

Welcome to your CDP Climate Change Questionnaire 2023

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 Depository 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 22 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. As of 2022, our stocks continue to be traded on the Borsa Istanbul (BIST) and Level 1 Depository Receipts on the US OTC Market with a free float of 51%. 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 5900 ATMs, 734,000 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 74 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. Akbank prioritizes sustainable wholesale borrowing being the first Turkish bank to announce its' commitment of 100% ESG wholesale funding by 2030 and has pioneered multiple innovative debt instruments. In addition Akbank is working on its goal on becoming Net 0 Bank by

2050. 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. 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. Thanks to measurable solid targets and consistent implementation of its sustainability action plan, Akbank continued to improve its scores in leading Sustainability Indices. Akbank’s MSCI and Sustainalytics ESG scores are improved while its Refinitiv and ISS ESG ratings are upgraded. Akbank is 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 2022 are as follows: Türkiye’s Best Bank and Türkiye’s Best Bank in Sustainable Finance 2022 by Global Finance, ‘Sector Leader’ in Türkiye in the fields of ‘Digital Solutions,’ ‘Corporate Banking,’ and ‘Corporate Social Responsibility’ Central and Eastern Europe’s Best Private Banking Unit award at PWM Wealth Tech Awards 2022.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

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?	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	Agricultural chemicals Agricultural products wholesale Apparel design & manufacturing Cotton farming Dairy & egg products Fast food Fruit farming Grain & corn farming Grain & corn milling Hypermarkets & superstores Oil & gas extraction initial Oil & gas refining Other animal farming & processing Other base chemicals Other crop farming Paper products Personal care & household products Rice farming Soybean farming Soybean processing Sugarcane farming Supermarkets, food & drugstores Textiles

		Vegetable farming Wood & paper materials Wood & paper products wholesale
Investing (Asset manager)	No	
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

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 or committee	Responsibilities for climate-related issues
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	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

	<p>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 2022, it was decided to continue contacting the relevant and new stakeholders to improve our performance in the Sustainability Indices including ISS and Refinitiv . In addition the Committee decided to include a TCFD reference table into the 2022 Integrated Annual Report for the first time to provide greater transparency on how we manage and performance on Climate. The report has been prepared as an Integrated Annual Report. Also, the duties, authorities and responsibilities of the Corporate Governance Committee include:</p> <ul style="list-style-type: none"> • Scoping and overseeing relationships with investors as well as authorized bodies such as the Capital Markets Board (CMB) and Borsa Istanbul (BIST), • Formulating the Code of Ethics and overseeing compliance, • Supervising the activities of the Shareholder Relations Unit, • 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, • Monitoring, auditing and reporting remuneration practices are conducted by Members of the Remuneration Committee on behalf of the Board of Directors, • Ensuring and supervising that the Bank's Annual Report, website, and similar publicity channels are prepared in conformity with the Corporate Governance Principles, • Ensuring and supervising that necessary actions are taken to protect the Bank's brand and reputation.
Board-level committee	<p>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.</p> <p>In this context in 2022, we expanded the scope and content of our environmental and social loan policies with reference to good practices and standards and turned it into the Akbank Environmental and Social Risk Framework. We established the Environmental and Social Management System (ESMS) and Environmental and Social Impact Assessment (ESIA) System in order to identify and effectively manage environmental and social risks and/or opportunities that may arise as a</p>

	<p>result of the financing we provide. We apply the ESMS to 100% of our customers now that having commercial activities with which our Bank has a loan relationship. With this system, we started to systematically monitor the scoring, due diligence, and assigned actions with the IT improvements made on the loan offer screens.</p> <p>As of October 2022, when our framework enters into force, we examine all project financing loans in detail in the ESIA system and work with independent consultants according to the risk score of the project. In 2022, as a result of such studies, we determined that 20 of the 505 loan applications were included in the list of activities that will not be subject to credits, and we rejected their requests. In 2022, a total of 10 projects were included in the scope of the Environmental and Social Impact Assessment, and we categorized 1 project as A category (very high), 2 projects as B1 category (high), 3 projects as B2 category (medium), and 4 projects as C category (low) risk. In accordance with the current conditions, we completed a total of 24 environmental and social risk monitoring studies for our infrastructure, energy, and production projects that are due in our portfolio, through field monitoring and online meetings.</p>
<p>Board-level committee</p>	<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 & 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 regularly in 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 (45% of these related to climate change and 93% of these action targets were met in 2022) in 4 focus areas to achieve our targets. As of 2022-year target proposed by the SC, which are approved by the board, include: *To become a Net 0 Bank by 2050 After this decision, the Committee decided to start a project to develop a roadmap and set interim targets to become a Net 0 Bank in 2050. In align with Net 0 decision, the SC decided to increase its purchase of electricity from renewables up to 80%. In addition, after developing the Climate Heatmap of Portfolio in 2021, the Committee decided to evaluate sector limits for the carbon-intense sectors.</p>

Chief Executive Officer (CEO)	<p>The CEO oversees, closely follows, review and approves 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 2022, the CEO approved to increase the weight of the sustainability KPIs in all employees’s, including himself, scorecard. He gave great importance to our commitment on being a Net 0 Bank by 2050 and provided a valuable support to develop the Net 0 Bank project. Since our CEO is the foremost spokesperson specifically in sustainability issues, he announced the milestones on our ESG journey such as; sustainable finance performance, sustainable borrowing activities, our 2022 Sustainable Finance Awards and so on.</p>
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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	<ul style="list-style-type: none"> Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan 	<ul style="list-style-type: none"> 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 investment activities Climate-related risks and opportunities to our insurance underwriting activities 	<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</p>

	<p>Overseeing the setting of corporate targets</p> <p>Monitoring progress towards corporate targets</p> <p>Reviewing and guiding the risk management process</p>	<p>The impact of our own operations on the climate</p> <p>The impact of our banking activities on the climate</p> <p>The impact of our investing activities on the climate</p> <p>The impact of our insurance underwriting activities on the climate</p>	<p>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. In line with EU Taxonomy requirements and international best practices, and with our commitment to become a Net 0 Bank by 2050, we strive to develop the sustainable finance framework within the wider banking operations. 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>
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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
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.

C1.2

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

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Setting climate-related corporate targets

Monitoring progress against climate-related corporate targets

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

In order to be on the right track to reach our long term targets and deciding/giving feedback on critical climate-related issues, SC reports quarterly and meets at least 2 times in a year.

Position or committee

Chief Financial Officer (CFO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The sustainability team within the Investor Relations and Sustainability Department reports to the CFO.

Position or committee

Other committee, please specify

Corporate Governance Committee

Climate-related responsibilities of this position

Monitoring progress against climate-related corporate targets

Managing public policy engagement that may impact the climate

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

In order to be on the right track to reach our long term targets and deciding/giving feedback on critical climate-related issues, Corporate Governance Committee reports quarterly and meets at least 2 times in a year.

Position or committee

Credit committee

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking

Risks and opportunities related to our own operations

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Credit Committee within our Board of Directors approves the loans that we provide in line with our policy, so they report more frequently than quarterly.

Concerning the financing transactions remaining within the scope of the ESIA, our technical expert inform the allocation teams and the Credit Committee about the environmental and social risk of the transaction and the measures to be taken. Our policy, which is reviewed every year in line with the approval of our Board of Directors and developin needs, is revised in accordance with current conditions.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

An active member of the board-level sustainability committee, the CEO oversees the integration of climate-related risks and opportunities into all operations within the bank.

Position or committee

Other committee, please specify
Climate Change Preliminary Committee

Climate-related responsibilities of this position

Developing a climate transition plan
Implementing a climate transition plan
Conducting climate-related scenario analysis

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Reports to the Board-level Sustainability committee. Climate Change Preliminary committee actively follows and oversees the progress in long-term climate targets of the bank.

Position or committee

Other committee, please specify
Integrated Management System- Management Review Committee

Climate-related responsibilities of this position

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Annually

Please explain

The Integrated Management System Review committee oversees the annual targets related to the operational emissions and consumption of utilities. The committee also oversees the progress of ISO 14001 and ISO 50001 adoption within the bank's 711 branches. External assurance processes also feed the annual review of the committee.

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/scorecard 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; in 2022 *Decreasing the impact of loan portfolio on climate change until 2030 target updated with to become a Net 0 Bank by 2050*Mitigating climate-related risks and impact on portfolio. In 2022, the weight of sustainability in the Bank's scorecard doubled by the decision of SC. The progress in sustainability is followed on a quarterly basis and is included in the bank's performance. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (45% 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

Chief Financial Officer (CFO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In 2021, the Board decided that the KPI's/scorecard 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; in 2022 *Decreasing the impact of loan portfolio on climate change until 2030 target updated with to become a Net 0 Bank by 2050*Mitigating climate-related risks and impact on portfolio. In 2022, the weight of sustainability in the Bank's scorecard doubled by the decision of SC. The progress in sustainability is followed on a quarterly basis and is included in the bank's performance. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (45% of these related to climate change) in 4 focus areas to achieve our targets.

Entitled to incentive

Other, please specify

Investor Relations and Sustainability Senior Vice President

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In 2021, the Board decided that the KPI's/scorecard 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; in 2022 *Decreasing the impact of loan portfolio on climate change until 2030 target updated with to become a Net 0 Bank by 2050*Mitigating climate-related risks and impact on portfolio. In 2022, the weight of sustainability in the Bank's scorecard doubled by the decision of SC. The progress in sustainability is followed on a quarterly basis and is included in the bank's performance. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (45% of these related to climate change) in 4 focus areas to achieve our targets.

Entitled to incentive

Environment/Sustainability manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In 2021, the Board decided that the KPI's/scorecard 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; in 2022 *Decreasing the impact of loan portfolio on climate change until 2030 target updated with to become a Net 0 Bank by 2050*Mitigating climate-related risks and impact on portfolio. In 2022, the weight of sustainability in the Bank's scorecard doubled by the decision of SC. The progress in sustainability is followed on a quarterly basis and is included in the bank's performance. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (45% of these related to climate change) in 4 focus areas to achieve our targets.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Implementation of an emissions reduction initiative
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(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. 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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In 2021, the Board decided that the KPI's/scorecard 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; in 2022 *Decreasing the impact of loan portfolio on climate change until 2030 target updated with to become a Net 0 Bank by 2050*Mitigating climate-related risks and impact on portfolio. In 2022, the weight of sustainability in the Bank's scorecard doubled by the decision of SC. The progress in sustainability is followed on a quarterly basis and is included in the bank's performance. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (45% of these related to climate change) in 4 focus areas to achieve our targets.

