against climate change (including pricing and regulatory compliance)
- Technological: transition technologies, disruptive technologies
- Economic: macroeconomic trends
- Social: social awareness and behaviour, social conflicts
- Environmental: extreme weather events and conditions, biosphere conditions

According to heap map study and within relevance of vulnerabilities per sector sectors, the main risks can be stated as follows:

v Increase in extreme weather events , such as precipitation/hail etc. (Physical/acute)

v Droughts (dry-spells and/or low riverine water levels) (Physical/acute)

v Wild e fires (Physical/acute)

v Water scarcity (chronic droughts, low water table etc.) (Physical/chronic)

v Regulation/pricing on GHG emissions (Transition/regulatory)

v Regulation/pricing on water usage (Transition/regulatory)

v Exposure to litigation(Transition/regulatory)

v Lack of visibility of brands commitment to fight climate change (Transition/Reputational)

On the other hand, the followings can be classified as main opportunities regarding the heat map analysis:

v Development of new low-carbon technologies or solutions (Transition/technological)

v CCUS (Carbon Capture, Utilization and Storage) feasibility (Transition/technological)

### Explain how the outcomes identified using scenario analysis have influenced your strategy

As a result, leveraging from the heatmap and the pilot study we will develop an implementation plan, which will enable Akbank to be more resilient against climate change.

Considerations:

§ Scenario models such as "Representative Concentration Pathways" (RCPs) and "Shared Socio-economic Pathways" (SSPs) which are used as built-ins, were mainly used.

§ "Task Force on Climate-related Financial Disclosures" (TCFD) framework has been taken into account in order to identify vulnerabilities and understand the risks and opportunities of vulnerabilities.

§ Within the framework of PESTEL analysis, the driving forces have been determined from a political, economic, social, technological, environmental and legal perspective.

§ The World Bank climate database and the reports of "The Intergovernmental Panel on Climate Change" (IPCC) on climate change and its physical and transitional risks in general, International Energy Agency (IEA) scenarios regarding the transition risks and carbon pricing related to the energy sector, and UN FAO scenarios for the effects on the agricultural sector were taken into consideration.

### Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

<Not Applicable>

## Water

### Scenario analysis conducted to identify outcomes for this issue area

Yes, we have conducted scenario analysis and we have identified outcomes for this issue area

### Type of scenario analysis used

Climate-related  
Water-related

### Parameters, assumptions, analytical choices

Climate Risk Analysis- Heat Map Study

As Akbank, we understood that climate change contains both risks and opportunities. As a result of this perspective, we carry out studies to evaluate the qualitative effects of risks and opportunities arising from climate change, in the fields of transition and physical risk perspective, on our portfolio and plan to analyze the numerical effects on a selected client. That is, Climate Change Impact on Akbank (outside in) as for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical & transition risks and opportunities. In this direction, the works carried out within the scope of heat work are as follows.

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v Wild e fires (Physical/acute)

v Water scarcity (chronic droughts, low water table etc.) (Physical/chronic)

v Regulation/pricing on GHG emissions (Transition/regulatory)

v Regulation/pricing on water usage (Transition/regulatory)

v Exposure to litigation(Transition/regulatory)

v Lack of visibility of brands commitment to fight climate change (Transition/Reputational)

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§ The World Bank climate database and the reports of "The Intergovernmental Panel on Climate Change" (IPCC) on climate change and its physical and transitional risks in general, International Energy Agency (IEA) scenarios regarding the transition risks and carbon pricing related to the energy sector, and UN FAO scenarios for the effects on the agricultural sector were taken into consideration.

### Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

<Not Applicable>

## FW-FS3.3

### (FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

## FW-FS3.3a

**(FW-FS3.3a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.**

**Product type**

Corporate loans

**Taxonomy or methodology used to classify product(s)**

LMA Green Loan Principles

**Description of product(s)**

Blue Finance Package: Akbank has implemented Turkey's first and only Blue Financing Product Package in order to develop sustainable tourism, reduce the environmental footprint in marine tourism, port and maritime activities, and protect the seas. Akbank offers three different products called Blue Tourism Loans, Blue Port Loans and Blue Transportation Loans under the umbrella of Blue Financing to develop sustainable tourism, reduce the environmental footprint in marine tourism activities, protect the seas in port activities and accelerate the transition to low carbon economy. All three products are implemented within the scope of reducing the environmental footprint in tourism, protecting the seas, protecting and developing biodiversity, and supporting the fight against pollution.

