

C0. Introduction

C0.1

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

Akbank was founded as a privately owned commercial bank in Adana on January 30, 1948. Established originally with the core objective of providing funding to local cotton growers, the Bank opened its first branch in Istanbul's Sirkeci district on July 14, 1950. In 1954, after relocating its headquarters to Istanbul, the Bank rapidly expanded its branch network and automated all its banking operations by 1963.

Initially offered to the public in 1990, Akbank stock began trading in international markets and as an American Depository Receipt (ADR) after its second public offering in 1998. In addition to these, Akbank had been qualified for BIST Sustainability Index in 2014.

With a strong and extensive domestic distribution network of 770 branches staffed by more than 12 thousand employees, Akbank operates from its headquarters in Istanbul and 21 regional directorates across Turkey. In addition to providing services at branches, its traditional delivery channel, Akbank also serves around 18 million customers via Akbank Internet, Akbank Mobile, the Call Center, around 5,100 ATMs and more than 600 thousand POS terminals. The sustainability vision of Akbank is to be a sustainability leader in Turkey, and one of the leading institutions establishments in the world.

In order to attain its sustainability vision, Akbank aims to efficiently manage its environmental, social, ethical and economic risks and opportunities that arise in its products, services and operations with high priority. By performing a prioritization analysis, we identified the high priority and material issues that are required for the Bank to succeed in its sustainability vision. We created and began to implement a sustainability strategy by identifying relevant risks and opportunities.

Differentiating from the competition with our sound financial fundamentals and mutual interaction-oriented relationships with stakeholders, Akbank's sustainability strategy has been identified as: supporting the economic growth of Turkey and the Bank's customers; providing products and services that increase social welfare without compromising on ethical and secure banking principles; and minimizing the environmental impact of its operations.

The fundamental goal in implementing this strategy is to improve our corporate performance by following the roadmaps we devise for every kind of important and material issue and by making commitments.

Akbank's solution strategies for the global climate change are shaped by the Corporate Governance Committee that directly reports to our Board of Directors. In addition, the International Advisory Board also contributes to the Bank's vision. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. Other departments and sustainability team are responsible for collecting data and applying the decisions taken by the CGC.

Climate change, which is caused by increasing levels of greenhouse gas emissions in the earth's atmosphere, poses major risks for societies today. Heat waves of increasing frequency and intensity, floods, droughts, and extreme weather conditions due to climate change have the potential to have negative impacts on industries such as forestry, fishing, agriculture, healthcare, tourism, and construction, among others. Climate change laws, rules and regulations that have been enacted or are likely to be put into effect in Turkey and its trading partners pose the risk of legal non-compliance and extra investment costs to fight climate change. It is anticipated that companies with large amounts of greenhouse gas emissions such as the ones in transportation and aviation industries will be impacted by the aforementioned laws and regulations.

Akbank continually updates its risk management approach in the face of the adverse impacts of climate change on human activities. By embracing a proactive approach to risk management, the Bank strives to effectively manage climate-related risks and turn threats into opportunities. Akbank closely monitors the changes in laws and regulations related to energy efficiency and renewable energy, which gain in prominence in Turkey by the day, with its specialized staff, and carries out comprehensive compliance efforts. In addition, Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. In addition, the Bank measures the carbon emissions stemming from its operations and business travel, and undertakes initiatives to minimize them.

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

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

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 organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Board Chair	Chairman of Akbank is also a member of Corporate Governance Committee, and the Credit Committee. This kind of organizational structure enables the synergy between different approaches to support governing climate-related issues in a holistic way.
Board-level committee	Corporate Governance Committee is the highest body that oversees the sustainability strategies, policies and practices of the bank. The Committee organizes and oversees the efforts of all business units within the Bank in terms of focusing on shared ESG goals. Akbank's solution strategies for the global climate change are shaped by the Corporate Governance Committee that directly reports to the bank's Board of Directors. Investor Relations and Sustainability Department is responsible for setting the agenda of the committee, as well as the coordination and management of these issues within our Bank. The committee meets twice a year, reviewing issues in its agenda in a periodic and systematic fashion. Heads of Business Units may attend the meetings of the committee, depending on the agenda.
Board-level committee	Credit Committee helps the bank to govern its aspirations in identifying and effectively managing the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. The Bank has developed an Environmental and Social Risk Assessment System. The responsible board body is the Credit Committee which examines loan offers which have passed in terms of compliance with legal regulations, banking policies, environmental and social policies as well.
Chief Financial Officer (CFO)	CFO is the member of the Corporate Governance Committee, the body in Akbank with the ultimate responsibility in overseeing the bank's sustainability strategies, policies & practices including combating with climate change.

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 – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate The impact of other products and services on the climate	The Corporate Governance Committee meets twice a year. The items in its 2019 meeting agenda included were analysis of the Bank’s current position in terms of sustainability, assessment of future steps, climate change strategies, action plan. The Committee also reviewed the organizational structure of the ESG issues, including the bank’s climate change policy. The data collection system of the bank in measuring and optimizing emissions was also discussed.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other committee, please specify (Corporate Governance Committee)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Half-yearly
Other committee, please specify (Credit Committee)	Reports to the board directly	Other, please specify (Assessing climate-related risks regarding financing activities)	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	More frequently than quarterly

C1.2a

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

Akbank’s solution strategies for the global climate change are shaped by the Corporate Governance Committee that directly reports to our Board of Directors. Investor Relations and Sustainability Department ensures coordination and management of the issue within our Bank. Other departments and sustainability team are responsible for collecting data and applying the decisions taken by the Corporate Governance Committee. The items in its 2019 meeting agenda of Corporate Governance Committee included were analysis of the Bank’s current position in terms of sustainability, assessment of future steps, climate change strategies, action plan. In detail, the Committee also reviewed the organizational structure of the ESG issues, including the bank’s climate change policy. The data collection system of the bank in measuring and optimizing emissions was also discussed.

A working group was formed in 2019 in order to reframe the priorities of the bank in terms of ESG, including climate change matters. Coordinated by the Investor Relations and Sustainability team, the working group comprised of 25 executives (Senior Vice Presidents and Vice Presidents) whose mandates within the bank are related to sustainability. This dedicated working group met 3 times during the year, determining the key priorities of the bank’s sustainability policies and setting the framework for concrete steps to tackle climate change issues related to the bank’s operations.

Akbank continually updates its risk management approach in the face of the adverse impacts of climate change on human activities. By embracing a proactive approach to risk management, the Bank strives to effectively manage climate-related risks and turn threats into opportunities.

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	Although the incentives to be given to employees on the condition of addressing / realizing of climate-related issues and targets were handled with non-monetary incentives for Akbank in the previous reporting period, it is considered to include emission reduction targets in the incentive mechanisms with new and upcoming reporting periods. In 2019, the responsibilities of the business units were determined jointly with the Organizational Development department in order to identify the priority 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 development 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.