Entitled to incentive

Other, please specify
Sustainable Finance Team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with clients on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

The sustainable finance team is responsible for increasing the share of revenue from low-carbon products and services, as well as developing new products and services for these activities.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In 2021, the Board decided that the KPI's/scorecard 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; in 2022 *Decreasing the impact of loan portfolio on climate change until 2030 target updated with to become a Net 0 Bank by 2050*Mitigating climate-related risks and impact on portfolio. In 2022, the weight of sustainability in the Bank’s scorecard doubled by the decision of SC. The progress in sustainability is followed on a quarterly basis and is included in the bank’s performance. Sustainability has been added to the job descriptions of the relevant managers. During the reporting period, we have set more than 100 actions (45% of these related to climate change) in 4 focus areas to achieve our targets.

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
Row 1	Yes, as an investment option	Akbank’s employees benefit from our pension system where they can access to platforms where they can choose to invest. Starting from 2022, employees can invest in diverse funds including the Sustainability Fund. The Fund includes at least 80% of its portfolio for the stocks included in the domestic and international Sustainability Indices.

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	The main short term risks and opportunities are related with current and emerging regulations and legal framework. (eg. Türkiye’s Climate Law, Emission Trading System, reporting and assurance requirements, Türkiye’s Green Asset Ratio for Banks, Banking Regulation and Supervision Agency’s Sustainable Finance Roadmap etc.) Potential Impacts could be an increase in energy spending (for direct

			operations), increasing demand for climate-related products&services, and so on.
Medium-term	1	2	The main medium term risks and opportunities are related with emerging regulations, new legal frameworks for reporting, the potential impact of Carbon Adjustment Mechanism on our customers, increasing market demand.
Long-term	2	10	The main long term risk and opportunities are related with Climate Change mitigation and adaptation policies, implementations and related reportings.

C2.1b

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

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 as well as Environment and Social Impact Assessment and Environmental and Social Management systems. 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 has finalized a project in 2022 to enhance Sustainable Finance Framework, Environmental and Social Risk Framework and integrating Climate risks into banking operations. As an outcome of the Project, Akbank enhanced its Environmental and Social Loan Policies, allowing for full portfolio coverage on ESG risks: 10 mil USD E&S Impact Assessment threshold was removed for PF loans and the E&S Risk Scoring which was previously available only for SMEs now applied for whole portfolio. 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.

In order to include Climate Risks in our risk inventory, we have worked on the identification, definition, evaluation and/or measurement, monitoring, control, reporting and management of climate change risks. Within the scope of the management of the climate change risk considered as a component of the financial risks, we established a methodology that would be employed in the studies for the Internal Capital Adequacy Assessment Process (ISEDES) to identify, measure, and monitor the climate change risk. We also identified our risk limits within which the climate change risk would be monitored.

While we carried out sustainable finance studies in all our segments with our Sustainable Finance department, which we established under Investment Banking in 2021, we continued to strengthen our green and social loan portfolio in all our units with 16 sustainable finance products as of 2022. Sustainable Finance Team is responsible of establishing customized

green-social and relevant loans for each sector. Sustainable finance products aim to reduce climate related risks and create a huge opportunity in terms of carbon reduction, risk of facing carbon tax, electricity consumption reduction so on so forth.

Akbank is planning to update its Sustainable Finance Framework to be more aligned with local and global regulations, standards, market- investor and IFI expectations, e.g. EU Taxonomy. Akbank defines 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 186.983.000 (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 186.983.000 (USD 10 million) per year to be substantive.

C2.2

(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

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. The analysis work was 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

Representative Concentration Pathways" (RCPs), Shared Socio-economic Pathways (SSPs) scenario models, The "Task Force on Climate-related Financial Disclosures", PESTEL analysis, "The Intergovernmental Panel on Climate Change" reports, World Bank climate database; International Energy Agency scenarios and UN FAO scenarios for impacts to the agricultural sector

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: Identification of vulnerabilities in the existing loan portfolio, Classification of driving forces using PESTEL analysis, Selection of time frame and temperature rise scenario, Examination of impacts on sectors, Creation of a heat map for the risks and opportunities that climate change will create, 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.

We managed to reduce our operational emissions by 28% compared to the previous year, We completed the establishment, operation and supervision processes of our Integrated Management System in our Head Office, Akbank Banking Centre and 313 branches. As of 2022, we started to supply 80% of the electricity energy we used in all our buildings and operations from renewable energy.

Also, as of September 2022, the Bank started to request and collect emission data from carbon-intensive sectors.

Accordingly, we conducted a comprehensive study to investigate how the assets in our project finance portfolio will be affected by long-term risks or large-scale disasters caused by climate change. In this study, vulnerabilities such as extreme precipitation and weather events, increase in heat waves, drought and chronic water scarcity/water stress were considered. The assessments has been conducted in accordance with the International Panel on Climate Change (IPCC) Interactive Atlas climate change models, the Climate-related Financial Disclosure Task Force (TCFD) climate change risk assessment recommendations, and other sector-leading standards for climate change physical impact assessments. In this study, we determined sectoral exposure levels by taking into account the vulnerabilities related to the physical risks identified in the sectoral heat map created as a result of the climate risk analysis previously conducted

at the loan portfolio level. In this way, we aim to shape our business models and direct our costumers accordingly by identifying vulnerabilities to adapt to climate change risks and impacts.

We started to make environmental, social and governance (ESG) evaluations in the selected sectors (e.g. cement, aluminium, machinery, automotive, textile, iron and steel, chemistry) in order to bring our sustainable finance products, which we developed for the sectors, to our clients by making sectoral evaluations in order to accelerate the transition to a low carbon economy. Keeping in mind that as Akbank, operating mainly in Türkiye, we know that our country has faced a huge climate risks and environmental threats such as temperature increase, water stress, increasing extreme weather events. That's why we are focusing more on climate finance and green finance in Türkiye. We evaluate our clients who request green/social/ sustainability-related loans, and we can recommend additional green investments by understanding our clients' development areas. – We defined sectoral ESG risks, particularly climate risks, and structured our products and services for those risks to turn into opportunities through the right management for our clients.

We are also mapping our Project finance portfolio and assess the possible physical climate risks that our clients can face in the future and we walk hand by hand with our stakeholders to minimize these risks and also create opportunity. We have determined the sectors with the highest carbon emission intensity in our portfolio as cement, aluminium, machinery, automotive, textile, iron and steel, and chemistry, and we have started our studies for the transition to a low carbon economy especially in these sectors. We started the decarbonization of our portfolio within the scope of our target of “Becoming a Net Zero Bank by 2050.” We also focus on regulation, technology, and market expectations, which are transition risks that will affect our portfolio. After our analysis studies, we offer recommendations to our clients who need green investments by making use of comprehensive methods. We have categorized our sustainable finance products and services under the headings of “mitigating the impacts of climate change” and “climate adaptation,” by also taking into account the segment and sector distinction.

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 can have an impact on the bank's and/or customers' cash flows and loan repayment capacity. 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

		<p>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.</p> <p>In July 2022, Turkish Environmental Impact Assessment regulation has updated. New version requires high risk projects to assess climate change risks. Since the Turkey's ETS system, which is expected to be established in the near future, will affect the performance and conditions of our customers that we finance as a bank, we have started forecasting studies in this context. In addition, regulators such as the Ministry of Environment, Urbanisation and Climate Change, Banking Regulation and Supervision Agency (BRSA), Turkish Banks Association, etc. are followed up to date and measures and studies are carried out for possible changes.</p> <p>EU aims to put a fair price on carbon emitted during production of carbon intensive goods that are exporting to EU countries from non EU countries. It covers cement, iron and steel, aluminum, fertilizer and electricity sectors. Since Türkiye is one of the biggest trade partner of EU; it will directly affect Turkish economy. Due to our Turkish Banking Regulation and Supervision Agency report; With NPL (non-performing loans) increase estimations, CBAM will lead to an increase of 0.94 points on the total NPL ratios of the five sectors subject to examination. Steel sectors emerge as the sectors with the highest NPL increase potential. Those 5 sectors should subject to green transformation to reduce their tax burden. From those updates regarding EU Green Deal and CBAM, we have established Türkiye's first green loan product called "Transition to a Low Carbon Economy" targeting 5 sectors that will be faced huge carbon taxes.</p>
Emerging regulation	Relevant, always included	<p>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</p>

		<p>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 has been working on the developments in EU in respect of Green Deal. In the Green Deal Action Plan Annual Activity Report 2022, information on the work carried out by relevant institutions and organisations on areas such as Turkey's carbon regulations at the border, green financing, sustainable agriculture and smart transport in order to achieve an inclusive green transformation is included.</p>
Technology	Relevant, always included	<p>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 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. 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. We expanded and put into the service of our customers the so-called Finish with Mobile Application approval structure which is based on the paperless branch approach in such a manner that it would be available not only to Personal and Private companies but also to our Incorporate firms. 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.</p>

<p>Legal</p>	<p>Relevant, always included</p>	<p>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. Independent consultancy is provided for projects with very high (A) and high (B1) risk in legal terms. Our requirement on compliance to international best standards and local regulations also makes the Bank's borrowers to get prepared for stricter legal framework and eliminates the future non-compliance risks. Current international requirements, such as Equator Principles IV, and local regulations, mainly the Turkish Environmental Impact Assessment Regulation, updated in 2022, cover the assessment of climate change impacts. Therefore, new projects climate change (outside in) risks subject to the Environmental and Social Management System are assessed according to these regulations, based on TCFD framework mainly. 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. Projects included in the Non-Financing Activities list, which are available on our bank's website and revised in 2022, are by no means financed within the framework of legal compliance. In 2022, a total of 10 projects were included in the scope of Environmental and Social Impact Assessment, and 20 out of 505 loan applications were rejected under Environmental and Social Management System as they were found to be included in the list of non-financing activities list.</p>
<p>Market</p>	<p>Relevant, always included</p>	<p>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</p>