The Blue tourism loan financing includes works such as new hotel construction, refinancing of existing hotels, renovation of existing buildings, investments related to sustainability, green building integration, waste management, biodiversity studies, water and wastewater management and energy efficiency.

The Blue Port Loan is being implemented to be used in financing the construction of the new port, port refinancing, all activities related to sustainability in ports, waste management, circular economy studies, biodiversity studies, and water and wastewater management.

The Bank offers The Blue Transportation Loan opportunity to those who want to purchase new sea transportation vehicles (for touristic or commercial purposes), invest in alternative fuels, accelerate their low-carbon transition investments, and use financing for energy-efficient, environment-friendly machinery and equipment renewal and replacement.

**Product enables clients to mitigate**

Water insecurity

**Type of activity financed, invested in or insured**

Water treatment infrastructure

Wastewater treatment infrastructure

Water resources and ecosystem protection

**Portfolio value (unit currency – as specified in C0.4)**

**% of total portfolio value**

**FW-FS3.4**

**(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?**

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

**FW-FS3.4a**

**(FW-FS3.4a) Provide details of the policies which include forests- and/or water-related requirements that clients/investees need to meet.**

**Portfolio**

Banking (Bank)

**Issue area(s) the policy covers**

Forests

**Type of policy**

Credit/lending policy

**Portfolio coverage of policy**

100

**Policy availability**

Publicly available

**Attach documents relevant to your policy**

Non-Financing-Activities-List.pdf

Akbank-Sustainable-Finance-Framework.pdf

Akbank-Environmental-and-Social-Credit-Policies.pdf

akbank\_integrated\_annual\_report\_2021.pdf

**Criteria required of clients/investees**

Commit to no deforestation/conversion of other natural ecosystems

Restore and compensate to address past deforestation or conversion

Avoid negative impacts on threatened and protected species and habitats

Commit to no activities in IUCN protected areas categories I – IV

Commit to no activities in Ramsar sites.

Adopt the UN International Labour Organization principles

Comply with all applicable local, national and international laws and regulations



**Value chain stages of client/investee covered by criteria**

Direct operations and supply chain

**Timeframe for compliance with policy criteria**

Complying with criteria is a pre-requisite for business

**Industry sectors covered by the policy**

Other, please specify (all portfolio)

**Forest risk commodities covered by the policy**

All agricultural commodities

**Forest risk commodity supply chain stage covered by the policy**

Production

**Exceptions to policy based on**

&lt;Not Applicable&gt;

**Explain how criteria coverage and/or exceptions have been determined****Portfolio**

Banking (Bank)

**Issue area(s) the policy covers**

Water

**Type of policy**

Credit/lending policy

**Portfolio coverage of policy**

100

**Policy availability**

Publicly available

**Attach documents relevant to your policy**

Non-Financing-Activities-List.pdf

Akbank-Sustainable-Finance-Framework.pdf

Akbank-Environmental-and-Social-Credit-Policies.pdf

akbank\_integrated\_annual\_report\_2021.pdf

**Criteria required of clients/investees**

Comply with all applicable local, national and international laws and water regulations

Meeting minimum, sector-specific discharge treatment processes

**Value chain stages of client/investee covered by criteria**

Direct operations and supply chain

**Timeframe for compliance with policy criteria**

Complying with criteria is a pre-requisite for business

**Industry sectors covered by the policy**

Other, please specify ( all)

**Forest risk commodities covered by the policy**

&lt;Not Applicable&gt;

**Forest risk commodity supply chain stage covered by the policy**

&lt;Not Applicable&gt;

**Exceptions to policy based on**

&lt;Not Applicable&gt;

**Explain how criteria coverage and/or exceptions have been determined****FW-FS3.5****(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?**

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	Yes	Environmental and Social Policies are included in financing agreements.	<Not Applicable>
Water	Yes	Environmental and Social Policies are included in financing agreements.	<Not Applicable>

**FW-FS4.1**

**(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?**

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	Yes	<Not Applicable>
Clients – Water	Yes	<Not Applicable>
Investees – Forests	<Not Applicable>	<Not Applicable>
Investees – Water	<Not Applicable>	<Not Applicable>

**FW-FS4.1a****(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.****Type of clients**

Clients of Banks

**Issue area this engagement relates to**

Forests

**Type of engagement**

Other, please specify (Information collecting)

**Details of engagement**

Please select

**Portfolio coverage of engagement**

100

**Rationale for the coverage of your engagement**

Non-targeted engagement

**Impact of engagement, including measures of success**

We collect climate change and carbon information at least annually from long-term clients. We see climate risks and opportunities as one of our Bank's top priorities. Therefore; we aim to reduce our environmental footprint while increasing our positive impact by looking at all our decision-making processes from a sustainability perspective. In this context, after the basic evaluations, we started to make environmental, social and governance (ESG) evaluations in the selected sector in order to bring our sustainable finance products, which we developed for the sectors, to our customers by making sectoral evaluations in order to accelerate the transition to a low carbon economy. We will extend this assessment to other sectors as well. We make fundamental analyses based on all these main topics: • In order to understand the current situation of the customers and to offer suggestions that will encourage transformation in the long term, we first conduct a basic sustainability analysis and understand the current situation of our customers who request low carbon credits.