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Financial Officer (CFO)	Non-monetary reward	Emissions reduction project Behavior change related indicator	There are several KPI's listed to minimize Akbank's carbon footprint. Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions through energy reduction activities. So Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations. For raising awareness among its personnel, Akbank designs its sustainability training package and expands awareness from employees to customers.
Other, please specify (Sustainability Senior Vice President)	Non-monetary reward	Emissions reduction project Behavior change related indicator	There are several KPI's listed to minimize Akbank's carbon footprint. Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions through energy reduction activities. So Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations. For raising awareness among its personnel, Akbank designs its sustainability training package and expands awareness from employees to customers.
Environment/Sustainability manager	Non-monetary reward	Energy reduction project Behavior change related indicator	There are several KPI's listed to minimize Akbank's carbon footprint. Akbank closely monitors the latest advances in technology and international initiatives in order to minimize greenhouse gas emissions through energy reduction activities. So Akbank aims to use energy more economically and to make practices that enable energy efficiency in line with the target of reducing the amount of energy required in its operations. For raising awareness among its personnel, Akbank designs its sustainability training package and expands awareness from employees to customers.

C-FS1.4

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

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No, but we plan to do so in the next two years	We're considering to offer an employment-based retirement scheme that incorporates ESG principles in the upcoming years.

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	6	
Long-term	6	30	

C2.1b

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

Akbank creates various internal platforms to manage climate change-related risks. The Bank is leveraging these platforms to carry out necessary initiatives in terms of managing the anticipated risks in the best possible way and turning threats into opportunities. In this regard, the Bank is undertaking conscientious efforts particularly in following the new laws and regulations in energy efficiency and renewable energy that became effective in 2010 as well as complying with this new legal framework. Akbank examines its climate change related risks into two categories.

1) Arising from Akbank's own operations.

A Sustainability Team composed of representatives from most of the business units in Akbank and operating under the leadership of the Investor Relations and Sustainability Department performs the identification and assessment of climate change related risks by taking into consideration the feedback from the Bank's business units as well as stakeholder expectations. Meetings are held on monthly basis. The Corporate Governance Committee (CGC), which meets twice a year, organizes and oversees the efforts of all business units within the Bank in terms of focusing on climate-change related risks and opportunities.

2) Arising from Akbank's financing activities.

A system is developed to identify and effectively manage climate-related risks & opportunities that may arise as a result of the financing Akbank provides and the Credit Committee is responsible board body. The Corporate Governance Committee (CGC), which reports directly to the Board of Directors, is the highest executive body for sustainability activities. The Chairman and majority of the members of the CGC are independent Board Members. The Corporate Governance Committee was established in 2009 . The CGC organizes and oversees the efforts of all business units within the Bank in terms of focusing on shared sustainability goals which includes climate-related risks. Two corporate governance committee members are both the Credit Committee and the Executive Risk Committee members. This kind of organizational structures enable the synergy between different approaches to support the governance of climate-related risks in a holistic way.

In addition, their area of responsibility was enlarged to cover not only the loans that require senior level approval, but also all loan applications received by the corporate and commercial branches. These Loan Analysis Managers are responsible for investigating all risks to be evaluated at the loan application phase and for recording the results of the analyses in the application file. The committee targeted to make sure that the team is better equipped in terms of environmental and social risks evaluation methodology. Akbank

continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms.

In line with these conditions, the Bank aspires to identify and effectively manage the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. The Bank has developed an Environmental and Social Risk Assessment System. Accordingly, project loans with total investment amount of USD10 million and over, and new commercial loan requests with total investment amount of USD50 million and over, shall be subject to an Environmental and Social Risk Assessment.

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
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Akbank creates various internal platforms to manage climate change-related risks. The Bank is leveraging these platforms to carry out necessary initiatives in terms of managing the anticipated risks in the best possible way and turning threats into opportunities. In this regard, the Bank is undertaking conscientious efforts particularly in following the new laws and regulations in energy efficiency and renewable energy that became effective in 2010 as well as complying with this new legal framework. Akbank examines its climate change related risks into two categories. 1) Arising from Akbank's own operations. A Sustainability Team composed of representatives from most of the business units in Akbank and operating under the leadership of the Investor Relations and Sustainability Department performs the identification and assessment of climate change related risks by taking into consideration the feedback from the Bank's business units as well as stakeholder expectations. Meetings are held on monthly basis. The Corporate Governance Committee (CGC), which meets twice a year, organizes and oversees the efforts of all business units within the Bank in terms of focusing on climate-change related risks and opportunities. 2) Arising from Akbank's financing activities. A system is developed to identify and effectively manage climate-related risks & opportunities that may arise as a result of the financing Akbank provides and the Credit Committee is responsible board body. The Corporate Governance Committee (CGC), which reports directly to the Board of Directors, is the highest executive body for sustainability activities. The Chairman and majority of the members of the CGC are independent Board Members. The Corporate Governance Committee was established in 2009. The CGC organizes and oversees the efforts of all business units within the Bank in terms of focusing on shared sustainability goals which includes climate-related risks. Two corporate governance committee members are both the Credit Committee and the Executive Risk Committee members. This kind of organizational structures enable the synergy between different approaches to support the governance of climate-related risks in a holistic way. In addition, their area of responsibility was enlarged to cover not only the loans that require senior level approval, but also all loan applications received by the corporate and commercial branches. These Loan Analysis Managers are responsible for investigating all risks to be evaluated at the loan application phase and for recording the results of the analyses in the application file. The committee targeted to make sure that the team is better equipped in terms of environmental and social risks evaluation methodology. Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. In line with these conditions, the Bank aspires to identify and effectively manage the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. The Bank has developed an Environmental and Social Risk Assessment System. Accordingly, project loans with total investment amount of USD10 million and over, and new commercial loan requests with total investment amount of USD50 million and over, shall be subject to an Environmental and Social Risk Assessment. The Bank applies the following criteria as part of its Environmental and Social Risk Assessment System: • New projects (or loan requests) with financing requests are classified as low-, medium-, and highrisk based on the potential environmental and social impact. • Additional assessment criteria vary according to the industry, and they are applied for the industries with high environmental and social risks. • The assessment takes, the environmental and social risks associated with the current operations of the potential borrower, and the methods applied for environmental and social risk management, also into consideration. An Environmental and Social Assessment Report by an independent consultant shall be requested for medium - and high-risk projects and loan requests. The company applying for a loan and/or project financing is asked to provide an Environmental and Social Action Plan, and an Environmental and Social Commitments list. • The Environmental and Social Action Plan, and the Environmental and Social Commitments list are also added to the contract with the customer. • 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: o Stakeholder participation and complaint mechanism processes. o Compliance with the Occupational Health and Safety (OHS) regulations during both the company's operations and investment activities. o Proximity to wetlands according to the project's RAMSAR4 Convention. o Presence of the "Resettlement Action Plan" in projects with physical or economic resettlement due to land acquisition. o Minimizing project-related deforestation, and where deforestation is inevitable, the presence of a plan for the number of trees to be cut and for a recovery plan for the deforested area. o Amount of additional greenhouse gas emissions that will be created during the operation period of high-risk projects, and the projected carbon cost. o Assessment processes of the impact on biodiversity. o Customer's current or in-development Environmental and Social Management System. Akbank has adopted a "Non-Financing Activities List". Article 1 of that list stipulates the activities Akbank will not finance, regardless of limit and without requiring an environmental and social risk assessment, including the operations that are prohibited by the national legislation and the international treaties Turkey is a party to. Furthermore; The Bank takes into consideration environmental and social risk criteria • in all SME (small and micro) loans. Also, the Bank does not provide financing for projects that are certain to have a significant negative environmental impact. The Bank lends within limitations to the industries that are stated in Article 2 of the "Non-Financing Activities List" and are identified by the IFC. • Branch Manager and the Regional Loan Committee are responsible for compliance of the loan with the Akbank Environmental and Social Policies and for developing the required action plan. All parties of the lending decision shall conform with the Akbank Environmental and Social Policies. The Akbank Environmental and Social Policies comply with the Bank's Ethical Principles, Complaint Management, and Business Continuity Management.