		<p>and renewable energy to corporate clients on relatively favorable terms.</p> <ul style="list-style-type: none"> • In the field of energy production, we have provided loans only for renewable energy production starting in 2016. In order to reduce foreign dependency on energy, while we closely monitored different technologies such as battery investments, capacity increase, and hybrid power plant investments in the field of storage that has become widespread with the development of technology and regulation and incentive packages, we continued to safeguard the strength of our renewable energy portfolio in 2022 as well. The share allocated to renewable energy in our total portfolio became 76%. As of 2022, of the energy projects we have financed so far, 3,163 MW consisted of HEPP, 1,037 MW consisted of WPP, 320 MW consisted of GPP, 181 MW consisted of SPP, and 21 MW consisted of biomass plants. By the end of 2022, the number of renewable energy projects we supported reached 185. • Greenhouse gas emissions prevented through renewable energy investments is around 3.8 Million tCO_{2e}
<p>Reputation</p>	<p>Relevant, always included</p>	<p>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.</p> <p>We realized all our foreign borrowings in 2022 with the theme of sustainability. 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 2022, our foreign borrowing amount of USD 3.0 billion long-term and USD 2.5 billion short-term, totalling USD 5.5 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</p>

		<p>of TRY 60 billion of sustainable finance resources to the economy in 2022. These funding sources were provided under the ESIA and ESMS, as outlined in the "Legal" section. The Bank collects its operational 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.</p>
Acute physical	Relevant, always included	<p>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. In addition, a geographically based climate change analysis study was conducted to determine the impact of climate change risks on our customers in our project finance portfolio. Within the scope of this study, sectoral exposure levels were determined by taking into account the vulnerabilities related to the physical risks identified in the sectoral heat map created as a result of the climate risk analysis conducted at the loan portfolio level. Thus, it is aimed to provide a prediction on how the financial impact of regional climate change effects on our customers in our portfolio may be reflected on our Bank's credit risk. In the next stage, it is planned to analyse and evaluate the impacts of geographically based climate change risks on our entire portfolio.</p>
Chronic physical	Relevant, always included	<p>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. In addition, a geographically based climate change analysis study was conducted to determine the impact of climate change risks on our customers in our project finance portfolio. Within the scope of this study, sectoral exposure levels were</p>

		determined by taking into account the vulnerabilities related to the physical risks identified in the sectoral heat map created as a result of the climate risk analysis conducted at the loan portfolio level. Thus, it is aimed to provide a prediction on how the financial impact of regional climate change effects on our customers in our portfolio may be reflected on our Bank's credit risk. In the next stage, it is planned to analyse and evaluate the impacts of geographically based climate change risks on our entire portfolio.
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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
Banking (Bank)	Yes

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	100	Qualitative and quantitative	Short-term Medium-term Long-term	UNEP FI Portfolio Impact Analysis Tool for Banks UNEP FI Corporate Impact Analysis Tool 2DII Paris Agreement Capital Transition	Under the Akbank's E&S Credit Policy, there are two main systems: ESIA (Environmental and Social Impact Assessment) and ESMS (Environmental and Social Management

					<p>Assessment (PACTA) tool</p> <p>Risk models</p> <p>Scenario analysis</p> <p>Stress tests</p> <p>Internal tools/methods</p> <p>External consultants</p>	<p>System). ESIA system is designed for the project finance and new investment loans with an investment amount 10 million USD and above where ESMS is for the entire commercial portfolio. In ESMS, a decision-making matrix and E&S Risk Score system are applied for entire commercial portfolio. With this system, the E&S risks of customers are scored based on the customer sector, customer segment and loan term. There are 4 E&S risk categories which are A for very high risk, B1 for high risk, B2 for medium risk and C for low risk. After the customer's risk score is determined, relevant question sets are displayed for each category to be filled. These</p>
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						<p>ESMS questions generally focus on the topics of E&S conditions, ESG, OHS, Climate Change and Legal status. In case of a negative response or situation as a result of customer evaluation, we expect action from the customer to be corrected. The entered action and time will be followed and reminded by the system. Besides, bank operates a detailed Environmental and Social Impact Assessment (ESIA) system in order to determine the environmental and social impacts that may arise as a result of financing, to identify risks and opportunities and to manage them effectively for all project finance loans and new investment loan requests with an investment</p>
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						<p>amount of more than 10 million USD in industries known to have high environmental and social risks.</p> <p>In 2022, as a result of these studies, 20 out of 505 loan applications were rejected by determining that they were included in the list of non-creditable activities. By developed Environmental and Social Management System (ESMS), Decision-Making Matrix and E&S Risk Score system are applied for entire commercial portfolio. With this system, the E&S risks of customers are scored based on the customer sector, customer segment and loan term. Awareness-raising activities are carried out by the bank in order for customers to reduce these</p>
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						<p>risks. Thus, it is aimed to manage and reduce portfolio exposure to the lowest level possible. In the previous reporting year, we have determined most carbon intensive sectors in our portfolio and establish a roadmap for transition to low carbon economy together with our clients. During the loan application stages of customers operating in the "most carbon-intensive sectors", which we have identified as cement, machinery, automotive, textile, iron-steel and chemical sectors, we inquire through ESMS about their greenhouse gas emission data (source of emissions, Scope 1-2-3 emissions in tonCO₂eq) and whether they have any</p>
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						<p>commitments, policy or strategies regarding climate change mitigation or carbon emissions (such as having SBTi, net zero emission targets etc). In addition to these, last year we conducted a "heat map" study to provide an in-depth analysis of the risks our portfolio is exposed to Akbank. Then, we determined sectoral exposure levels by taking into account the vulnerabilities related to the physical risks identified in this heat map study; and we conducted another comprehensive study to investigate how the assets in our project finance portfolio will be affected by the long-term risks posed by climate change. In the next stages, we aim to apply this analysis for the rest of our</p>
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						portfolio and assests.
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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
Banking (Bank)	Yes

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
 Climate transition plans
 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
 Capital Goods
 Transportation
 Automobiles & Components
 Consumer Durables & Apparel
 Consumer Services
 Food, Beverage & Tobacco
 Household & Personal Products
 Health Care Equipment & Services
 Pharmaceuticals, Biotechnology & Life Sciences
 Software & Services
 Technology Hardware & Equipment

Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

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

In our Bank's Environmental and Social Management System is applied for the entire commercial portfolio. With this system, the E&S risks of customers are scored based on the customer sector, customer segment and loan term. There are 4 E&S risk categories which are A for very high risk, B1 for high risk, B2 for medium risk and C for low risk. After the customer's risk score is determined, relevant question sets are displayed for each category to be filled. In these ESMS questions, we question the climate change-related commitments of our customers in all segments. Also, we inquire through ESMS about their greenhouse gas emission data (source of emissions, Scope 1-2-3 emissions in tonCO₂eq) and whether they have any commitments, policy or strategies regarding climate change mitigation or carbon emissions for our costumers operating in the most carbon intensive sectors. Within our bank's Environmental and Social Management Systems, we are checking legal compliance of out customers in case the customer business area is in hard to abate sectors defined by Republic of Turkey, Environment, Urbanization and climate change ministry, Monitoring and Reporting of Green House Gas Emmissions regulation. Beside that, in case a customer is within our Environmental and Social Impact Assessment(ESIA) System's scope (Above 10m USD investment or any project finance transaction) we are assessing the general environmental and social impacts in depth. In case a major impact identified related with climate change physical impacts by our ESIA team, credit commiitee can be informed prior to allocation decision. Also within ESIA system we area categorizing projects. In case any proposed project has significant negative impacts on environment and social issues, preperation of an environmental and Social impact assessment report is necessary. Within this ESIA report, we require customers to prepare ESIA based on Equator Priniciples and Turkish legislation requirements. In both requirements, assessing climate change impacts during the study is necessary. Credit committee might be informed in case such climate change impacts has major credit repayment risks on project.

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?

Banking portfolio

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. Beside the regulations, within the bank's ESIA(all project finance activities and above 10m USD investment credits) system In case any major climate change physical impact identified, credit committee can be informed during the credit allocation process

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)

16.8

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

CBAM will affect cement, aluminum, electricity, fertilizer, iron and steel sectors exporting their products to EU. Akbank do not affect directly from this mechanism but its clients will. One of the most carbon intensive sector, cement, will face huge carbon tax if companies do not reduce its Scope-1 emissions. If we assume that one company has 10.000 tons CO₂eq Scope-1 emissions without any emission reduction; and carbon price would be 90 Euros/Ton for EU; this company may face 900.000 Euro tax for its emissions, which is equal to 16,8 Million TL.

Cost of response to risk

357,172

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 which consists of two different systems: the Environmental and Social Assessment System and the Environmental and Social Management System. Within the scope of "Non-Financing Activities List" with the systemic controls we have brought to our infrastructure in 2019 and have developed in 2022, we evaluate every commercial loan we make available regardless of the amount limit. In 2022, 20 projects we rejected by Environmental and Social Management System. Also, a total of 24 environmental and social risk monitoring studies have been completed in our infrastructure, energy and production projects that are due in our portfolio with field monitoring and 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 357,172 TRY.

Comment

We are considering this risk with medium financial impact.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Other parts of the value chain

Risk type & Primary climate-related risk driver

Market

Inability to attract co-financiers and/or investors due to uncertain risks related to the climate

Primary potential financial impact

Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification

Funding risk

Company-specific description

Through its syndicated loan renewal in 2022, Akbank has provided over US\$ 700 million in support of the Turkish economy. The loan has 367-days maturity with an all-in cost of SOFR+2.75% and Euribor+2.10%. 32 banks from 15 countries participated in the successful loan renewal, which included the addition of sustainability performance criteria. Highlighting Akbank's success in achieving all ESG targets in its April & October 2021 syndications, We have added two sustainability performance criteria (ESG KPIs) to our April 2022 syndicated loan. Taking a step further in our sustainability commitment, this year we increased the criteria of 'electricity procurement of the bank from renewable resources', which is increased from 60% to 80%. In addition to this, we introduced a brand new performance criteria: replacing plastic credit cards with recycled ones.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5,815,099

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Since 2021, Akbank incorporated ESP KPIs into its syndicated facilities. In 2022, the ESP KPIs in our syndicated facilities consisted of Percentage of total female employees of the total employees, Percentage of total electricity consumption sourced from renewable generation, 0% share in any new greenfield coal projects and Number of printed rPVC credit cards. In the case that ESG KPIs were not satisfied, Akbank's margin on these facilities would have increased by 3 basis points, for which, as of 2022 year end, we calculate potential impact figure at TRY 5,815,099

Cost of response to risk

158,935

Description of response and explanation of cost calculation

For the KPI % of total electricity consumption sourced from Renewable Energy generation, Akbank procured an IREC certificate and got a third party verification. Since we can not provide a single financial figure for agreements as it is confidential, we can say the total of the both services were around 7000-10000 USD.

Comment

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?