After understanding the basic sustainability performance of our customers, we recommend the most suitable sustainable finance product to our customers based on their demands.

After creating the product package, we monitor our customers' sustainability performance throughout the loan term

In addition we started a project changing Akbank credit cards to recycled ones. With this project, we are switching to the use of recycled plastic, paper and envelopes in

Axess, Wings, Akbank Kart, all free retail and

commercial credit cards until the end of 2022. Until 2025, all Akbank cards will be made from recycled materials. We deliver cards made of environmentally friendly

materials to our customers who apply for a

card to Axess Digital for the first time or who need to renew their card. Today, nearly 18 million cards are used by our customers at our Bank In this direction, we aim to

reduce natural resource consumption and

environmental impact by recycling and reusing possible materials. To this end, we aim to reduce natural resource consumption and environmental impact by recycling and reusing possible materials.

**Type of clients**

Clients of Banks

**Issue area this engagement relates to**

Water

**Type of engagement**

Other, please specify (Information collecting)

**Details of engagement**

Please select

**Portfolio coverage of engagement**

100

**Rationale for the coverage of your engagement**

Non-targeted engagement

**Impact of engagement, including measures of success****FW-FS4.3****(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?**

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Agricultural commodity	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	Yes	Please select	<Not Applicable>	<Not Applicable>

FW-FS4.4

(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage directly with policy makers	<Not Applicable>	<Not Applicable>
Water	Yes, we engage directly with policy makers	<Not Applicable>	<Not Applicable>

FW-FS4.4a

(FW-FS4.4a) On what policy, law, or regulation that may impact forests and/or water security have you been engaging directly with policy makers in the reporting year?

Issue area(s)

Forests

Focus of policy, law or regulation that may impact this issue area

Sustainable finance

Specify the policy, law or regulation on which your organization is engaging with policymaker

In 2021 we provided our thought and comments during the development of Sustainable Banking Strategic Plan (2022-2025) prepared by Banking Regulation and Supervision Agency in Turkey. We attended the Sustainable Finance meeting organized by Ministry of Environment and gave our opinion on the Environmental Label study. And we are actively involved in Turkish Banking Association working group on the Preparation of Heat Map Methodologies and the Sub-Working Group on Establishing the Green Asset Ratio.

Policy, law or regulation coverage

National

Country/region the policy, law or regulation applies to

Turkey

Your organization's position on the policy, law or regulation

Please select

Description of engagement with policymakers

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the Sustainable Development Goals?

Please select

Issue area(s)

Water

Focus of policy, law or regulation that may impact this issue area

Sustainable finance

Specify the policy, law or regulation on which your organization is engaging with policymaker

Policy, law or regulation coverage

Please select

Country/region the policy, law or regulation applies to

<Not Applicable>

Your organization's position on the policy, law or regulation

Please select

Description of engagement with policymakers

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement is aligned with the Sustainable Development Goals?

Yes, we have evaluated, and it is aligned

FW-FS5.1

(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	We will start a project in 2022 for decarbonization and set a roadmap for our decarbonization strategy.
Banking – Impact on Water	No, but we plan to in the next two years	<Not Applicable>	Important but not an immediate priority	We will start a project in 2022 for decarbonization and set a roadmap for our decarbonization strategy.
Investing (Asset manager) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

**(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?**

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the palm oil products supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cattle products supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the soy supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the rubber supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cocoa supply chain	No	<Not Applicable>	<Not Applicable>
Lending to companies operating in the coffee supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization’s response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Non-Financing-Activities-List.pdf  
Akbank-Sustainable-Finance-Framework.pdf  
Akbank-Environmental-and-Social-Credit-Policies.pdf  
akbank\_integrated\_annual\_report\_2021.pdf

Page/Section reference

Content elements

Governance  
Strategy  
Risks and opportunities

Comment

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In which language are you submitting your response?

English

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