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 bank itself and customers (new carbon taxes, emissions trading systems, GHG emission reduction targets) and non-compliance with law (fines, jurisdictions,etc) can have impacts on bank and/or customers' cash-flows and capacity of loan repayment. As our operations are expanding, any design and renovation activity related to our existing and qualifying buildings (offices, branches, ATMs) will have to meet minimum requirements related to Regulation on Energy Performance in Buildings. This may cause additional costs to our operations. Apart from this, Regulatory Framework on "Monitoring GHG Emissions" may impact project finance of our borrowers from energy intense sectors and decrease their ability to repay.
Emerging regulation	Relevant, always included	Potential regulation changes directly affect bank itself and customers (new carbon taxes, emissions trading systems, GHG emission reduction targets) and non-compliance with law (fines, jurisdictions,etc) can have impacts on bank and/or customers' cash-flows and capacity of loan repayment. Despite uncertainties regarding regulation, a possible carbon tax and trading system would add extra cost burden to companies regardless of their sector.
Technology	Relevant, always included	Technology related risks are relevant and always included in our climate-related risk assessments when our operations are considered. Since we're operating in various locations with our branches and office buildings throughout Turkey and abroad, rise of mean temperatures will cause additional costs for the upgrade of our current air conditioning systems with more energy efficient ones.
Legal	Relevant, always included	Potential regulation changes directly affect bank itself and customers (new carbon taxes, emissions trading systems, GHG emission reduction targets) and non-compliance with law (fines, jurisdictions,etc) can have impacts on bank and/or customers' cash-flows and capacity of loan repayment.
Market	Relevant, always included	Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. As of the end of 2019, the total project financing loan size we provided to renewable energy projects of USD 10 million and above reached USD 1.711 million, while the share of these loans in energy generation projects reached 82%. With the renewable energy projects we financed, approximately 5.8 million tons of CO2e emission was prevented in 2019. In 2019, we continued to finance qualified energy projects. As in the last three years, we provided 100% of the financing for renewable projects in 2019, while the ratio of renewable energy projects in our total portfolio was 76%. In addition, we started to provide financing for biomass projects in 2019. At the end of the year, 2,986 MW of our energy portfolio were HEPP, 780 MW WPP, 320MW GES, 181 MW SPP and 9.3 MW Biomass projects.
Reputation	Relevant, always included	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. 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.
Acute physical	Relevant, always included	Acute physical risks will have financial implications for any organization by implying direct damage to physical assets and will disrupt supply chains of related organizations. As we're the financier of multiple sectors, our borrowers' financial performances are closely linked to various effects like water availability, sourcing, and quality; food security; and extreme temperature changes. 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.
Chronic physical	Relevant, always included	Long-term shifts in climate patterns (e.g., sustained higher temperatures) that might cause sea level rise or chronic heat waves may affect our operations. Akbank's Environmental and Social Impact Assessment system covers this risk (sea level rise or drought due to higher temperature,etc) in the evaluation process of a loan application.

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	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	We're currently planning to assess our portfolio's exposure to climate-related risks and opportunities. The first step in this effort will be determining our financial exposure of various energy-intensive sectors in our portfolio. For the calculation of our portfolio's exposure to climate-related risks & opportunities, we began to consider and collect data related to different parameters such as, sectoral GHG emission breakdowns of our portfolio, sources of these emissions (weighting of the company considering its asset size & revenues). This estimation will form a baseline for our methodological approach on our portfolio's exposure to climate-related risks & opportunities.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	As our products & services are majorly linked to our lending activities, "other products and services" section of this particular question is not relevant for us.

C-FS2.2d

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	<Not Applicable>	We're currently planning to assess our portfolio's exposure to water-related risks and opportunities. As a baseline of this plan & process, for HEPP (Hydroelectric Power Plants) projects covered by the ESIA (Environmental and Social Impact Assessment System), we request from our clients/ investees whether climate change factor is included in their calculations regarding water reserves. In addition, information on the projects' water use, trees cut and greenhouse gas emissions is requested.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	As our products & services are majorly linked to our lending activities, "other products and services" section of this particular question is not relevant for us.

C-FS2.2e

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	<Not Applicable>	We're currently planning to assess our portfolio's exposure to forests-related risks and opportunities. As a baseline of this plan & process, for HEPP (Hydroelectric Power Plants) projects covered by the ESIA (Environmental and Social Impact Assessment System), we request from our clients/ investees whether climate change factor is included in their calculations regarding water reserves. In addition, information on the projects' water use, trees cut and greenhouse gas emissions is requested.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	As our products & services are majorly linked to our lending activities, "other products and services" section of this particular question is not relevant for us.

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	For various projects (e.g. HEPP (Hydroelectric Power Plants)) covered by the ESIA (Environmental and Social Impact Assessment System), we request from our clients/ investees whether climate change factor is included in their calculations regarding water reserves. In addition, information on the projects' water use, trees cut and greenhouse gas emissions is also requested. External environmental consultants provide support regarding this particular process.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	As our products & services are majorly linked to our lending activities, "other products and services" section of this particular question is not relevant for us.

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Current regulation	Enhanced emissions-reporting obligations
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Primary potential financial impact

Other, please specify (Decreased revenues due to low repayment rate)

Climate risk type mapped to traditional financial services industry risk classification

Liquidity 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 short run Akbank may be indirectly affected as its customers (some in energy-intensive industries) may have higher operational costs as a result of shifting production processes or updating technologies to support lower levels of GHG emissions resulting in a possible loss of business for Akbank. Another example as an indirect adverse effect on Akbank can be risk of late paybacks or payback risks for the creditors due to the new regulations. Additionally, increasing demand for environmental and social financing may result in higher financing need for Akbank as well and in the case of not being fully compliant with the new regulations may result in lower roll-over ratios for the bank.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We will come with the appropriate methodological approach to estimate the relevant financial impact (either with an estimated range or a single figure) of Risk 1 in the upcoming reporting period.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

In 2017, Akbank established its Environmental and Social Impact Assessment System . In 2018, the system was updated to increase the coverage of assessed financing risk. With the awareness of climate change risk on customer, Akbank has started to identify its portfolio's exposure to carbon risk. Calculation of the financial impact of this risk will be next step.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Regulation and supervision of climate-related risk in the financial sector
---------------------	--

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Capital adequacy and risk-weighted assets