Banking portfolio

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We aim to reduce our country's dependence on foreign energy in the field of energy by conducting renewable energy projects thanks to our green financing supports. We carry out widespread and pioneering studies that prioritize electric vehicle production, electric vehicle fleet purchase loans, and low-carbon transportation/carriage solutions financing models for the transition of mobility from fossil fuels to a low carbon economy. In order to make our support to renewable energy projects sustainable, we signed a 15-year loan agreement with DFC in October 2014, amounting to USD 175 million. With this loan package, which offers attractive opportunities for investors and project owners, we financed renewable energy investments as well as machinery equipment supplies and energy efficiency investments that provide energy savings of at least 20%. In addition to the loan agreement we signed with DFC, we signed a 12-year loan agreement with the EBRD in October 2015 and June 2016, totalling USD 220 million. 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 SEP, and 21 MW of Biomass. By the end of 2022, the number of renewable energy projects we supported reached 185. Our total investment is USD 1,092.23 mn in renewable energy projects (renewable energy loans, cash and non-cash total).

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

110

Potential financial impact figure – maximum (currency)

185

Explanation of financial impact figure

1,037 MW of Wind Power Plant (WPP) is financed by Akbank with 9,7% market share in WPP projects. We can assume that 1 MW of WPP can produce 3000 MWh/year electricity. From that point, our financed WPP projects lead to produce approximately 3.3 Million MWh/year electricity. Thanks to 3.3 Million MWh/year electricity consumption

from WPP; 2.1 Million tCO₂eq/MWh/Year emission can be prevented.

If we assume that clients may sell their carbon reduction as carbon credit in carbon markets, there will be 2 possible scenario:

If we assume that carbon price sale is around min 3 USD/ton; min 6 Million USD can be earned in carbon markets by clients in a total. It can be converted to TRY multiplying with 18,69 TL/USD which is 110 Million TL.

If we assume that carbon price sale is around max 5 USD /ton; min 10 Million USD can be earned in carbon markets by clients in a total. It can be converted to TRY multiplying with 18,69 TL/USD which is around 185 Million TL.

Cost to realize opportunity

357,172

Strategy to realize opportunity and explanation of cost calculation

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 357,172 TRY.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Banking portfolio

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Other, please specify

Thanks to this Project, transition to low carbon transportation Project is financed. Thus, requirement for carbon offsetting in more carbon-intensive investments are reduced.

Company-specific description

We see transportation as one of the biggest carbon emitting sectors, since it's rely on fossil fuel. Therefore, Akbank prioritized green transformation of transportation sector is. We supported the financing of an EV railway project within our Project Finance practices. We see these kind of investments as an opportunity for Türkiye to be able to reach its net zero target by 2053. We calculated the expected GHG emission reductions as a result of the lending processes. As positive impact, approximately 29 t CO₂/year is foreseen to be reduced as a result of this investment compared to similar-length highway. On the other hand, this investment has a potential financial opportunity for our customer in terms of decreasing its financial costs to procure carbon credits for becoming carbon neutral.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

2,700

Potential financial impact figure – maximum (currency)

5,400

Explanation of financial impact figure

Carbon offsetting price may change between 5 and 10 USD/tonCO₂eq. from this point, this project reduced carbon emissions compared to highway by 29 tonsCO₂eq/year. By multiplying this value with 5 and 10; 145 USD/year and 290 USD/year price cut achieved which is 2700 and 5400 TL respectively.

Cost to realize opportunity

357,172

Strategy to realize opportunity and explanation of cost calculation

Akbank aims to boost transition to low carbon economy with all components. It includes investments from renewable energy to clean transportation. To provide financial support to businesses for investments made within the scope of the transition of mobility to a low carbon economy. We are increasing our positive impacts with our sustainable finance approach in the fields of clean transportation and access to essential healthcare services, especially under Project Finance In 2022, we support clean transportation

projects including, but not limited to electrical vehicles and hybrid vehicles which is a proof that Akbank has a strong intention to provide green financing for low carbon transportation projects, similar to 2021. In 2022, we continued to focus on green transformation of carbon-intensive sectors, green technology investments, and sustainable infrastructure investments and clean transportation. 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 357,172 TRY.

Comment

We continued the sustainable financing loans that we provided for the high-speed train project with a line length of 200 km in 2021, in 2022 as well. In order to serve the goals of establishing a low cost, environmentally friendly, and sustainable transportation network, we have increased the quality of transportation services with the financing that has the feature of being a Green Loan (“Green Loan”).

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

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

Publicly available climate transition plan

No

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

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

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

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	
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years

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		<p>We included in our scope of research the following IAE scenarios:</p> <ul style="list-style-type: none"> - IAE NZE 2050 to be aligned with a 1.5°C world - Announced Policies Scenario – as the closer proxy to a non 1.5°C world, towards a 3.5°C world. <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		<p>As for climate-related risk exposure in our portfolio, we are working on TCFD-aligned sectoral heat map physical & 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 & 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,</p>

		<p>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>
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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	Description of influence
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	opportunities influenced your strategy in this area?	
Products and services	Yes	<p>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 2022 was 60 billion TL. We issued two syndicated loans with KPI linked to renewable energy purchase of the bank's operations. As of the end of 2022, the total project financing loan size we provided to renewable energy projects reached TRY 20,422,844,209 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 2022. At the end of the reporting year, we provided total 4,772 MW installed power in Turkey. We also published 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). We plan to update our Framework with additional categories to support the transition to a low-carbon economy.</p>

Supply chain and/or value chain	Yes	<p>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.</p>
Investment in R&D	Yes	<p>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</p>

		<p>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, with more than a total of 500 renovated by the end of 2022. In 2022, 10.8 million active digital customers used Akbank's digital channels. The share of direct loans among consumer loans issued by Akbank stood at 82% and the share of credit card sales through non-branch channels reached 54%. 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.</p>
Operations	Yes	<p>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</p>

		<p>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 reduced our energy consumption by 5% with the solar energy panels to installed in 2022 we met 73% of the electricity consumption across the bank with renewable 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.</p>
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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	<p>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.</p> <p>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 2022, 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</p>

		<p>etc. In the reporting period, as Akbank, we avoided 95.4 tCO₂. 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 2022 the total project financing loan size we provided to renewable energy projects reached TRY 20,422,844,209 (USD 1,092.23 mn), 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 by the end of 2022. As of 2022, of the energy projects we have financed so far, 3,163 MW consisted of HPP, 1,037 MW consisted of WPP, 320 MW consisted of GPP, 181 MW consisted of SPP, and 21 MW consisted of biomass plants. This equals to, renewable energy portfolio total installed power 4,722 MW. This equals to reduction of approximately (15 GWh* 0,457 ton CO₂e / MWh * 1000 MWh/ GWh) 7,000 tons of CO₂e emissions. 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 also published 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).</p>
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

Identification of spending/revenue that is aligned with your organization’s climate transition	
Row 1	No, but we plan to in the next two years

C-FS3.6

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

Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies

Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies
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C-FS3.6a

(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

 Akbank-ES-Risk-Framework.pdf

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 and supply chain

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

Explain how criteria required, criteria coverage and/or exceptions have been determined

Our Bank applies the Environmental and Social Management System (ESMS) and Environmental and Social Impact Assessment (ESIA) System in order to identify the

environmental and social risks and/or opportunities that may arise as a result of the financing provides and to manage them effectively. The ESMS, which is the basic process for the management of environmental and social risks in credit processes, is applied to all customers with whom our bank has a credit relationship, except for the cases specified in the relevant scope section. In addition, some of the very high-risk projects mentioned in this document, all project finance¹ loans in industries² with high environmental and social risks and new investment loan requests³ with an investment amount of more than USD 10 million are subject to special review through the ESIA system in more detail than the ESMS.

C-FS3.6b

(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

2022

Timeframe for complete phase-out

By 2030

Application

New business/investment for new projects
New business/investment for existing projects

Country/Area/Region the exclusion policy applies to

Turkey

Description

We have announced that we will not finance new coal-fired thermal power plant projects (TPP) in all segments starting from 2021. We also undertake that we will not finance capacity increases for coal-fired TPPs and new coal mining investments as of the publication date of this framework. We also do not finance coal mining and coal transportation (such as port and railway operations that transport coal to power plants) for our SME customers.

- We do not finance the production or trade of wood and other forestry products from forestry activities that are not sustainably managed.
- We question the existence of a plan to minimize tree cutting in projects, if unavoidable the number of trees to be cut and the forest area to be destroyed, and the amount of additional greenhouse gas emissions that will occur during the operation period of high-risk projects in terms of greenhouse gas emissions and the carbon cost that will occur.

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	
Row 1	Yes

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	Coverage of covenants	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. 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. 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. In 2022, we expanded the scope and content of our environmental and social loan policies with reference to good practices and standards and turned it into the Akbank Environmental and Social Risk Framework. We established the Environmental and Social Management System (ESMS) and Environmental and Social Impact Assessment (ESIA) System in order to identify and effectively manage environmental and social risks and/or opportunities that may arise as a result of the financing we provide. We apply the ESMS to all customers having commercial activities with which our Bank has a loan relationship. We examine all project financing loans in detail in the ESIA system and work with independent consultants according to the risk score of the project. In addition, we subject new investment loans with an investment amount of over USD 10 million and very high-risk projects ('A Category Project List') to examination in the ESIA System in more detailed than the

		<p>ESMS according to good practices and standards. We classify new investment projects (or loan requests) for which financing is requested as Very High (A), High (B1), Medium (B2) or Low Risk (C) as a result of the assessment to be made in light of the environmental and social impacts they may potentially create. Within the scope of the “List of Activities Not Subject to Credits,” we evaluate all commercial loans that we have extended regardless of the amount limit, with the systemic controls we provided to our infrastructure in 2019. In 2022, as a result of such studies, we determined that 20 of the 505 loan applications were included in the list of activities that will not be subject to credits, and we rejected their requests. In 2022, a total of 10 projects were included in the scope of the Environmental and Social Impact Assessment, and we categorized 1 project as A category (very high), 2 projects as B1 category (high), 3 projects as B2 category (medium), and 4 projects as C category (low) risk.</p>
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C4. Targets and performance

C4.1

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

Absolute target

C4.1a

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

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

Well-below 2°C aligned

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2020

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

10,298

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

47,770

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO₂e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

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

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

58,068

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

100

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

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO₂e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO₂e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO₂e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO₂e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO₂e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO₂e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO₂e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO₂e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO₂e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO₂e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO₂e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO₂e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO₂e)

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

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)

15,249

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

15,415.88

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

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

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

30,664.88

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

47.1914307364

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Akbank became a supporter of TCFD and linked its 2022 Integrated Annual Report to TCFD Framework. In addition the bank is planning to announce its interim targets and road plan for its 2050 Net 0 target including scope 1 and 2 emissions.

