

AKBANK



Our ESG Journey

April 2021



ESG Strategy: Mitigate environmental footprint while increasing positive impact



Actionable targets for positive impact

SUSTAINABLE FINANCE

Supporting a more sustainable economy

TL 200 bn Sustainable loan financing until 2030

TL 15 bn AuM Sustainable investment funds 2030



Increase sustainable financing secured by the bank until 2030

ECOSYSTEMS MANAGEMENT

Enhancing businesses & financial health

Extend digital & innovative products & services



Increase number of financially empowered people

PEOPLE & COMMUNITY

Empowering our people and communities

Improve the effectiveness of investment on our people

Increase Social Return on Investments for community investments



Enhance the effectiveness of Akbank volunteerism in community investments

CLIMATE CHANGE

Mitigating operational emission & portfolio impact

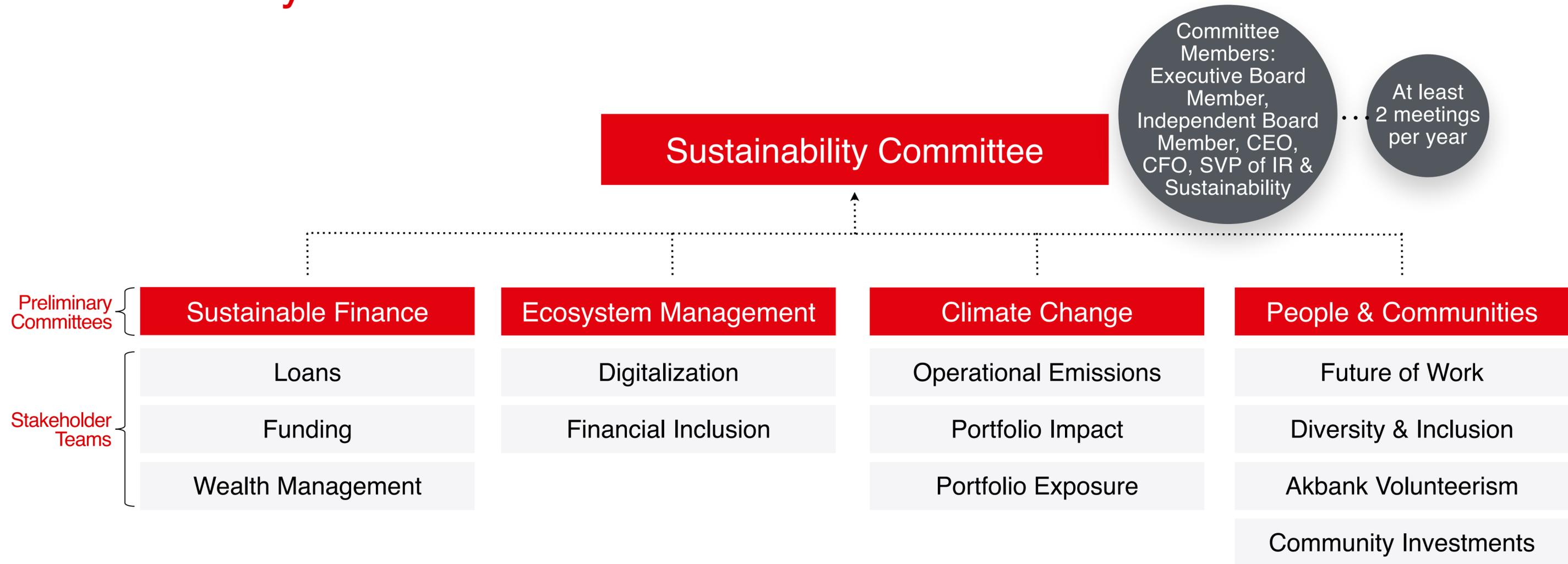
Become a carbon-neutral bank through eliminating operational emissions until 2025

Decrease impact of loan portfolio on climate change until 2030



Mitigate climate-related risks & impact on portfolio

Sustainability Governance



Investor Relations & Sustainability Department:

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

Akbank's sustainability performance at a glance

Sustainable finance

Supporting our businesses for a more sustainable economy

Environmental and Social Impact Assessment

for project finance & new investment loans

Environmental and Social Management System

for SME customers

First Green Bond

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

100% of energy generation

Loans to renewables since 2016



People & Culture

Reskilling our people for future of work

53%

women employees

36%

women executives

30 hrs

training per employee

Women's Empowerment

Principles, 30% Club,

Valuable 500, Bloomberg

Gender Equality Index,

OMFIF Gender Balance Index

member



Climate change

Reducing our impact on environment

First company in Turkey to

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

LEED Gold

Green Building Certification for Akbank's new Data Center

Clear, transparent emissions reporting & targeting since 2012



Community investment

Creating shared value

Long-running Arts & Culture initiatives

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

Founding sponsor of Endeavor Turkey

+ 1K

Akbank volunteers



Sustainable finance for a more sustainable economy



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



- ▶ 100% of energy generation loans to renewables since 2016
- ▶ 84% of PF energy generation loans are renewable