Company-specific description

With in the context of continued accession process with the European Union, the EU may impose national regulations regarding GHG emission reduction targets for Turkey. Adaptation to EU legislation will have an important impact on regulations and business processes as achieving targets (such as lowering carbon emission rates etc.) in a short time-frame may cause businesses to shift or utilize expensive processes to reach targets. Inability of attaining targets may lead to penal fees, costly carbon taxes and companies within energy-intensive sectors may have higher operational costs as a result. In this context, Akbank would take actions to mitigate their effects of GHG emissions etc.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We will come with the appropriate methodological approach to estimate the relevant financial impact (either with an estimated range or a single figure) of Risk 2 in the upcoming reporting period.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

Akbank had started to build Data and Living Center in 2017 and completed in 2019. There is an energy efficiency application in Data center. This application includes high efficient cooling system and LED lighting (all 32.000 m² area is lightened) Also presence sensors are used to decrease LED usage around the building. In data center, Air to Air indirect evaporative cooling which is the top 3 cooling solution in respect of efficiency was implemented. it saves CO2 footprint especially in winter and also it supports OPEX positively. From the beginning, the aim was to design it as a green data center. Also there is Photovoltaic Power Plant Implementation is expected to start in short term. Whole process (application, approvals, construction and commissioning) will last around 7-8 months. Savings will be gained by 2020 in the following month of the commissioning date. The value of monetary saving is estimated roughly, since the electricity tariffs can change irregularly.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

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

Primary potential financial impact

Other, please specify (Reduced profitability of loan portfolio)

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Possible cap and trade schemes would focus on energy-intensive sectors as a first step to meet international emissions reduction targets which are expected to be passed in the near future (3-6 years). Therefore Akbank will experience an indirect effect if our clients become adversely affected from a financial position due to these cap and schemes.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We will come with the appropriate methodological approach to estimate the relevant financial impact (either with an estimated range or a single figure) of Risk 3 in the

upcoming reporting period.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

In 2017, Akbank established its Environmental and Social Impact Assessment System . In 2018, the system was updated to increase the coverage of assessed financing risk . With the awareness of climate change risk on customer, Akbank has started to identify its portfolio's exposure to carbon risk. Calculating financial impact of risk will be next step. In addition to that Akbank's energy exposure is to renewable energy with hydro, wind and thermal heavy projects is around 82% . Also note that its new energy generation loans have been fully in renewables since 2016. Its exposure to natural gas projects is very limited in energy loan portfolio. As of the end of 2019, the total project financing loan size we provided to renewable energy projects of USD 10 million and above reached USD 1.711 billion, while the share of these loans in energy generation projects reached 82%. With the renewable energy projects we financed, approximately 5.8 million tons of CO2e emission was prevented in 2019. In 2019, we continued to finance qualified energy projects. As in the last three years, we provided 100% of the financing for renewable projects in 2019, while the ratio of renewable energy projects in our total portfolio was 76%. In addition, we started to provide financing for biomass projects in 2019. At the end of the year, 2,986 MW of our energy portfolio were HEPP, 780 MW WPP, 320MW GES, 181 MW SPP and 9.3 MW Biomass projects.

C2.4

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

Yes

C2.4a

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

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

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

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Akbank currently uses the Environmental Impact Assessment (EIA) which is a regulation on project financing, to seek and evaluate the relevant documents for project financing in Turkey. If a new regulation regarding project financing is issued in the short-term, Akbank will be ready for potential risks thanks to tighter social and environmental policies we already have in place. In addition, Akbank established the Social Environmental Management System (SEMS) as a result of its loan agreement with IFC, therefore the tightening of such policies in Turkey can turn into an opportunity for Akbank. Akbank is also a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance finalized as "Sustainable Finance Declaration" in 2017 and updated in 2018. As one of the seven pioneering supporters, Akbank signed the declaration which indicates its commitment for sustainable finance issues. ((declaration was revised in 2018.)) The corporate governance committee targeted to make sure that the Sustainability Team is better equipped in terms of environmental and social risks evaluation methodology. Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. As of the end of 2019, the total project financing loan size we provided to renewable energy projects of USD 10 billion and above reached USD 1.711 billion, while the share of these loans in energy generation projects reached 82%. With the renewable energy projects we financed, approximately 5.8 million tons of CO2e emission was prevented in 2019. In 2019, we continued to finance qualified energy projects. As in the last three years, we provided 100% of the financing for renewable projects in 2019, while the ratio of renewable energy projects in our total portfolio was 76%. In addition, we started to provide financing for biomass projects in 2019. At the end of the year, 2,986 MW of our energy portfolio were HEPP, 780 MW WPP, 320MW GES, 181 MW SPP and 9.3 MW Biomass projects.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Akbank continues to offer products and services in energy efficiency and renewable energy to corporate clients on relatively favorable terms. As of the end of 2019, the total project financing loan size we provided to renewable energy projects of USD 10 billion and above reached USD 1.711 billion, while the share of these loans in energy generation projects reached 82%. With the renewable energy projects we financed, approximately 5.8 million tons of CO2e emission was prevented in 2019. In 2019, we continued to finance qualified energy projects. As in the last three years, we provided 100% of the financing for renewable projects in 2019, while the ratio of renewable

energy projects in our total portfolio was 76%. In addition, we started to provide financing for biomass projects in 2019. At the end of the year, 2,986 MW of our energy portfolio were HEPP, 780 MW WPP, 320MW GES, 181 MW SPP and 9.3 MW Biomass projects. With the business partnerships that we establish with international financial institutions, we aim to continuously offer new loan opportunities to our customers and contribute to the economic growth in Turkey. Loans obtained from international financial institutions such as IFC, EBRD, EIB and OPIC are of environment-friendly nature and generally support sustainable development .

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Loans that Akbank secures from international financial institutions such as IFC, EBRD, and EIB to be lent out to customers mostly carry the conditions of being environment friendly and supporting development. Akbank establishes dialogues with these institutions with the aim of building management systems to monitor environmental and social performances of its customers pursuant to the conditions attached to these loans .

Comment

In environmental loans, we require our customers to abide by a variety of social and environmental performance criteria depending on the source of the loan. In addition, we provide our customers with financing from international sources for affordable loans to be used in energy efficiency and renewable energy projects. In October 2015 and June 2016, Akbank signed agreements with the EBRD for two loans totaling USD 220 million with a maturity of 12 years, in order to continue its support for renewable energy projects. With this loan package, which offers attractive opportunities for investors, Akbank financed renewable energy investments totaling USD 162 million. The aim is to continue the allocation of the remaining amount in 2019.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