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 and ISO 14001 certification too all buildings until 2024

2. Renewable energy use

-%100 of electricity sourced from renewable source

3. Carbon offsetting

As a result of our efforts

made throughout 2022, we managed to reduce our Scope 1 and Scope 2 carbon emissions to 30,664.88 tons CO₂., a %48 decreased compared to 2020.

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

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

Net-zero target(s)

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)

41.401

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

20

Target year

2025

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

100

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

73

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

66.25

Target status in reporting year

Underway

Is this target part of an emissions target?

The renewable energy consumption target is part of absolute 1 targets stated in questions 4.1a.

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

We continued to provide financing to our country by renewing sustainable syndication transactions in 2022. Akbank renewed its sustainability-focused syndicated loan with a roll-over ratio of over 100%. Through its syndicated loan renewal, Akbank had provided over US\$ 700 million in support of the Turkish economy. The loan had 367-days maturity with an all-in cost of SOFR+2.75% and Euribor+2.10%. One the sustainability performance criteria (ESG KPIs) to our April 2022 syndicated loan was to increase the criteria of 'electricity procurement of the bank from renewable resources. The target covers all scope 2 emissions of Akbank's operational emissions and no location is excluded.

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

Akbank succeeded to increase its renewable electricity consumption in 2022. We will planning to reach our end target (100% RE procurement) with no delay.

List the actions which contributed most to achieving this target

C4.2b

(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 & Metric (target numerator if reporting an intensity target)

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

16,400,000,000

Target year

2030

Figure or percentage in target year

200,000,000,000

Figure or percentage in reporting year

87,000,000,000

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

38.4531590414

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

Akbank redesigned its Sustainability strategy regarding the international and national developments in 2021. We work with a long-term perspective and determination to leave a more inhabitable world to future generations. At the beginning of 2021, we 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 sustainability-related financing we will provide also until 2030. With the said commitments of ours, we became the first deposit bank in Türkiye to set long-term targets in the field of sustainability.

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

In the light of our long term 2030 target, we developed an action plan including developing sustainable finance related policies, ESG-linked products and services, R&D investments, various trainings and events.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Please explain target coverage and identify any exclusions

In 2022, as Akbank we announced committing to become a net Zero Bank by 2050. And we will communicate our 2030 interim targets and road plan within the scope of PACTA in 2023.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

We believe that the greatest value we will create in our journey in becoming a net zero bank is the transformation of our customers. Besides such carbon intensive sectors as energy (based on fossil fuel), cement, iron, steel, aluminium and fertilizer, we are taking the road with the goal of transforming all sectors. During this journey, we will keep providing the financing support needed by the sectors through sustainable financing credit products and services. In addition to financial services, we are working to provide non-financial innovative services that might be needed by our customers in this journey jointly with our stakeholders and collaborations. We closely follow our customers' net zero goals and strategies. We carried out preliminary assessment studies in 2022 within the scope of net zero carbon strategies of our customers operating in automobile, cement, textile, tourism and petroleum-natural gas sectors.

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	1	106.2
To be implemented*	1	15,416
Implementation commenced*	0	0
Implemented*	1	8,884
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption
Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

30,058.3

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)

0

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

81,422

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

By 2025, Akbank aims to use 100%RE for its operational electricity consumption. In parallel with this aim, Akbank continued to procure an IREC certificate to source its electricity from renewable energy.

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	As Akbank, we focused on achieving less energy consumption by increasing energy efficiency in all our buildings including the branches for the purpose of minimizing our greenhouse gas emissions. Within this framework, we remotely control and report our electricity, water, natural gas, diesel oil etc. consumptions through the so-called Ak-E4 (Akbank Industry 4.0) introduced in 2021. We consider that one of our most important practices in achieving our goal to become a Carbon Neutral Bank by 2025 is to use the renewable sources of energy for our electricity consumption which is the biggest source of emission of our Bank. The solar energy power plant which had been installed on the roof of ABM in 2022 and started to generate energy in April generated 360,00 kWh energy in a period of 6 months. This amount meets 8% of the electricity consumption of the area outside the Data Centre and we intend to ensure a 5% reduction in our energy consumption through the network thanks to the solar energy panels to be installed on the roof of ABM. For the purpose of minimizing our greenhouse gas emissions, we carry out our energy efficiency activities under the coordination of our Architectural Solutions, Information Technologies and Sustainability teams. Air-conditioner replacements, LED replacements, Integrated Management Systems (ISO 14001, ISO 50001) are some of the initiatives that we are working on. As of 2022, we started to supply 80% of the electricity energy we used in all our buildings and operations from renewable energy.

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

LMA Green Loan Principles

Description of product

As of the end of 2022, Turkey's total installed power reached 103,809 MW. As Akbank, we have financed energy generation projects with a total installed capacity of 4,722 MW, namely 3,163 MW HEPP, 1,107 MW WPP, 320 MW GPP, 181 MW SPP, 21 MW BES. The resources we have provided to these projects so far are at the level of 3 billion USD.

As of the end of 2022, outstanding risk is 1,092 Billion USD for renewable energy projects.

In energy production side, as Akbank we have been financing only renewable energy projects since 2016. The share of renewable energy projects in our energy portfolio is 76%. In addition, the ratio of renewable energy generation projects to the total energy generation projects in the portfolio reached a quite high level of 84%.

As of the end of 2022, the number of renewable energy projects reached to 185. Akbank sustains a solid position with 9.7% market share in Türkiye's operational installed wind power, 10% market share in HEPP, 2% market share in SPP, 1% market share in Biomass" (As of the end of 2022)

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

Mitigation

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

20,423,540,461

% of total portfolio value

22.2

Type of activity financed/insured or provided

Renewable energy

Product type/Asset class/Line of business

Banking
Other, please specify
International Borrowing

Taxonomy or methodology used to classify product

Green Bond Principles (ICMA)

Description of product

With our international banking network whose scope we have increased, we are further strengthening our sustainable financing supports in order to bring a sustainable quality to our national economy. At this point, we work with many international financial institutions such as the International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), and U.S International Development Finance Corporation (DFC).

To give an example, in order to make our support to renewable energy projects sustainable, we signed a 15-year loan agreement with DFC in October 2014, amounting to USD 175 million. With this loan package, which offers attractive opportunities for investors and project owners, we financed renewable energy investments as well as machinery equipment supplies and energy efficiency investments that provide energy savings of at least 20%. In addition to the loan agreement we signed with DFC, we signed a 12-year loan agreement with the EBRD in October 2015 and June 2016, totalling USD 220 million.

While financial support to our SMEs, regional development and employment, and development studies are among the projects with a social scope, we consider endeavours such as renewable energy, clean transportation, and sustainable management of natural resources in the green projects category. We realized all our foreign borrowings in 2022 with the theme of sustainability. And 10,5% was green borrowing.

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

Mitigation
Adaptation

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

574,159,554.89

% of total portfolio value

10.5

Type of activity financed/insured or provided

Low-emission transport
Renewable energy

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

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	Emissions from visitors, which were included in the Scope 3 Downstream transportation and distribution category last year, were not included in the calculation this year because the calculation methodology was too hypothetical. In 2022, we took into consideration more than 5300 ATM machines (increased %11 compared to more than 5300 of ATM in the previous year), and 711 branches.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

Base year recalculation	Base year emissions recalculation policy, including significance threshold	Past years' recalculation

Row 1	No, because the operations acquired or divested did not exist in the base year	Since there is no need for recalculation for the base year, there is no recalculation policy used by our bank.	No
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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)

9,254

Comment

While calculating Scope 1 emissions, fuels originating from company vehicles, natural gas consumption in branches and refrigerant gases are considered.

Scope 2 (location-based)

Base year start

January 1, 2014

Base year end

December 31, 2014

Base year emissions (metric tons CO2e)

46,118

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)

46,118

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)

1,198.84

Comment

Paper, toner and card purchases are included in this category.

Scope 3 category 2: Capital goods

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

24,305.59

Comment

IT equipment owned by our bank is included in this category.

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

Taxi usages due to emissions from fuel and energy activities not included in Scope 1 and Scope 2 are given in this category.

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)

1,524.77

Comment

Emissions from waste are given in this category.

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

Emissions arising from activities such as business travel and hotel accommodation carried out by employees are given in this category

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

Emissions originating from the services used in the arrival and departure of employees are given in this category.

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)

10,671,879.04

Comment

Emissions from couriers and visitors are given in this category.

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)

40,135

Comment

Emissions from the consumption of cards are given in this category.

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: 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

Emissions caused by ATM chips are given in this category.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

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

The Greenhouse Gas Protocol: Scope 2 Guidance

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)

15,249.16

Comment

In 2022, we monitor and report electricity, water and fuel consumption regarding our operations. We calculate our emission based on the guidance of ISO 14064-1 and The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). There is an decrease compared to the previous year due to the contraction in our emission calculation boundary, which we handle within Scope 1 in 2022

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

In 2022, unlike previous years, we also calculated our location-based emissions while calculating our market-based emissions in order to measure the benefit of our renewable energy purchases, as is the case every year.

C6.3

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

Reporting year

Scope 2, location-based

45,474.22

Scope 2, market-based (if applicable)

15,415.88

Comment

We purchase electricity from Turkey's main grid and implemented the Ak-E4 project, which enabled us to remotely monitor and report our consumption of electricity, water, natural gas, and diesel.

This year, we expanded our efforts by calculating both our location-based and market-based emissions and integrated I-REC certificates for Scope 2 disclosure from Enerjisa Istanbul Anadolu Yakasi Elektrik A.Ş.. We calculated the consumption of all our branches to determine the local-based emissions.

In 2022, we achieved a significant reduction in market-based Scope 2 emissions, which decreased from 24,214.79 tCO₂e to 15,415.88 tCO₂e, representing a decrease of approximately 36%. We also reduced our electricity consumption significantly, from 53.7

GWh in 2021 to 31.9 GWh, a reduction of approximately 41%. Moreover, we increased our use of renewable energy from 41.4 GWh to 62.1 GWh, which represents an increase of 50.12%.

In 2022, we calculated our location-based emissions using the average grid factor with our total electricity consumption of 93,955 MWh.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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 CO₂e)

1,442.73

Emissions calculation methodology

Average product method

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

100

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.