- ▶ Signatory of largest sustainability-linked loan deal in Turkey totaling EUR 650 mn with environmental and gender KPIs
- ▶ Issued USD 50 mn Green Bond with c. 4 yrs maturity reflecting sustainability goals
- ▶ Obtained USD 75 mn EBRD Coronavirus Solidarity Package for SMEs
- ▶ Aklease obtained USD 25 mn from Dutch development bank FMO with 5 yrs maturity for renewable energy financing



- ▶ Export loan support for women entrepreneurs through competitive financing opportunities & consulting services

Financial inclusion: Empowering businesses through partnerships



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



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

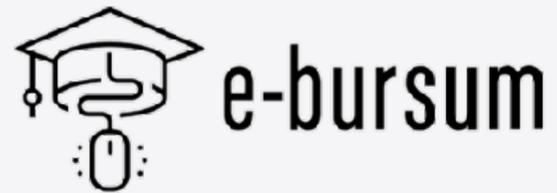


- ▶ Affordable platform to operate in online commerce
- ▶ Special offers: competitive POS commission rates, cashback, commercial installment loans with favorable interest rates

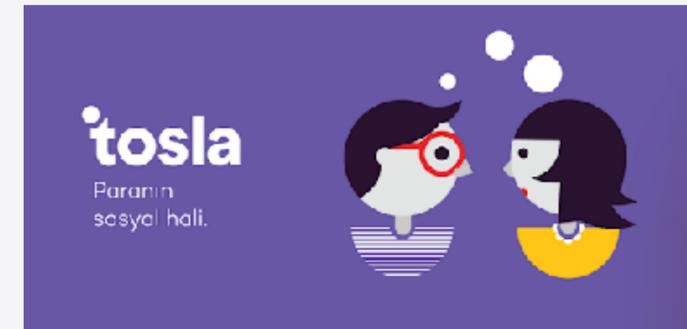
Financial inclusion: Empowering youth



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



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



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

8 ⁽¹⁾ Akbank FAV addresses the needs and preferences of youth through targeted products and services

People & Culture: Shaping the future of work

Adapting to new working model post-pandemic

- ▶ End-to-end redesign of all HR processes
- ▶ Inspired by resilience and adaptability during the pandemic
- ▶ Redesigned working model for HQ:
 - ◉ c. 55% remote-working
 - ◉ c. 35% hybrid-working
 - ◉ c. 10% onsite



Our new hybrid approach will:

- ▶ Improve service quality with more efficient, flexible, dynamic teams
 - ▶ Enable tapping into talent pools across the country
 - ▶ Enhance talent retention and employee satisfaction
 - ▶ Become more inclusive with full / part-time opportunities for the disabled / disadvantaged
 - ▶ Reduce our environmental footprint
 - ▶ Further optimize low opex base through savings
 - ▶ Optimize our real estate portfolio in due course
- ..all resulting in stakeholder value creation



AKBANK

Investing in our future through culture and skills

- ▶ Akbank Academy
 - ◉ Next-generation technology & infrastructure
 - ◉ 24/7 access to online training; 30 hrs training/employee (52% online)
 - ◉ Key skills for future of work: social, cognitive and technological
 - ◉ Digital trainings during remote work (10,104 webinars, 37,739 views)
 - ◉ Diversity & inclusion trainings
- ▶ Reflection of the Future Program: personalized career training for all our people
- ▶ Centers of Excellence: specific expertise & training in 8 areas (eg. robotics process automation, design-thinking, next-gen marketing)
- ▶ Youth: Future Club, Shadow Program, Generation to Generation Project, Switch (reverse-mentorship)
- ▶ Multi-disciplinary learning culture, with programs to integrate key skills into corporate culture
- ▶ First Turkish company to join Valuable 500, supporting disability inclusion
- ▶ Entered Bloomberg Gender Equality Index 2021, scoring higher than global and sector averages
- ▶ Became top EM bank and ranked among top 5 banks globally in Official Monetary and Financial Institution Forum's Gender Balance Index 2021

Akbank Youth Academy

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

Creating shared value by investing in our communities

Arts & Culture

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

Entrepreneurship

- ▶ Founding sponsor of Endeavor Turkey
- ▶ Case Campus Bootcamp, Startup Campus, ScaleUp Campus, EndeavorConnect
- ▶ Akbank Entrepreneur Development Program (with Sabancı University)

Education

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

Volunteering

Part of who we are /
corporate culture

Akbank Volunteers from all over the
country

40 Ambassadors

Continuous support during the
pandemic

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

AKBANK

Reducing our impact on the environment (2019)