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

Primary potential financial impact

Reduced direct costs

Company-specific description

Akbank encourages the use of digital channels and offers a "self-service", lean , digital and mobile customer experience that minimizes the use of paper for customers who prefer the new generation Akbank branches and the branch channel. Thanks to our new sales service model, many innovations have been implemented to reduce paper consumption. By ensuring that the contracts received in printed form are received via Akbank Mobile, our customers were provided with a paperless experience, and ~ 1000 trees were saved in 2019 by saving ~ 12 million paper. Thanks to the document approvals obtained through Akbank Mobile, the need for physical signature process, document scanning and physical archiving has been eliminated, and our CRMs have been provided to our customers with an end-to-end digital and fast experience. Also; With the "Gişe Ekstra", one of our new service points located in branches, customers can do their previous transactions at the toll booths, with a self-service concept. As a result, ~ 15 million receipts were saved in 2019 and ~ 640 trees were saved. • By using the "Finish with Mobile" functionality, it was ensured that physical documents were approved by Akbank Mobile, paper saving, digital archiving and transactions were carried out in and out of the branch on Ipad without paper and quickly. • With OCR technology, document and signature area controls are systematically performed, reducing the workload of manual approval, minimizing risk and accelerating processes. • With the Teller Extras, customers are provided with self-service transactions. • With the integration of iPads with solutions and designs suitable for mobility, our CRMs have been provided to provide service to our customers whenever and wherever they want. In addition to saving paper, it continued to reduce its impact on the environment in 2019 by ensuring the recycling of waste paper. In 2019, 812 tons of paper were destroyed and recycled after the legal storage period expired in Kınalı Archive Center, where all branch and Head Office archives of our bank are kept. In this way, ~ 13,800 trees have been saved. In addition to the papers recycled by the Archive Center, some valuable documents at Akbank branches are shredded, other papers are used as back and forth as possible, and then collected in recycling boxes provided by municipalities and non-governmental organizations such as TEMA for recovery.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We will come with the appropriate methodological approach to estimate the relevant financial impact (either with an estimated range or a single figure) of Opportunity 2 in the upcoming reporting period.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased access to capital

Company-specific description

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

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We will come with the appropriate methodological approach to estimate the relevant financial impact (either with an estimated range or a single figure) of Opportunity 3 in the upcoming reporting period.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation****Comment****C3. Business Strategy****C3.1****(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

C3.1a**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c**(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?**

Akbank has decided to use climate-related scenario analysis in the upcoming years after COP21 and its commitment to Paris-Pledge. We are still working to determine the impacts of climate change on our products & services, operations and value chain. As a result, Akbank established its Environmental and Social Impact Assessment System (ESIA) in 2017 to identify lending risks. In upcoming years, we're considering using different climate-related scenarios relevant for our sector in order to come up with the best possible strategy to guide our policies and practices in fighting climate change. However it is important to underline that this is a relatively novel concept with constraints on standardized data and methodology, we have not used a climate-related scenario analysis to inform our business strategy. We are making efforts in improving and expanding our institutional and organizational expertise on the issue to provide the necessary know-how for guiding our strategy in this area. We're considering different climate-related scenario options which take account TCFD Recommendations on Scenario Analysis for Banking industry. Once the feasibility process is completed, we will feed our business strategy with the relevant outputs of climate related scenarios such as our assessment of credit risks and opportunities, the impact of climate on our lending, financial intermediary, investment and insurance underwriting activities, in addition to our operational activities.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our products & services are majorly linked to our lending activities and they directly influence our business strategy from the perspective of climate-related risks & opportunities. Akbank attaches great importance to the implementation of environmental & social policy requirements and elements by its customers. Hence Akbank identifies and effectively manages the environmental & social risks and/or opportunities that may arise as a result of the financing it provides. Within this context, the Bank has developed an Environmental and Social Risk Assessment System. Accordingly, project loans with total investment amount of USD 10 million and over, and new commercial loan requests with total investment amount of USD 50 million and over, shall be subject to an Environmental and Social Risk Assessment. Akbank does not lend to companies that are categorized as medium and high-risk by the ESIA, and that do not agree to take actions to mitigate or eliminate the identified risks as required. Akbank uses the Bank's own resources as well as borrowings from international funding facilities to develop financing solutions for energy efficiency and renewable energy projects, which it considers as crucial areas in terms of sustainability initiatives. Making significant contributions to help develop Turkey's energy industry, and thus reduce our foreign dependence in energy, Akbank runs its project financing operations in due consideration of environmental impact. As of the end of 2019, the total project financing loan size we provided to renewable energy projects of USD 10 million and above reached USD 1.711 million, while the share of these loans in energy generation projects reached 82%. With the renewable energy projects we financed, approximately 5.8 million tons of CO2e emission was prevented in 2019. As in the last three years, we provided 100% of the financing for renewable projects in 2019, while the ratio of renewable energy projects in our total portfolio was 76%. In addition, we started to provide financing for biomass projects in 2019. At the end of the year, 2,986 MW of our energy portfolio were HEPP, 780 MW WPP, 320MW GES, 181 MW SPP and 9.3 MW Biomass projects.
Supply chain and/or value chain	Yes	Climate-related risks & opportunities influence our supply chain and/or value chain covering our presence from upstream to our operations and downstream. As an example to this, our purchasing & procurement principles we take basis in our current purchasing regulation includes the following statement: "In the provision of products & services, the suppliers that use environment & society focused systems are favored. The main target defined in the same document is as follows: "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".
Investment in R&D	No	As an actor of financial services sector, Investment in R&D from a climate change perspective does not directly influence our business strategy. But we finance & engage with relevant actors of R&D and Innovation ecosystem such as fintechs & other related organizations.
Operations	Yes	Our business strategy is influenced directly from our operations from a climate change perspective. We may suffer directly from operational losses due to acute and chronic physical risks arising from climate change. We're evaluating and managing risks & opportunities related to our operations from business continuity management perspective and informing our business strategy with related risk mitigation activities and their possible costs on our financial planning.

C3.1e

(C3.1e) 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	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.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, climate-related issues are integrated into our general policy framework that relates to our financing activities