Paperboard = 35240 kg X (Emission factor) 884.16 kgCO₂e = 31.15 tCO₂e

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 = 6 tonnes

Total Emission from Toner = 6 X 16 = 96 tCO₂e

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: 1,645,249

Total recycled debit and credit card: 2,401,273

Total emissions from non-recycled cards: $1,645,249 \times 150 \text{ grCO}_2\text{eq} = 246.79 \text{ tCO}_2$
Total emissions from recycled cards: $2,401,273 \times 150 \text{ grCO}_2\text{eq} = 360.19 \text{ tCO}_2$
Total emissions from cards = $246.79 + 360.19 = 1,103.34 \text{ tCO}_2\text{eq}$

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 cm²
80mmx300m Roll Paper area= 240000 cm²
80mmx500m Roll Paper area= 400000 cm²
57mmx17m Roll Paper area= 9690 cm²
1 80mmx300m Roll Paper= 384 A4 paper
1 80mmx500m Roll Paper= 641 A4 paper
1 57mmx17m Roll Paper= 15.5 A4 paper
Total 80mmx300m ATM Roll Paper= 8,620
Total A4 Eq. of 80mmx300m= 3,310,080
Total 80mmx500m ATM Roll Paper= 1,200
Total A4 Eq. of 80mmx500m= 769,200
Total 57mmx17m POS Roll Paper= 4,500,000
Total A4 Eq of 57mmx17m= 69,750,000
Total A4 Eq. of all Roll Paper= 73,829,280
Total weight= A4 weight (5 gr)x73,829,280= 369.15 tonnes
Emission= Emission factor (919.4 kgCO₂)x 369.15 tonnes = 339.39 tCO₂

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,498.93

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= 15.23 tCO₂

Laptop Total Embodied Emission= 2,041.73 kgCO₂

Telephone Total Embodied Emission= 3.76 kgCO₂

Tablet PC Total Embodied Emission= 280.98 kgCO₂

Router Total Embodied Emission= 157.12 kgCO₂

Akbank Total Embodied Emission= 2,498.93 tCO₂

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,551.18

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 fuels and electricity calculated in scope 1 & 2, there is well to tank (WTT) emissions from fuel and energy related activities;

Gasoline= 136876.34 liter x 0.613 kgCO₂eq= 83.90 tCO₂

Diesel= (2311398.76 + 169453.51) liter x 0.609 kgCO₂eq= 1510.83 tCO₂

Fuel Oil= 25535 liter x 0.697 kgCO₂eq= 17.79 tCO₂

Natural Gas= 2732004.38 m³ x 0.343 kgCO₂eq= 937.07 tCO₂

Electricity= 93955 KWh x 0.017 kgCO₂eq= 1.59 tCO₂

Total WTT emissions= 2,551.18 tCO₂

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

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)

22.43

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. Unfortunately, there is no information flow from the branches regarding the amount of waste. Total amount of waste = 851 tonnes.

Emission factor for all waste types are the same (except Household residual waste) = 21.28 kgCO₂/tonnes

Total emissions from waste generation = $841 \times 21.28 = 17.97 \text{ tCO}_2$

Total emissions from household residual waste = $10 \times 446.204 = 4.46 \text{ tCO}_2$

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

748.1

Emissions calculation methodology

Distance-based method

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

100

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: 1,656,554.99 passenger*km

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

10,535.67

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 :871,494 liter diesel

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: 22,610

Total amount paid: TRY 2,609,949.49

Total opening price: 22,610 x (Annual Average Opening Price) 8.28 TL= TRY 187,210.80

Excluding the opening price: 2,609,949.49 - 187,210.90 = TRY 2,422,738.69

Total km: 2,422,738.69 / (annual average price per km) 5.31 TL= 456,259.64 km

Total fuel use: 456,259.64 km X (Average fuel consumption) 0.09 liter/km= 41,063.37 liter gasoline

Total emissions: 41,063.37liter x (emission factor) 2.16 kgCO₂e/liter = 88.67 tCO₂e (DEFRA, Fuels, cell E95)

Upstream leased assets

Evaluation status

Not relevant, explanation provided

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 CO₂e)

16.09

Emissions calculation methodology

Fuel-based method

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

100

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 2022 (250) and inserted into the formula (total distance section) within GHG Emissions from Transport or Mobile Sources to calculate the total amount of emissions: 16.09 tCO₂e

Processing of sold products

Evaluation status

Not relevant, explanation provided

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

Please explain

Similar to other companies in the Financial Services industry, Akbank does not produce physical products. Emissions resulting from the use of sold products are not relevant for our company for this reason.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

0.33

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 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: 1,645,249

Total recycled debit and credit card: 2,401,273

Total emissions from non-recycled cards: $1,645,249 \times 5 \text{ gr} \times 8.88 \text{ kgCO}_2\text{eq} = 0.07 \text{ tCO}_2$

Total emissions from recycled cards: $2,401,273 \times 5 \text{ gr} \times 21.80 \text{ kgCO}_2\text{eq} = 0.26 \text{ tCO}_2$

Total emissions from cards = 0.33 tCO₂eq

Downstream leased assets

Evaluation status

Not relevant, explanation provided

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

Please explain

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

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000000027

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

30,665.04

Metric denominator

unit total revenue

Metric denominator: Unit total

1,147,294,000,000

Scope 2 figure used

Market-based

% change from previous year

52

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities
Change in output
Change in revenue
Change in methodology
Change in boundary

Please explain

Compared to 2021, the intensity figure for 2022 has decreased by approximately 52%, as our revenue increased to TRY 1,147,294 million, while our Scope 1+2 emissions decreased to 30,665.04 tons CO₂e. Specifically, the intensity figure for 2022 is calculated as 0.000000027. Our intensity figure for the reporting year 2021 was calculated as 0.000000056, based on our Scope 1+2 emissions of 42,487 tons CO₂e and revenue of TRY 762,798 million. The significant decrease in the intensity figure can be attributed to the remarkable increase in our revenue despite the relatively small decrease in emissions.

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	9,367.4	Decreased	22.05	In line with our efforts to become a Net Zero bank, the purchase of renewable energy, which was 41,401 MWh last year, was realized as 62,104 MWh in 2022. Compared to last year, there is an increase in the purchase of renewable energy by 20,703 MWh. When we multiply this difference by the emission factor of last year, we see that the purchase of renewable energy causes an emission reduction of 9,367.42 tCO2. When we compare this amount with the Scope 1+2 value of last year, it results in a 22.05% reduction.
Other emissions reduction activities	193.9	Decreased	0.46	We aim to achieve the replacements with LED armatures in the common spaces of ABM, Silivri Archive and 100 branches in 2023 for the purpose of minimizing our greenhouse gas emissions. By doing so, we anticipate that the energy saving we achieve in our locations will be around 50% in comparison with 2022. The solar power plant, which we installed on the roof of Akbank Banking Center in 2022 and started renewable energy production. A total of 428.64 MWh of

				renewable energy was produced in 2022, and the use of this energy resulted in fewer electricity purchases. Thus, an emission reduction of 193.94 tCO ₂ from RE production was observed.
Divestment	0	No change	0	There is no divestment occurred in 2022.
Acquisitions	0	No change	0	There is no divestment occurred in 2022.
Mergers	0	No change	0	There is no divestment occurred in 2022.
Change in output	1,172.7	Increased	2.76	<p>The purchase of grid electricity, which was 53,705 MWh last year, was realized as 31,851 MWh in 2022. While it is observed that 21,854 MWh less electricity was purchased compared to the previous year, 20,703 MWh of this was met from renewable energy purchases and 428,64 MWh from renewable energy production. According to this calculation, there is a reduction for the remaining 722.36 MWh. When this consumption is multiplied by the emission factor of last year, we see an emission reduction of 327.07 tCO₂.</p> <p>Fuel consumption within Scope 1 has increased compared to the previous year. While it caused an emission of 10,985 tCO₂ last year, there is an emission of 12,485 tCO₂ this year, thus an increase of 1,499.83 tCO₂ is observed.</p> <p>When these two items are combined, there is an increase of 978.81 tCO₂, resulting in an increase of 2.76% compared to the Scope 1+2 value of last year.</p>
Change in methodology	1,004.3	Increased	2.36	In the reporting year, there has been an increase in Turkey's grid emission

				factor compared to 2021. when we multiply this year's consumption data with last year's emission factor, a lower value should be obtained. When we multiply this year's consumption data with last year's emission factor, we arrive at a value of 14,411.58 tCO2. This year's emission value is 15,415.88 tCO2, which causes an increase of 1,004.30 tCO2 compared to last year. It results in an increase of 2.36% compared to last year's Scope 1+2.
Change in boundary	4,437.3	Decreased	10.44	Compared to last year, there has been a decrease in fugitive gas emissions (especially HFC). While there was a total emission of 7,201.1 tCO2 last year, this year there is an emission of 2,763.8 tCO2. This results in a 10.44% reduction in total Scope 1+2 emissions.
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	Yes

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	51,879.95	51,879.95
Consumption of purchased or acquired electricity		62,104	31,851	93,955

Consumption of self-generated non-fuel renewable energy		428.64		428.64
Total energy consumption		62,532.64	83,730.95	146,263.59

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Turkey

Consumption of purchased electricity (MWh)

93,955

Consumption of self-generated electricity (MWh)

428.64

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

94,383.64

C9. Additional metrics

C9.1

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

Description

Other, please specify
Plastic Consumption

Metric value

5.6

Metric numerator

tons

Metric denominator (intensity metric only)

% change from previous year

60

Direction of change

Decreased

Please explain

As Akbank, we have made a commitment to reduce single-use plastics to 0 by the end of 2023, at the latest, with a scope of covering our minimum administrative buildings. In this context, we ended the use of single-use plastics in our Headquarters Buildings as of May 2022 and switched to the use of porcelain plates for food services. In addition, we started to distribute flasks to our employees to be used in offices in order to reduce the consumption of plastic/cardboard cups. In addition, we provided 0 Waste e-trainings to raise awareness of our employees.