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



Minimizing the effect of our loan portfolio
on climate change

5.8 mn tons
CO2 emissions prevented by
renewable projects financed

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

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

Reducing paper use: Digital solutions
for efficient natural resource
consumption

Saving 27 mn sheets of paper,
~15K trees

Energy-efficient technology &
infrastructure: Data and Living
Center

1.4 power usage efficiency, LEED
Gold Green Building Certification

Waste disposal: Recycling-oriented
waste management policy

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

Governance structure for long-term, sustainable decision-making

- ▶ Split roles for Chairman & CEO
- ▶ Board structure in compliance with CMB⁽¹⁾ legislation
- ▶ Remuneration policy
 - ◉ Remuneration of Board Members and Senior Management in line with the regulations of the BRSA⁽¹⁾ and CMB⁽¹⁾
 - ◉ Total compensation quarterly disclosed in annual report
- ▶ Donation policy
 - ◉ Maximum limit approved annually at General Assembly
 - ◉ Total donations disclosed in annual report

Prudent Risk Management

- ▶ Chief Risk Officer reports directly to the BoD
 - ◉ 1st bank in Turkey to integrate Machine Learning scorecards into credit processes
 - ◉ Cutting edge methods and tools
- ▶ Chief Information Risk Officer reports directly to the BoD, aspirational global best practice
 - ◉ 1st financial institution in Turkey
 - ◉ Recognized as best practice, mandatory as of 2021 according to the new banking regulation
 - ◉ Top priorities: Cybersecurity, data security/privacy and fraud risk management

Robust application of policies through training & monitoring

Policies	Approach	Training
Ethical Principles	Drawn to enlighten us in all kinds of transactions, behaviors and decisions	<ul style="list-style-type: none"> ▶ For all employees: Code of Ethics, Information Security, Data Leakage, Law on Protection of Personal Data, Anti-corruption, Sustainability ▶ Specialized trainings: International Sanctions/Combating Proceeds of Crime training, Sustainable Banking and Assessment of Environmental and Social Risks, SME Loans and SEMS, Clean Banking
Anti-bribery & Anti-Corruption	Compliance with the anti-bribery and anti-corruption laws and regulations, clean banking rules, ethical principles and universal guidelines	
Dividends	Distribute cash and/or shares to a maximum of 40% of its distributable profit	
Disclosures	In close and transparent communication with shareholders	
Gifts and Hospitality	Strict principles with regard to the giving and receiving gifts	
Remuneration	Aligned with BRSA and CMB's Corporate Governance Principles	
Donations and Contributions	Aligned with Capital Markets Law and Banking Law,. donations up to max 0.4% of equity	
Compensation	Aligned with Labor Law	
Cookies	Provide facilities to users visiting our website and further improve the modus operandi	
		Monitoring
		<ul style="list-style-type: none"> ▶ 24/7 Ethics Hotline ▶ In case of a possible breach: <ul style="list-style-type: none"> ● Evaluation by Internal Control ● Directed to Executive Vice President and Internal Audit

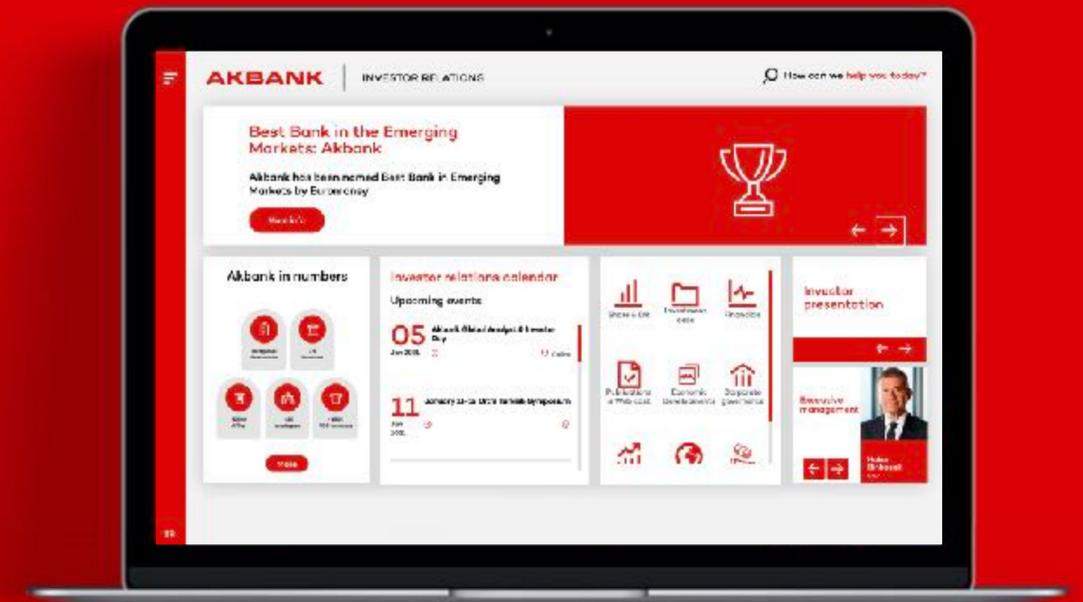
Materiality analysis



Check out our website!

Some of the new features:

-  Investment case
-  Wholesale funding
-  Interactive share chart



www.akbankinvestorrelations.com



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Institutional Investor Awards



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