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy	Majority of the portfolio	AKBANK ENVIRONMENTAL AND SOCIAL CREDIT POLICIES Akbank has adopted the following commitments to implement its environmental policy: 1. The Bank strives to ensure that all the principles of the United Nations Global Compact are implemented by the customers it lends to. 2. The Bank prioritizes financing projects that improve environmental conditions, such as renewable energy or waste recycling investments, and investments that reduce carbon emissions or increase productivity. 3. The Bank supports the borrower when the latter has to make improvements in projects with unforeseen environmental impact. 4. The Bank aspires to identify and effectively manage the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. The Bank has developed an Environmental and Social Risk Assessment System. Accordingly, project loans with total investment amount of USD10 million and over, and new commercial loan requests with total investment amount of USD50 million and over, shall be subject to an Environmental and Social Risk Assessment. The Bank applies the following criteria as part of its Environmental and Social Risk Assessment System: • New projects (or loan requests) with financing requests are classified as low-, medium-, and highrisk based on the potential environmental and social impact. • Additional assessment criteria vary according to the industry, and they are applied for the industries with high environmental and social risks. • The assessment takes, the environmental and social risks associated with the current operations of the potential borrower, and the methods applied for environmental and social risk management, also into consideration. An Environmental and Social Assessment Report by an independent consultant shall be requested for medium - and high-risk projects and loan requests. The company applying for a loan and/or project financing is asked to provide an Environmental and Social Action Plan, and an Environmental and Social Commitments list. • The Environmental and Social Action Plan, and the Environmental and Social Commitments list are also added to the contract with the customer. • 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: o Stakeholder participation and complaint mechanism processes. o Compliance with the Occupational Health and Safety (OHS) regulations during both the company's operations and investment activities. o Proximity to wetlands according to the project's RAMSAR4 Convention. o Presence of the "Resettlement Action Plan" in projects with physical or economic resettlement due to land acquisition. o Minimizing project-related deforestation, and where deforestation is inevitable, the presence of a plan for the number of trees to be cut and for a recovery plan for the deforested area. o Amount of additional greenhouse gas emissions that will be created during the operation period of high-risk projects, and the projected carbon cost. o Assessment processes of the impact on biodiversity. o Customer's current or in-development Environmental and Social Management System. Akbank has adopted a "Non-Financing Activities List". Article 1 of that list stipulates the activities Akbank will not finance, regardless of limit and without requiring an environmental and social risk assessment, including the operations that are prohibited by the national legislation and the international treaties Turkey is a party to. Furthermore; The Bank takes into consideration environmental and social risk criteria • in all SME (small and micro) loans. Also, the Bank does not provide financing for projects that are certain to have a significant negative environmental impact. The Bank lends within limitations to the industries that are stated in Article 2 of the "Non-Financing Activities List" and are identified by the IFC. • Branch Manager and the Regional Loan Committee are responsible for compliance of the loan with the Akbank Environmental and Social Policies and for developing the required action plan. All parties of the lending decision shall conform with the Akbank Environmental and Social Policies. The Akbank Environmental and Social Policies comply with the Bank's Ethical Principles, Complaint Management, and Business Continuity Management.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Other, please specify (Credit Policy)	Majority of the portfolio	AKBANK ENVIRONMENTAL AND SOCIAL CREDIT POLICIES Akbank has adopted the following commitments to implement its environmental policy: 1. The Bank strives to ensure that all the principles of the United Nations Global Compact are implemented by the customers it lends to. 2. The Bank prioritizes financing projects that improve environmental conditions, such as renewable energy or waste recycling investments, and investments that reduce carbon emissions or increase productivity. 3. The Bank supports the borrower when the latter has to make improvements in projects with unforeseen environmental impact. 4. The Bank aspires to identify and effectively manage the environmental and social risks and/or opportunities that may arise as a result of the financing it provides. The Bank has developed an Environmental and Social Risk Assessment System. Accordingly, project loans with total investment amount of USD10 million and over, and new commercial loan requests with total investment amount of USD50 million and over, shall be subject to an Environmental and Social Risk Assessment. The Bank applies the following criteria as part of its Environmental and Social Risk Assessment System: • New projects (or loan requests) with financing requests are classified as low-, medium-, and highrisk based on the potential environmental and social impact. • Additional assessment criteria vary according to the industry, and they are applied for the industries with high environmental and social risks. • The assessment takes, the environmental and social risks associated with the current operations of the potential borrower, and the methods applied for environmental and social risk management, also into consideration. An Environmental and Social Assessment Report by an independent consultant shall be requested for medium - and high-risk projects and loan requests. The company applying for a loan and/or project financing is asked to provide an Environmental and Social Action Plan, and an Environmental and Social Commitments list. • The Environmental and Social Action Plan, and the Environmental and Social Commitments list are also added to the contract with the customer. • 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: o Stakeholder participation and complaint mechanism processes. o Compliance with the Occupational Health and Safety (OHS) regulations during both the company's operations and investment activities. o Proximity to wetlands according to the project's RAMSAR4 Convention. o Presence of the "Resettlement Action Plan" in projects with physical or economic resettlement due to land acquisition. o Minimizing project-related deforestation, and where deforestation is inevitable, the presence of a plan for the number of trees to be cut and for a recovery plan for the deforested area. o Amount of additional greenhouse gas emissions that will be created during the operation period of high-risk projects, and the projected carbon cost. o Assessment processes of the impact on biodiversity. o Customer's current or in-development Environmental and Social Management System. Akbank has adopted a "Non-Financing Activities List". Article 1 of that list stipulates the activities Akbank will not finance, regardless of limit and without requiring an environmental and social risk assessment, including the operations that are prohibited by the national legislation and the international treaties Turkey is a party to. Furthermore; The Bank takes into consideration environmental and social risk criteria • in all SME (small and micro) loans. Also, the Bank does not provide financing for projects that are certain to have a significant negative environmental impact. The Bank lends within limitations to the industries that are stated in Article 2 of the "Non-Financing Activities List" and are identified by the IFC. • Branch Manager and the Regional Loan Committee are responsible for compliance of the loan with the Akbank Environmental and Social Policies and for developing the required action plan. All parties of the lending decision shall conform with the Akbank Environmental and Social Policies. The Akbank Environmental and Social Policies comply with the Bank's Ethical Principles, Complaint Management, and Business Continuity Management.

C4. Targets and performance

C4.1

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

Intensity target

C4.1b

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

Target reference number

Int 1

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Intensity metric

Metric tons CO2e per unit revenue

Base year

2014

Intensity figure in base year (metric tons CO2e per unit of activity)

253.19

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

49.6

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

127.60776

% change anticipated in absolute Scope 1+2 emissions

-15

% change anticipated in absolute Scope 3 emissions

0

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

172.93

% of target achieved [auto-calculated]

63.9103108847238

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)

Our intensity figure for 2019 is calculated with the figures: 66,954.6 metric tons CO2e Scope 1+2 emissions and TRY 387.17 billion revenue for 2019. Considering the related values of 2019, our intensity figure for the reporting year (2019) is calculated as 172.93. Besides our related values for 2019, our gross global Scope 1+2 emissions for the base year was calculated as 55,372 metric tons of CO2e. As of the base year (2014) our total revenue was TRY 218.70 billion. Considering the related values of the base year, our intensity figure was calculated as 253.19. Considering these values, our intensity target was set as %49.6 reduction from base year. Total % change anticipated in our absolute Scope 1+2 emissions during the 5-year target period (2016-2020) is forecasted as %15 (with a 3% year-on-year) decrease. We've exceeded this forecast with a %49.6 intensity target. We consider this a science-based target but it has not yet been approved by SBTi.

C4.2

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

No other climate-related targets

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*	2	3925
Implemented*		
Not to be implemented		

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings	Combined heat and power (cogeneration)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

3700

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

7000000

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

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

Akbank had started to build new Data and Living Center in Sekerpinar, Kocaeli, Turkey in 2018 and the building has been completed in June 2019. There is an energy efficiency application in Data center. This application includes high efficient cooling system and LED lighting (all 32.000 m² area is lightened) Also presence sensors are used to decrease LED usage around the building. In data center, Air to Air indirect evaporative cooling which is the top 3 cooling solution in respect of efficiency was implemented. it saves carbon footprint especially in winter and also it supports OPEX positively. From the beginning, the aim was to design it as a green data center. The building's design and application compliance with global standards are documented with Uptime Institute Tier 3 Design Certification and Uptime Institute Tier 3 Constructed Facility Certification.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
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Estimated annual CO2e savings (metric tonnes CO2e)

225

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

250000

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

1557421

Payback period

4-10 years

Estimated lifetime of the initiative

21-30 years

Comment

Implementation is expected to start as of 2020: Initial application is made at the end of 2019. After necessary approvals, construction and then commissioning can start in 2020. Whole process (application, approvals, construction and commissioning) will last around 7-8 months. Savings will be gained by 2020 in the following month of the commissioning date. The total investment costs is around 274.629 USD (VAT included - all inclusive) with a financial equivalent of TRY 1,557,421 (considering the average USD/TRY rate of 2019) , including consultancy, approvals, machinery and installation. The value of monetary saving is estimated roughly, since the electricity tariffs can change irregularly.