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_2022.pdf

Page/ section reference

The pages referred in the assurance report where the relevant assured indicators are presented can be viewed in our 2022 Integrated Report: 512-527

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_2022.pdf

Page/ section reference

The pages referred in the assurance report where the relevant assured indicators are presented can be viewed in our 2022 Integrated Report: 512-527

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_2022.pdf

Page/section reference

where the relevant assured indicators are presented can be viewed in our 2022 Integrated Report: 512-527

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

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

C8. Energy	Renewable energy products	ISAE 3410	In the reporting period, Renewable Energy Portfolio Total Installed Capacity (MW) refers to the total installed capacity of the Bank's renewable energy projects including Biomass Power Plants, Geothermal Power Plants, Solar Power Plants, Hydroelectric Power Plants, Wind Power Plants, which are monitored by the Bank's Credit Portfolio system as of the end of the year, to which credit is allocated through contracts and Board of Directors decisions and which have open risk.
C9. Additional metrics	Other, please specify Total Yearly Water Consumption by Source	ISAE 3410	In the reporting period, Water Consumption (m3/years) refers to the amount of water consumption from the network, which is monitored by the invoices of the Bank's service providers. Silivri, Branches, ABM and Head Office are included in the consumption amount.
C6. Emissions data	Year on year emissions intensity figure	ISAE 3410	In the reporting period, Emission intensity (tonCO ₂ / million TL), refers to the ratio of the sum of the Bank's Scope 1 and Scope 2 emissions to the amount of Balance Sheet- Total Assets (TL million) taken from the Bank's 2022 Consolidated financial indicators.
C9. Additional metrics	Waste data	ISAE 3410	Akbank: 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.
C9. Additional metrics	Other, please specify <ul style="list-style-type: none"> Paper Consumption (kg) 	ISAE 3410	In the reporting period, Paper Consumption (kg), refers to the amount of paper waste received from the Bank's authorized waste processing licensed companies, for which reconciliation, delivery notes and weighbridge receipts are tracked.

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

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

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

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

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

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

27

% total procurement spend (direct and indirect)

72

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

Rationale for the coverage of your engagement

As part of Akbank's Sustainability Strategy, one of our main goals is to establish value-creating, transparent, sustainable, reliable and quality business relationships with our suppliers. In that sense we developed The Supplier Code of Conduct and communicated it with all of our suppliers in 2021. The conduct includes the basic principles that we expect all suppliers that have or will have a business relationship with our bank and its subsidiaries. We obtain a statement from our suppliers for compliance with all provisions of the UN Global Compact and prioritize the suppliers working with more sensitive systems to the society and environment in the provision of the services. As of 2022, we started to include Sustainability articles in suppliers' contracts and the percentage of suppliers was 6%. And we started to ask additional Sustainability questions to new suppliers in 2022. As Akbank, we have made a commitment to reduce single-use plastics to 0 by the end of 2023, at the latest, with a scope of covering our minimum administrative buildings. In this context, we ended the use of single-use plastics in our Headquarters Buildings as of May 2022 and switched to the use of porcelain plates for food services. In addition, we started to distribute flasks to our employees to be used in offices in order to reduce the consumption of plastic/cardboard cups. In addition to this, we started to replace plastic credit cards with recycled ones. Hence, we aim to reduce CO2 emission with an increase in number of substituted PVC cards.

Impact of engagement, including measures of success

It is important for Akbank to establish value-creating, transparent, sustainable, reliable and quality business relationships with suppliers. And the engagement with suppliers in terms of raising awareness about Sustainability and Climate Change is crucial for Akbank. The success of this engagement is measured by the percentage of suppliers that have a knowledge about the Supplier Code of Conduct and by the percentage of suppliers with Sustainability articles in their contracts. Akbank communicated with 100% of its suppliers regarding the Supplier Code of Conduct. And 6% of its suppliers had sustainability articles in their contracts. In addition Akbank started to ask additional Sustainability questions to new suppliers which will motivate them to think and plan their Sustainability activities

Comment

C-FS12.1b

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

Type of clients

Customers/clients of Banks

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change considerations in client management mechanism

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

Portfolio coverage (total or outstanding)

100

Rationale for the coverage of your engagement

Engagement targeted at clients with increased climate-related opportunities

Impact of engagement, including measures of success

In 2022, we expanded the scope and content of our environmental and social loan policies with reference to good practices and standards and turned it into the Akbank Environmental and Social Risk Framework. We established the Environmental and Social Management System (ESMS) and Environmental and Social Impact Assessment (ESIA) System in order to identify and effectively manage environmental and social risks and/or

opportunities that may arise as a result of the financing we provide. We apply the ESMS to 100% of our customers having commercial activities with which our Bank has a loan relationship. With this system, we started to systematically monitor the scoring, due diligence, and assigned actions

with the IT improvements made on the loan offer screens. As Akbank we also engage with our clients for potential climate change risks. In 2022, we conducted a study to analyze the impacts of physical and transition risks of climate change specific to Cimisa, being one of our customers operating

in the cement sector, on the firm's operations and financials for the purpose of identifying the sectoral risks and opportunities of the impacts of climate change.

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

Portfolio coverage (total or outstanding)

4

Rationale for the coverage of your engagement

Engagement targeted at clients with increased climate-related risks

Impact of engagement, including measures of success

Akbank has performed a due diligence study to understand the its corporate and commercial segment customer's practices within the scope of climate change mitigation efforts. A list of questions was integrated into credit proposal documents for the clients operating in carbon intensive sectors. The rate of receiving responses to questions was occurred as 100%. It was observed that 71% of corporate clients and 25% of commercial clients has net zero targets and strategy. High percentage of responses is a measure of success and the results of this study will feed us to support our clients' on their Net 0 journey.

C12.1d

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

While engaging with clients and suppliers, Akbank cares to engage with other partners in the value chain including employees, climate-linked ecosystem and local and international organizations. The measure of success for Akbank is the increasing number of employees trained and increasing number of innovative partnerships with organizations. In 2022 we provided basic sustainability, sustainable finance, and introduction to climate change training to 100% of our corporate and commercial branches and approximately 25% of our Mixed Commercial branch employees. Compared to 2021, Mixed Commercial branch employees trained for the first time and employees trained at corporate and commercial branches reached to 100%. We improved our employee training in line with our ethical understanding, which is prioritized based on our Clean Banking principle. We provided Basic Sustainability training to 10,655 persons and Unconscious Bias training to 7,328 persons across the Bank in 2021. We reached 7,080 persons with the Zero Waste training which was introduced in 2022. We reached 89% of our employees at the end of 2022 through different training focusing on sustainability. Following the positive responses to and successful outcomes of our Sustainable Finance Program for the Future in 2021, we introduced "Regenerative Finance" (ReFi) this year by deepening the focus on Sustainable Finance further in the form of a "collective work." We looked for finance-oriented solutions for such global problems that affect our lives, like climate change, environmental pollution, and carbon emissions, in this program with the use of Web3

technologies. As one of the first organizations in Türkiye to embrace ReFi, being the first hackathon organized by a bank in Türkiye through the blockchain network with “Akbank ReFi Hackathon,” on the other hand, we organized the first ReFi Hackathon in the world. 19 teams consisting of students from 7 different cities, 11 different blockchain clubs, and 23 different universities, in addition to private sector employees, had a chance to design a project for their ideas focused on Regenerative Finance in 48 hours with the support of specialist mentors through the impact and Web3 ecosystem. In 2022 Akbank developed a partnership with PwC and acted as the leading partner of Climate Finance Accelerator (CFA) Türkiye Program. The Climate Finance Accelerator (CFA) is a global technical assistance programme funded by the UK government to directly support climate projects to access finance. Akbank has engaged with customers throughout the program with climate finance focus, by performing technical assessment of applied projects and performed capacity building studies. 100% of applied projects were evaluated by Akbank in terms of technical criteria with sustainable finance focus. Akbank identified a customer as a pure player within the scope of climate change adaptation efforts and carried out financing processes. We support young people in learning through experience with application-intensive programs and events in addition to the trainings under the roof of Akbank Youth Academy. Within the scope of our 101 training provided in collaboration with Microfon, we accessed university students all over Türkiye and tried to raise their awareness in the emerging subject matters, including climate crisis and Sustainability.

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

External engagement activities that could directly or indirectly 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)

(Please refer to the section About the Report pg. 6-7, Our Sustainability Journey pg. 122-140)

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Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

As Akbank, we consider sustainability as the center of our business strategy. Within the scope of our sustainability strategy, we continue to work towards Türkiye’s transition to a low-carbon economy to leave a more inhabitable world to future generations through the

participation in national/international initiatives guided by the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. Our material topics and strategic priorities are aligned with SDGs. We are a member of UNEPFI Principles for Responsible Banking and supporter of TCFD. We are an active participant of Banks Association of Türkiye Sustainability Working Group and working on Green Asset Ratio and Climate Risks. In addition we actively participate in BCSD Türkiye and Global Compact Network Türkiye working group meetings. In 2022 Akbank attended the Climate Council led by Ministry of Environment, Urbanism and Climate Change. The stakeholders worked for the green transformation of Türkiye and Akbank was one of the participants in the Council and shared opinions for potential regulations.

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?

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

Green Asset Ratio

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

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

Sustainable finance

Policy, law, or regulation geographic coverage

National

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

Turkey

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

Support with no exceptions

Description of engagement with policy makers

In 2022 we actively participated to the Sustainability Working Group meetings organized by Turkish Banking Association and worked on setting Green Asset Ratio for the banks in Turkey.

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

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Akbank continues to improve its current practices in sustainable finance activities within the framework of sustainability trends in line with international financial institutions, investors and current market expectations. Accordingly, Akbank updated its Sustainable Finance Framework in 2022, which serves as a basis for defining the criteria and methods in sustainable finance. In this respect to take a key role in Green Asset Ratio studies in Turkey is very critical for Akbank for its long term plans.

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, incorporating the TCFD recommendations

Status

Complete

Attach the document

 akbank_integrated_annual_report_2022.pdf

Page/Section reference

Refer to Pages 104-109 for climate risk; 32-55 for Strategy; 128 for governance, 204-227 for Climate Change performance for portfolio and operations. In addition all the relevant metrics can be found in the report.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) 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	<p>CDP Signatory</p> <p>Task Force on Climate-related Financial Disclosures (TCFD)</p> <p>UN Global Compact</p> <p>UNEP FI Principles for Responsible Banking</p>	<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. 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. 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. 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)

128.3

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

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

20.9

Details of calculation

We have calculated the value and ratio by selecting petrochemicals, construction, transport, transportation, metal&mining and non-renewable from our 2022 gross loan portfolio, sectoral breakdown.