C4.3c

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

Method	Comment
Financial optimization calculations	We evaluate projects & initiatives considering their carbon emission mitigation potential alongside with payback periods & ROIs in their planning phases.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

In 2019, we continued to focus on financing energy projects. In keeping with its practice of the last three years, 100% of our funds went to renewable projects, with the total share of renewable energy projects in our Bank's portfolio at 76%. We also started providing financing for biomass projects in 2019. As of year-end, our Bank's energy portfolio included 2,986 MW hydroelectric energy, 780 MW wind energy, 320 MW geothermal energy, 181 MW solar energy, and 9.3 MW biomass projects.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

6.2

Asset classes/ product types

Bank lending	Project Finance
--------------	-----------------

Comment

The total project finance loan size provided by Akbank for renewable energy projects of USD 10 million and above reached USD 1.711 billion as of the end of 2019. The share of loans provided to renewable energy projects in energy generation projects increased to 81.9%. With the renewable energy projects financed by Akbank, approximately 12,912.8 GWh of electricity was produced annually in 2019 and 5.8 million tons of CO₂e emission was prevented.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

9254

Comment

Scope 2 (location-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

46118

Comment

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

Scope 2 (market-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

46118

Comment

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

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

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

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

13449.43

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Our scope 1 emissions covers the following sites: Akbank TAŞ. General Headquarters, "Akbank Bankacılık Merkezi", "Akbank Akademi", "Akbank Silivri Arşiv" and our 747 branches around Turkey.

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

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.

C6.3

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

Reporting year

Scope 2, location-based

53505.17

Scope 2, market-based (if applicable)

53505.17

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Our scope 2 emissions covers the following sites: Akbank TAŞ. General Headquarters, "Akbank Bankacılık Merkezi", "Akbank Akademi", "Akbank Silivri Arşiv" and our 747 branches around Turkey.

C6.4

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

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Although emissions related to purchased goods and services are relevant for us, they are not yet calculated.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

We're covering emissions from our capital goods (e.g. buildings) in our Scope 1 and 2 emissions in related sections of our CDP reporting.

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

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

We're covering emissions from every fuel-and-energy-related activity in our Scope 1 and 2 emissions in related sections of our CDP reporting.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Although emissions related to upstream transportation and distribution (e.g. armoured cars) are relevant for us, they are not yet calculated.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

We're in progress of calculating our Scope 3 emissions resulted from the waste generated in our operations.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

505.3

Emissions calculation methodology

This section contains business flights in terms of travel. Domestic, European and Continental flights are taken into account.

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

100

Please explain

Domestic, European and Continental business flights are taken into account when calculating business travel emissions.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

301

Emissions calculation methodology

This section contains emissions from personnel shuttles, buses and taxi travels of employees.

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

100

Please explain

Emissions from personnel shuttles, buses and taxi travels of employees are taken into account.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Emissions related to upstream leased assets are not relevant for us.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Although emissions related to downstream transportation and distribution are relevant for us, they are not yet calculated.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

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

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Although emissions related to use of sold products (e.g. customer's use of computers and smartphones for online banking) are relevant for us, they are not yet calculated.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Although emissions related to end of life treatment of sold products (e.g. disposal of credit and debit cards and client mailings) are relevant for us, they are not yet calculated.

Downstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Emissions related to downstream leased assets are not relevant for us.

Franchises**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

As we don't operate any franchises, emissions related to franchises are not relevant for us.

Other (upstream)**Evaluation status**

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain**Other (downstream)****Evaluation status**

Relevant, calculated

Metric tonnes CO2e

3821.7

Emissions calculation methodology

Emissions resulting from paper usage within the organization.

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

100

Please explain

Emissions resulting from paper usage within the organization.

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

172.93

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

66954.6

Metric denominator

unit total revenue

Metric denominator: Unit total

387.17

Scope 2 figure used

Market-based

% change from previous year

25.5

Direction of change

Increased

Reason for change

Our intensity figure for the reporting year is calculated with the figures: 66,954.6 metric tons CO2e Scope 1+2 emissions and TRY 387.17 billion revenue for 2019. Considering the related values of 2019, our intensity figure for the reporting year (2019) is calculated as 172.93. Besides our related values for 2019, our gross global Scope 1+2 emissions for 2018 were calculated as 48,867 metric tons of CO2e with a more limited boundary (excluding the majority of our branches). As of 2018 our total revenue was TRY 354.68 billion. Considering the related values of 2018, our intensity figure for the previous year (2018) was calculated as 137.78. By these calculations our intensity figure has increased as much as 25.5% approximately. Since the scope of our calculation methodology for GHG Emissions has expanded, our intensity figure has increased although our unit total revenue value has increased in 2019.

C7. Emissions breakdowns

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?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary	18087.6	Increased	37	Our Scope 1&2 emissions for 2019 was 66,954.6 metric tons CO2e. Besides this value for 2019, our gross global Scope 1&2 emissions for 2018 were calculated as 48,867 metric tons of CO2e with a more limited boundary (excluding the majority of our branches). As we've expanded the level of disclosure for our GHG emissions in the reporting year, we've experienced an increase in our gross global Scope 1&2 emissions by 37% related to previous year.
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	55405	55405
Consumption of purchased or acquired electricity	<Not Applicable>	0	104151	104151
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	159556	159556

C9. Additional metrics

C9.1

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

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	No third-party verification or assurance

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

Reasonable assurance

Attach the statement

AKBANK-CDP-Verification-Report_2019.pdf

Page/ section reference

Please refer that Akbank's Verification Report Page 3 & 4.

Relevant standard

ISO14064-3

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

Reasonable assurance

Attach the statement

AKBANK-CDP-Verification-Report_2019.pdf

Page/ section reference

Please refer that Akbank's Verification Report Page 3 & 4.