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

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

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

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

<p>We conduct analysis on our portfolio's impact on the climate</p>	<p>Please explain why you do not measure the impact of your portfolio on the climate</p>
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Banking (Bank)	No, but we plan to do so in the next two years	<p>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. 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 performed a case study with one of our clients in the cement sector to analyse financial impacts of climate change exposures to both the client and Akbank. The results of this study is also available in our Integrated Annual Report. Accordingly, we announced our support to the Task Force on Climate Related Financial Disclosures (TCFD) this year. We also published our first TCFD year for 2022 at the end of the year. Going forward, we plant to strengthen our climate roadmap with the recommendations of the TCFD.</p>
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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	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree world
Banking (Bank)	Yes	<p>*We publicly committed to become a net zero bank by 2050. *We announced that we would not finance coal-driven new thermal</p>

		<p>power plant projects in any segments starting from 2021. We committed in Akbank’s Environmental and Social Risk Framework published in September 2022 that we would not finance coal-driven Thermal Power Plant capacity increases and new coal mine investments.</p> <p>* We closely followed our customers’ net zero goals and strategies. We carried out preliminary assessment studies in 2022 within the scope of net zero carbon strategies of our customers operating in automobile, cement, textile, tourism and petroleum-natural gas sectors.</p> <p>*We introduced new products to help our portfolio decarbonize. SME Eco Transformation Package and Blue Financing Product Package both provide assistance in the minimization of the impacts of climate change, and they are among our credit products that produce a positive effect within the scope of climate adaptation.</p> <p>*We qualitatively completed the sectoral climate change analysis study for the definition of the risks and opportunities associated with the credit portfolio of Akbank.</p> <p>*We assessed the location and sector specific climate risks for the geography-based climate change analysis of the Project Finance Loans by making use of the outcomes of our sectoral climate change analysis study.</p>
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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	<p>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</p>

		<p>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.</p> <p>* We closely followed our customers' net zero goals and strategies. We carried out preliminary assessment studies in 2022 within the scope of net zero carbon strategies of our customers operating in automobile, cement, textile, tourism and petroleum-natural</p>
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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, biodiversity issues, 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 regularly 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 which 45% of these related to climate change and	<p>Risks and opportunities to our own operations</p> <p>Risks and opportunities to our bank lending activities</p> <p>The impact of our own operations on biodiversity</p> <p>The impact of our bank lending activities on biodiversity</p>

		<p>93% of all action targets were met in 2022. .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 Committes 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, projects within AZE site boundaries 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.</p>	
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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	Biodiversity-related public commitments	Initiatives endorsed
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	any initiatives related to biodiversity		
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to No Net Loss Adoption of the mitigation hierarchy approach 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	SDG 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 impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Portfolio activity

Portfolio activity

Bank lending portfolio (Bank)

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

IFC PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resource, EBRD PR6 Biodiversity Conservation and Sustainable Management of Living Natural Resources Related Turkish Legislation, Forestry Law, EIA Regulation

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

We declare that the protection of flora and fauna in the areas where our customers operate or in the immediate vicinity is a priority, and we support the conduct of environmental assessment studies, using internal and external experts, to ensure that biodiversity issues are identified and appropriate conservation measures are taken. We expect our customers to continue their activities by protecting wildlife, ecology, flora, fauna, waterways, woodlands, and historical structures.

We question the procurement of natural resources from suppliers operating within the framework of a certification program (e.g., FSC, MSC certifications, etc.).

We evaluate all financing activities within the scope of the ESMS within the scope of international best practice requirements for biodiversity conservation. Within the scope of the ESMS, relevant information is requested from customers for industries and transactions that may have an impact on biodiversity, and action plans are created and monitored when deemed necessary. The ESIA examines the impact of Very High (A) and High (B1) risk category projects on biodiversity. Biodiversity Action Plans of projects are questioned when deemed necessary according to project locations and activities. In this context, the long-term negative effects of all existing projects on endemic species or living things in the immediate environment are taken into account. 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 support sustainable agriculture and forestry activities in order to prevent the loss of biodiversity.

During lending activities our teams assess entire loan applications with ESMS process. In case any financial activity has an impact on biodiversity or any protected area (AZE site, legally protected area, KBA, IBA etc.) ESMS team requires to attend mitaigative actions.

Within our ESIA systems(for above 10m USD investments, PF loans and Category A loans) projects first evaluated in according to environmental and social impacts. In case a project is identified as Category A(very high risk) or B1(high risk), working with independent consultants is necessary. In this case prior to credit allocation, credit committee has informed on identified major E&S impacts such as biodiversity, climate, land acquisition etc.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) 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	Law & policy

C15.6

(C15.6) 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

C15.7

(C15.7) 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	 1

 1 Akbank-ES-Risk-Framework.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
Forests	Yes
Water	Yes

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) or committee(s)	Responsibilities for forests- and/or water-related issues
Forests Water	Board-level committee	The SC oversees all sustainability performance and actions of the bank, including forests and water-related issues.

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 the risk management process

- Reviewing and guiding annual budgets
- Overseeing major capital expenditures
- Reviewing innovation/R&D priorities
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Monitoring the implementation of a transition plan

Scope of board-level oversight

Risks and opportunities to our banking activities

Please explain

We have set more than 100 actions (93% of these action targets were met in 2022) in 4 focus areas to achieve our targets. As of 2022-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 were published in 2022. In addition, the Committee decided to be a net zero bank by 2050 in 2022.

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 the risk management process
- Reviewing and guiding annual budgets
- Overseeing major capital expenditures
- Reviewing innovation/R&D priorities
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Monitoring the implementation of a transition plan

Scope of board-level oversight

Risks and opportunities to our banking activities

Please explain

We have set more than 100 actions (93% of these action targets were met in 2022) in 4 focus areas to achieve our targets. As of 2022-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 were published in 2022. In addition, the Committee decided to be a net zero bank by 2050 in 2022. The Committee also evaluated the results of the CDP Water Security questionnaire in order to track our water impact and performance transparently.

FW-FS1.1c

(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.

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.

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.

Position or committee

Sustainability committee

Issue area(s)

Forests

Water

Forests- and/or water-related responsibilities of this position

Assessing forests- and/or water-related risks and opportunities

Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities

Risks and opportunities related to our banking portfolio

Reporting line

Reports to the Board directly

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line

Quarterly

Please explain

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
Banking – Forests exposure	Yes
Banking – Water exposure	Yes

FW-FS2.1a

(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.

Banking – Forests exposure

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

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

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 heat 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

Banking – Water exposure

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

% of clients/investees (by number) exposed to substantive risk

% of clients/investees (by portfolio exposure) exposed to substantive risk

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 heat 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

(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
Banking – Forests-related information	Yes
Banking – Water-related information	Yes

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.

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests- and/or water-related information influences your decision making
Banking – Forests-related information	Commitment to eliminate deforestation/conversion of other natural ecosystems	Directly from the client/investee	Energy Materials Pharmaceuticals, Biotechnology & Life Sciences Real Estate	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

				<p>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 hecking and taking into account stakeholder engagement and grievance mechanism processes, compliance of the company or the project owner with the legislation related to</p>
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				<p>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</p>
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				be Creditable”, with the systemic controls we have added to our infrastructure in 2019.
Banking – Water-related information	Water withdrawn from water stressed areas Breaches to local water regulations	Directly from the client/investee From an intermediary or business partner	Energy Consumer Durables & Apparel Real Estate	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

				<p>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 hecking 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</p>
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				<p>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.</p>
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FW-FS2.3

(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
Forests	Yes
Water	Yes

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

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)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

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

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)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

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. CC risks (outside in effects of C to portfolio) project is completed in 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	
Forests	Yes
Water	Yes

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)

Potential financial impact figure - minimum (currency)

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

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)

Potential financial impact figure - minimum (currency)

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

FW-FS3.1

(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

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

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Capital allocation

Access to capital

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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

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 scenario) 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 heat 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.

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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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

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Considerations:

§ Scenario models such as “Representative Concentration Pathways” (RCPs) and “Shared Socio-economic Pathways” (SSPs) which are used as built-ins, were mainly used.

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§ 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.

FW-FS3.3

(FW-FS3.3) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, but we plan to set targets within the next two years	
Water Security	No, but we plan to set targets within the next two years	

FW-FS3.4

(FW-FS3.4) 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
Forests	Yes
Water	Yes

FW-FS3.4a

(FW-FS3.4a) 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

Product enables clients to mitigate

Water insecurity

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.

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-FS3.5

(FW-FS3.5) 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
Forests	Yes
Water	Yes

FW-FS3.5a

(FW-FS3.5a) 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

Requirements for 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

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Production

Exceptions to policy based on

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

Requirements for 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

Commodities with critical impact on water security covered by the policy

Forest risk commodity supply chain stage covered by the policy

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

FW-FS3.6

(FW-FS3.6) 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
Forests	Yes	Environmental and Social Policies are included in financing agreements.
Water	Yes	Environmental and Social Policies are included in financing agreements.

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
Clients – Forests	Yes
Clients – Water	Yes

FW-FS4.1a

(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.

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
Row 1	Yes	Timber products

FW-FS4.3a

(FW-FS4.3a) Describe how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity.

Timber products

Financial service provided

Smallholder financing/insurance approach

Financial incentives for sustainable practices

Other smallholder engagement approaches

Other than financing/insuring, we do not engage in other support for smallholders

Number of smallholders supported

1

Explain how the financing/insurance your organization provides enables smallholders to improve agricultural practices and reduce deforestation and/or water insecurity

Our Sustainable Finance Framework enables us to issue green and sustainable bonds, as well as other sustainability-linked funding instruments. The use of proceeds include water and forest related activities, and the definition of these were developed keeping the EU Taxonomy in mind.

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?

External engagement 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 Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact this issue area
Water	Yes, we engage directly with policy makers Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact this issue area

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)

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

In 2022 were 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/area/region the policy, law or regulation applies to

Turkey

Your organization’s position on the policy, law or regulation

Support with no exceptions

Description of engagement with policymakers

In 2022 were 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.

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

Have you evaluated whether your engagement on this policy, law, or regulation 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	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	Important but not an immediate priority	We will start a project in 2023 for decarbonization and set a roadmap for our decarbonization strategy.
Banking – Impact on Water	No, but we plan to in the next two years	Important but not an immediate priority	We will start a project in 2023 for decarbonization and set a roadmap for our decarbonization strategy.

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
Lending to companies operating in the timber products supply chain	No
Lending to companies operating in the palm oil products supply chain	No
Lending to companies operating in the cattle products supply chain	No
Lending to companies operating in the soy supply chain	No
Lending to companies operating in the rubber supply chain	No
Lending to companies operating in the cocoa supply chain	No
Lending to companies operating in the coffee supply chain	No

FW-FS5.3

(FW-FS5.3) Indicate whether you measure the percentage of clients/investees compliant with your forests- and/or water-related requirements stated in question FW-FS3.5, and provide details.

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).

Focus of the Publication

Water Security

Publication

In mainstream reports

Status

Complete

Attach the document

 akbank_integrated_annual_report_2022.pdf

Page/Section reference

Content elements

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