Relevant standard

ISO14064-3

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?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.2

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

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, other partners in the value chain

C12.1d

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

Akbank ensures stakeholder engagement in investments by developing collaborations with different stakeholder groups, particularly with non-governmental organizations. These initiatives contribute to the UN SDGs, and meet the current needs of the society. We engage with international financial institutions such as IFC, EBRD and EIB. Loans that Akbank secures from the aforementioned international financial institutions such as IFC, EBRD, and EIB to be lent out to customers mostly carry the conditions of being environmentfriendly and supporting development. Akbank establishes dialogues with these institutions with the aim of building management systems to monitor environmental and social performances of its customers pursuant to the conditions attached to these loans.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support	Carbon Price Communiqué: Akbank became one of the first companies in the world to be a signatory to the "Carbon Price Communiqué", drafted by the Prince of Wales's Corporate Leaders Group on Climate Change that support the goal for a cleaner world and calls for the need to develop a clear carbon emission pricing policy. In addition, we were the only Turkish bank to sign the Durban Communiqué in 2011, building on the Bali, Poznan, Copenhagen and Cancun Communiqués initiated by The Prince of Wales's Corporate Leaders Group on Climate Change (CLG).	We try to understand the risks and opportunities for banks and customers. We monitor closely new regulations on carbon pricing and new tax system.
Climate finance	Support	Akbank involved in a project driven by European Bank for Reconstruction & Development (EBRD) aiming to support carbon finance. Akbank & EBRD fosters the lenders' intention and develops their capacity to acquire carbon credits. Akbank also finances the relevant efforts the lenders.	We support to have a legislation.
Other, please specify (Voluntary Carbon Reporting)	Support	Akbank had sponsored CDP Turkey between 2009-2015. CDP Turkey significantly raise the awareness and the measurement efforts of the environmental footprint among Turkey. Akbank also announces its support to CDP through media in every occasion.	We support to have a legislation.
Other, please specify (UN Global Compact)	Support	Akbank is the first signatory of the UNGC among the Turkish banks (2007) and actively supports the UNGC's activities.	We worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies undertaken by the Group in line with International Sustainability Finance implementations came to conclusion and finalized as "Sustainable Finance Declaration". As Akbank, one of the seven pioneering supporters, we signed it to show our commitment for sustainable finance issues.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

To conduct the climate change strategy to our overall strategy the top level of the organization -Board of Directors (BoD)- is responsible and specialized Corporate Governance Committee (CGC) executes the sustainability within the Bank and directly reports to BoD. Under CGC; Investor Relations and Sustainability Department is main responsible for coordinating the sustainability among all functions. Sustainability Manager leads the Sustainability Team which has members from all functions. With the help of Sustainability Team; the strategy which was developed according to these risks and opportunities is implemented and traced in all functions in a holistic manner. Establishment of Social & Environmental Management Systems in the credit lines, energy efficiency efforts in the buildings and services, Sustainability Trainings for employees, paper consumption reduction activities in the operations, insurance for the physical risks, efforts for business continuity & information security are of some examples of the business processes conducted in a holistic manner to prevent the negative direct and indirect effects. Besides these Akbank's Architectural Works Team undertakes improvement proposals for the branches distribution network in order to reduce carbon emissions and improve energy efficiency. Beyond prevention from negative direct and indirect effects of climate change, our strategy targets to benefit from the opportunities stemmed from climate change. Developing new products; such as energy efficiency loans, savings from energy efficiency activities, getting benefits from purpose loans from international creditors and increasing market penetration or profit through increasing brand & stock value are of some examples to catch these opportunities. The Corporate Governance Committee and the Board also seek to avoid any harm that arise from sustainability issues and direct Akbank's credit and sustainability policies in that direction. Akbank leads the change as much as possible within this frame and therefore took the following concrete steps since 2007:

- Established Corporate Governance Committee (CGC) which has 2 members and is directly reporting to Board of Directors (BoD),
- The first signatory Turkish bank of the United Nations Global Compact (UNGC) (2007)
- Updated the Codes of Conduct with social and environmental aspects,
- Established Investor Relations & Sustainability Department,
- First reporter of United Nations Global Compact supporter and Communications on Progress among Turkish banks,
- Published the first GRI based Sustainability Report among deposit banks in Turkey,
- Sponsored Carbon Disclosure Project (CDP) in 2009 to be started in Turkey,
- Reported to CDP and calculated its Carbon footprint,
- Updated its credit policy in line with social and environmental aspects, in addition established IFC Social and Environmental Management System (IFC SEMS),
- Updated its purchasing policy in line with social and environmental aspects in line with UNGC principles.
- Akbank developed tailor-made in-class & e-learning Sustainability Trainings for all levels of its employees. A reflection of its belief that sustainability needs organizational commitment and internalization of sustainability.
- In the lights of global developments, Akbank updated its environmental and social policies. in 2017 and updated it in 2018. In line with new policies, Akbank's loan assessment process has been developed with general and industry-focused questions and assessment matrices to identify environmental and social risks. *Detailed documents were attached below.*
- Akbank worked as a member of Sustainability Study Group under the roof of UNGC Turkey. The studies finalized as "Sustainable Finance Declaration". As Akbank, one of the seven pioneering supporters, Akbank signed it to show its commitment for sustainable finance issues.

https://www.akbank.com/Documents/ENVIRONMENTAL_AND_SOCIAL_RISK_ASSESSMENT_SYSTEM.pdf

https://www.akbank.com/Documents/AKBANK_ENVIRONMENTAL_AND_SOCIAL_POLICIES.pdf

https://www.akbank.com/Documents/NON_FINANCING_ACTIVITIES_LIST.pdf

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2019_Akbank_Faaliyet_Raporu.pdf

Page/Section reference

Refer to Page 90 in our Annual Report, for the information related to the sustainability governance structure of Akbank.

Content elements

Governance

Comment

In our annual report, information related to the sustainability governance structure of Akbank is presented.

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2018_akbank_sustainability_report.pdf

Page/Section reference

Our 2018 Sustainability Report with GRI G4 Comprehensive standards covers governance, sustainability strategy, climate-related risks & opportunities.

Content elements

Governance

Strategy

Risks & opportunities

Comment

Our 2018 Sustainability Report with GRI G4 Comprehensive standards covers governance, sustainability strategy, climate-related risks & opportunities.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Please select	
Industry initiative	Other, please specify (UN Global Compact)	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.
Commitment	Other, please specify (Paris Pledge for Action)	Akbank became a signatory to the Pledge for Action, which allows non-party stakeholders to welcome the Paris Agreement on climate change and commit to implement the new roadmap circulated at the COP21 Conference of Parties in Paris.

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	No, but we plan to do so in the next two years	<Not Applicable >	Climate change has a 2 dimensional (exposure & impact) effect on the portfolio's of financial services actors. Banks should cover these 2 particular dimensions of climate change deliberately. Parallel to our efforts about our portfolio's exposure to specific climate-related risks & opportunities (also reported in C2 Risks & Opportunities section of our CDP Climate Change Reporting), we're actively considering to estimate 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.
Investing (Asset manager)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable >	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable >	As our products & services are majorly linked to our lending activities, "other products and services" section of this particular question is not relevant for us.

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

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 to estimate 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.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	We've decided to align our portfolio to a well below 2-degree world in the upcoming years after COP21 and our commitment to Paris-Pledge. Financial services sector has a leverage position to drive the efforts of their clients and/or investee companies in their efforts to combat with climate change. As a baseline of our commitment on aligning our portfolio to a well below 2-degree world, for various projects covered by the ESIA (Environmental and Social Impact Assessment System), we request from our clients/ investees whether climate change factor is included in their calculations regarding water reserves. In addition, information on the projects' water use, trees cut and greenhouse gas emissions is also requested. We'll use this effort and its related outputs (data & analysis) to align the climate-related progress of our clients and/or investee companies to a well below 2-degree world in the upcoming reporting periods.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	As our products & services are majorly linked to our lending activities, "other products and services" section of this particular question is not relevant for us.

C15. 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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer (Executive Vice President)	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms