

# Welcome to your CDP Climate Change Questionnaire 2022

## C0. Introduction

### C0.1

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

Vakıfbank has been established in 1954 with a cooperation of several Turkish Foundations as an incorporation company and has become one of Turkey's leading banks. The Bank's founding mission was to manage and use the assets of foundations in the most efficient manner, to contribute to Turkey's savings rate based on modern banking principles, and to channel the deposits collected toward the country's economic development. Vakıfbank offers corporate, commercial and small business banking products and services as well as individual and private banking, specializing in all financial areas. In addition to basic banking products and services, Vakıfbank has investment banking and capital market activities, where Vakıfbank has been playing a leading role in domestic and foreign trade financing. It also offers insurance through financial subsidiaries of leasing and factoring services to its customers located up a wide range of financial products with high technology required age. Vakıfbank offers its services to individual and corporate customers with its branches over 900 spreading over the country, as well as with the alternative distribution channels supported by advanced technology. Vakıfbank has branches abroad such as the New York branch in US, Erbil branch in Northern Iraq as well as a banking branch in Bahrain coast. Vakıfbank's last overseas branch is opened in Qatar. Also, Vakıfbank operates in Austria with a subsidiary, Vakıfbank International AG, which has branches in Vienna and Cologne. Vakıfbank's other subsidiaries are Inc, , Vakıf Factoring Inc., Vakıf Leasing, Vakıf Real Estate Investment Trust, Vakıf B-Type Securities Investment Trust. Inc., Vakıf Securities Investment Trust Inc. Vakıf Marketing Ind. and Trade Co., Taksim Hotels Inc., Vakıf Energy and Mining Inc. and Vakıf Real Estate Appraisal Inc. By BIST Sustainability Index, Borsa İstanbul listed companies based on the international sustainability criteria. The assessment is based upon only publicly available information. In 2014, Vakıfbank has been one of the first four banks and the only public bank that satisfied the Sustainability Criteria developed for the BIST Sustainability Index and Vakıfbank has been maintaining own place in the index since 2014. Vakıfbank puts the best effort to "sustainability" with the value contributed to its customers, shareholders, employees and society for the economic and social responsibility. Vakıfbank is conscious of its responsibility for contributing to global and national efforts to mitigate climate change. Therefore, the Bank adopts the aim of decreasing its carbon footprint in line with its

environmental responsibility. Within this framework, the following policies are implemented in Vakıfbank in 2015:

- Supporting the policies and national development plans that will be determined to decrease GHG emissions, through contribution to national draft policies and plans.
- Fulfilling not only the Bank's global and national responsibilities, but also being a role model in the Turkish Banking Sector for Environmental Sustainability at several platforms such as Istanbul Stock Exchange Sustainability Index, CDP, MidSEFF, TurSeff and other initiatives.
- Continuous monitoring, transparent reporting and improving GHG emission reduction performance since 2013.

In 2017, Vakıfbank certified not only its HQ, but also its 30 branches with ISO 14001 Environmental Management System. Besides, the Bank **started to disclose environmental data from its all branches all over the world**. In 2020 and 2021; thanks to our efforts on environmental management, all head office buildings and branches were added to the scope of ISO 14001 Environmental Management System (EMS) and enabling all VakıfBank employees to work in ISO 14001 certified buildings. Since 2017, Vakıfbank has been listed on the FTSE4Good Emerging Markets Index. In 2019, to further strengthen its sustainable banking identity on global platforms, Vakıfbank has voluntarily participated in the Dow Jones Sustainability Index survey together with 175 companies who reported out of 248 companies invited. Vakıfbank published its 2019, 2020 and 2021 performance with an Integrated Annual Report as one of the pioneering institutions in this term.

Additionally, Vakıfbank has become a carbon negative organization for the last 3 years, by purchasing more carbon credits than its carbon footprint.

## 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
Reporting year	January 1, 2021	December 31, 2021	No

## C0.3

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

- Bahrain
- Iraq
- Turkey
- United States of America

## C0.4

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

- TRY

## C0.5

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

Operational control

## C-FS0.7

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

	Does your organization undertake this activity?	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	Exposed to all broad market sectors
Investing (Asset manager)	No	
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

## C0.8

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

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	VAKBN in Borsa İstanbul

## 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
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<p>Director on board</p>	<p>An Independent Member of the Board is heading the Corporate Governance Committee (CGC), and until 30 December 2021 CGC has the highest-level authority to conduct sustainability, including Climate Change mitigation related topics. The CGC is composed of 5 persons, of which 3 are members of BoD, 1 is Senior Vice President (SVP) of "International Banking &amp; Investor Relations Department" and 1 is Senior Vice President (SVP) of "General Accounting and Financial Affairs".</p> <p>On 30 December 2021, Sustainability Committee is established in VakıfBank as the highest-level authority to conduct sustainability, including Climate Change mitigation related topics. Under the chairmanship of the General Manager, it is composed of one independent Board Member elected by the Board of Directors, Executive Vice President of Financial Management and Strategy, Executive Vice President of Corporate, Commercial, and SME Banking Marketing, Executive Vice President of Support Services and Risk Planning, Executive Vice President of Digital Banking, Executive Vice President of Customer Experience and Corporate Communications, Executive Vice President of Treasury Management and International Banking and Investor Relations, Executive Vice President responsible for Credit Allocation Management, Executive Vice President of Human Resources and Corporate Development, Executive Vice President of Retail Banking and Payment Systems, Head of International Banking and Investor Relations, Head of Strategy and Planning, Head of Risk Management, Head of Support Services and Head of Corporate Loans Allocation Management. The Sustainability Committee determines the Bank's sustainability strategy and policy and ensures that the necessary actions are taken in this regard. It is the highest-level decision-making body of the bank in terms of sustainability.</p> <p>An example of a Board level decision is as follows; VakıfBank Sustainability Committee was established by the decision of the Board of Directors dated 30.12.2021 in accordance with the Operating Procedures and Principles of Internal Committees of VakıfBank.</p>
<p>Chief Executive Officer (CEO)</p>	<p>By the decision of the Board of Directors dated 30.12.2021 in accordance with the Operating Procedures and Principles of Internal Committees of VakıfBank, VakıfBank Sustainability Committee was established under the chairpersonship of our CEO (General Manager).</p> <p>The Sustainability Committee determines the Bank's sustainability strategy and policy and ensures that the necessary actions are taken in this regard. It is the highest-level decision-making body of the bank in terms of sustainability.</p> <p>An example of a decision approved by CEO is as follows; VakıfBank Sustainability Committee was established by the decision of the Board of Directors dated 30.12.2021 in accordance with the Operating Procedures and Principles of Internal Committees of VakıfBank.</p>

	For example, an agreement with French Development Agency (AFD-Agence Française de Développement) on financing Green Buildings is signed. It was the highest volume of its kind in Turkish banking sector with a sum of 200 million Euro.
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## C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing</p>	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our banking activities</p> <p>The impact of our own operations on the climate</p> <p>The impact of our banking activities on the climate</p>	<p>Board of Directors has the top-level responsibility about the overall performance of the Bank. To achieve this goal; Board of Directors steers and reviews the overall strategy of the Bank. In line with this, it reviews the major plan of actions, annual business plans and budgets according to this. Therefore, BoD guides and review the strategy on sustainability and climate change. It evaluates the risks and uprising opportunities. Besides, it reviews and asks for updates on the risk and opportunity management policies, if necessary. It sets the performance objectives and allocates the relevant sources according to them. Consequently, monitors the performance and the progress on climate change topics.</p> <p>As an example, our %2 emission reduction annual target is decided by our BoD. Our target is publicized via our website and our reports. Please see <a href="https://www.vakifbank.com.tr/environmental-management-.aspx?pageID=2740">https://www.vakifbank.com.tr/environmental-management-.aspx?pageID=2740</a>.</p> <p>The Sustainability Committee determines the Bank’s sustainability strategy and policy and ensures that the necessary actions are taken in this regard. It is the highest-level decision-making body of the bank in terms of sustainability. The Committee is chaired by our CEO (General Manager), and also there is one independent Board Member elected by the Board of Directors.</p>

	<p>progress against goals and targets for addressing climate-related issues</p>		<p>The Sustainability Committee is in charge of performing the following tasks:                  Creating the Bank’s sustainability strategy and policies,                  Determining the sustainability targets of the Bank, creating action plans prepared in accordance with the established targets and ensuring the coordination of the activities carried out,                  Ensuring the follow-up of sustainability studies and ensuring the strengthening of the sustainability performance of the Bank, Ensuring the integration of sustainability into all business units and processes,                  Deciding the important issues discussed at the Sustainability Subcommittee and communicated to the Committee,                  Providing suggestions on making the necessary organizational changes in order to carry out the Bank’s sustainability activities effectively and efficiently,                  Reviewing the Bank’s sustainability reports, ensuring their preparation, and submitting them to the approval of the Board of Directors,                  Ensuring that the risks and opportunities arising from climate change, especially carbon and water, are identified, prioritized, and managed, Following the national and international legislation related to the environmental and social risks that are important in the Bank’s lending process,                  Providing suggestions on business associations that the Bank can become a member of and support in the field of sustainability.</p>
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## C1.1d

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

Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
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Row 1	Yes	Our Sustainability Committee is chaired by our CEO (General Manager), and also there is one independent Board Member elected by the Board of Directors.
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## 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 banking Risks and opportunities related to our own operations	Quarterly
Sustainability committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	More frequently than quarterly
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	More frequently than quarterly
Other C-Suite Officer, please specify Support Services President	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	More frequently than quarterly

Other, please specify Board Member	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our banking Risks and opportunities related to our own operations	Quarterly
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### 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	Both monetary and non-monetary incentives are provided for diversified levels of our organization.

### 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
Board/Executive board	Non-monetary reward	Emissions reduction target Energy reduction target Efficiency target Company performance against a climate-related sustainability index Portfolio/fund alignment to climate-related objectives Other (please specify) Reputation	Board of Directors has the top-level responsibility about the overall performance of the Bank. Therefore, any achievement or reward will bring Vakıfbank reputation and recognition, and the Board will be the recognized.  Additionally, our CEO is chairing our Sustainability Committee and also a member of the world. There is a Board member in the Sustainability Committee. Due to inclusion of Board into sustainability management, any achievement will be a high recognition for the Board of Directors.



<p>Corporate executive team</p>	<p>Non-monetary reward</p>	<p>Emissions reduction project                      Emissions reduction target                      Energy reduction project                      Energy reduction target                      Efficiency project                      Efficiency target                      Behavior change related indicator                      Environmental criteria included in purchases                      Supply chain engagement                      Company performance against a climate-related sustainability index                      Portfolio/fund alignment to climate-related objectives</p>	<p>'Corporate Governance Committee' coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented. Therefore, the top committee responsible for any positive or negative performance on these topics is CGC. It also leads the organizational behavioral change about climate change management.</p> <p>As of 30 December 2021, the Sustainability Committee is established and the responsibilities of CGC is assigned to Sustainability Committee.</p>
<p>Other, please specify                      Branch Environmental Representative</p>	<p>Non-monetary reward</p>	<p>Emissions reduction target                      Energy reduction target                      Efficiency target</p>	<p>The Board sets publicly disclosed targets about emission reduction and efficient use of resources. Thus, every branch should be effectively managing their emissions in Vakıfbank. If the branch achieves its target, Best performing Environmental Representatives are appreciated by an Appreciation Letter sent by Environmental Management Service in an e-mail form, which is also sent to all branches. The integration of electronic invoices to VakıfBank Innovative Transformation (VIT) has been completed in order to better monitor the performance of ERs. Thus, the data could be transferred to the system and reported systematically. Besides, the branch performance of efficient use of resources will be included to the internal controlling check list. So that Internal Control</p>

			Unit of Vakıfbank also controls the performances of the branches.
All employees	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator	Vakıfbank has a wide-spread branch network all around Turkey with its around 1.000 branches and 16,929 employees in 2021. All employees could deliver their proposals through internal systems and via e-mails. The proposal about environment or energy, emission efficiency ones are evaluated by VakıfBank's Environmental Services units. If a proposal is selected, it will be good recognition for the owner of the proposal. Additionally, Bonuses of branch employees are inversely correlated with expenses of the branch, including energy expenses such as electricity and natural gas or coal or fuel-oil or diesel oil expenses. Consequently, the less consumption of natural resources, the more bonus they receive.

## C-FS1.4

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

	Employment-based retirement scheme that incorporates ESG criteria, including climate change
Row 1	No, due to a compulsory national scheme

## 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
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Short-term	0	2	<p>In short-term, focus will be continuing getting our ESG Rating, publishing an Integrated Annual Report, obtaining funds on low carbon economy &amp; finance, delivering our low carbon products, raising awareness on environment via trainings, CSR activities and our products, being in Sust. Indices. In addition to them, we will be preparing our SBT, getting I-REC certified electricity energy.</p> <p>We are the 1st public institution in Turkey to announce its commitment by SBT initiative, in 2019. As of 2020, all head office units and branches were added to the scope of ISO 14001 EMS. Energy &amp; emission efficiency will be improved, and our footprint will be decreased.</p> <p>With a scheduled Training Agenda for 2022 we will be keeping on training &amp; awareness raising activities on "Sustainability &amp; CC" for our employees to raise the consciousness. In 2021, we provided our employees with 11,451 hrs of online and totally 400 hrs of in-class training on environment &amp; sustainability. 326 employees participated in ISO 14001 trainings and 143 branches were audited through ISO 14001. As end of 2021;1,346 employees have been certified for ISO 9001 &amp; 14001.</p> <p>Zero Waste Project system records are completed, carried by the Ministry of Environment, Urban &amp; Climate Change, in 2019.</p> <p>To provide its at least 75% of its electric energy consumption from renewable energy.</p> <p>Update of the Environmental and Social Impact Management Policy and Exclusion List.</p> <p>Low carbon products and our products that decrease third parties' carbon footprints like credits for env. friendly buildings, energy efficiency, and mobile banking products will be promoted.</p> <p>We will put effort on continuity in the Sustainability Indices in which we are currently listed (BIST SI, FTSE4Good Emerging Markets Index) and to take part in another accepted SIs.</p> <p>We will be considering physical climate risks effects in new branch location selection. Also, for existing branches, we will be putting effort by our constructional works unit to minimize the potential physical effects of CC.</p>
Medium-term	2	6	<p>In mid-term, precisely; Vakıfbank plans to be in more global Sustainability Indices, considers to be in more global Sustainability</p>

			<p>Indices, numericizing its Science Based Targets and performing accordingly, obtaining and delivering low carbon funds, being a mediating bank in cap-and-trade schemes, raising awareness on environment.</p> <p>In detail:                  Vakıfbank will numericize its Science Based Targets for emission reduction and will be following its action plan.</p> <p>Vakıfbank will be one of the leading Turkish banks promoting low carbon economy. It will enlarge its green economy products and portfolio. It will raise the funds, provided from international organizations and responsible investment funds. International banking will be in effort to obtain new syndication credits and/or international funds for low carbon finance. Vakıfbank will carry out its activities to play an active role in the market in responsible and green financing areas to create investment opportunities in the bank that can provide permanent value for investors.</p> <p>Vakıfbank considers that Turkey will be included in cap-and-trade schemes in 5 years and if so, Vakıfbank will be one of the mediating banks for the market.</p> <p>Paper consumption will be prevented in the scope of the paperless banking project, and we will continue to digitize all our processes. With the help of Vakıfbank's high-end technologies, the use of Vakıfbank's products that decreases third parties' carbon footprints like internet and mobile banking will be boosted. Energy and emission efficiency will be improved, and the environmental footprint will be decreased.</p> <p>Vakıfbank will be keeping on training and awareness raising activities on "Sustainability and Climate Change" for Vakıfbank employees to raise the consciousness.</p> <p>Vakıfbank will be considering physical climate risks effects in new branch location selection. Additionally, for existing branches, the Bank will be putting effort by its constructional works unit to minimize the potential detrimental physical effects of climate change.</p> <p>Vakıfbank will be raising the awareness of its supply chain on environmental consciousness, and also will be including relevant terms accordingly on its procurement agreements, monitoring and auditing them on ESG criteria.</p>
Long-term	6	11	<p>We define long-term between 6 &amp; 11 yrs. In long-term, we plan to be in more global SI, obtaining &amp; delivering low carbon funds, being a mediating bank in cap-and-trade schemes, raising awareness on</p>

		<p>environment, building capacity on ESG criteria on our supply chain, considering green purchasing rules in our procurement activities. We consider to be in many global SI and aim to fully perform through our SBTs.</p> <p>We aim to be one of the leading banks in Turkey promoting low carbon economy. We will enlarge our green economy products &amp; portfolio. We will raise the funds provided from international organizations &amp; responsible investments. We will be in effort to obtain new syndication credits &amp;/or international funds for low carbon finance. By carrying out activities to play an active role in responsible &amp; green financing areas we will create permanent value for investors.</p> <p>Furthermore, using the internal price of carbon, we aim to be in TFCF and be one of the leading banks to disseminate the accounting system internalizing the carbon price.</p> <p>With the help of our high-end technologies, the use of our products that decreases third parties' carbon footprints like internet and mobile banking will be boosted.</p> <p>All our locations will be both in ISO 14001 and ISO 50001 with advanced recycle management system. Energy &amp; emission efficiency will be improved, and the environmental footprint will be decreased. The branches will be highly digital with less employees.</p> <p>We will be contributing to the green economy and sustainable development with our expectations from our suppliers &amp; credit beneficiaries.</p> <p>We will be keeping on training &amp; awareness raising activities on "Sustainability &amp; CC" for not only our employees, but also to our customers and suppliers to raise their consciousness.</p> <p>We will be evaluating &amp; minimizing physical climate risks effects in existing branches and new branch location selections.</p> <p>We will be keeping our efforts on raising the awareness of our supply chain on environmental consciousness. By including relevant terms into our procurement agreements, monitoring &amp; auditing them on ESG criteria, we will be applying green purchasing activities. With our wide span, we aim to affect our supply chain and raise the bar in Turkey.</p>
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## C2.1b

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

As the representative of a well-established tradition and experience in the banking system of our country, we aim to leave a more livable world for the next generations with our activities in sustainable banking, while continuing our efforts for the growth, development & integration of the national economy for 65 years. For this reason, we manage our economic, environmental, & social performance in a way that creates value & benefit for all our stakeholders by including

“sustainable development” among the focus of our value creation model. We carry out our activities, in other words, our business model in an external environment that includes economic conditions, technological changes, social problems & environmental challenges. This external environment has an impact that creates both risk & opp. for our business model. Therefore, we consider the effects of the external environment on our ability to create value. With this perspective, we believe that climate change (CC) is a phenomenon that has significant financial & strategic effects for our industry.

On the other hand: we are aware that in addition to our direct impact, we have considerable indirect impact. Almost all sectors can be our customers &/or we can be investors of all sectors, consequently financial sector is highly related with any other sector. If any sector exposes to the impacts of CC, so do the financial sector. Likewise, any innovation that will positively affect a sector could have a positive impact on the financial sector as well.

Every year the negative & destructive effects of CC experienced worldwide enhance. Research shows that the current effort at the global level is not enough to keep global warming below 1.5 degrees Celsius. Considering the magnitude of the impact it creates with the financing provided by the financial sector, the relationship between CC & the financial sector is evaluated under a different category in many platforms. Being aware of the risks resulting from transformation to reduce the effects of CC, it is important to make it a part of the risk assessment process by taking into consideration environmental & social risks in the projects financed within the framework of responsible banking approach. Consequently, not following the up-to-date development on sustainable business & finance could have a negative strategic & financial effect on our company.

It is evaluated that in our lending activities, projects financed over USD 20 million could have substantial negative impacts both on environment and to the reputation of Vakıfbank. Consequently, projects over USD 20 million is subjected to evaluation according to our Environmental & Social Risk Management System. Therefore, USD 20 million for project finance could be considered as one of our threshold values about substantive impact.

CC, which is the most important problem of our age, has effects on both our operations & the financing, that we provide through our IT system infrastructure & our widespread branch network. Besides its physical effects on our 940 branches, both domestic & overseas, 27 regional buildings and 4,162 ATMs; there are also effects on our loan portfolio, which covers retail, corporate, commercial, agricultural & SMEs.

Additionally, we are aware that we have a responsibility for the environmental & social impacts of the projects we finance within the framework of or responsible finance approach, which is the basis of our duty to contribute to society & the environment. In this context, ‘Environmental & Social Impact Assessment & Sustainability’ is included as a special title in our Credit Policy Document to evaluate the environmental & social impacts of the projects we finance. In this way, we focus on creating a positive indirect effect with the projects we provide financing, & prioritize environmentally friendly projects, energy efficiency & renewable energy projects in financing. We provide financial support to sustainable energy investments & projects by giving priority to renewable energy investments under the title of Sustainable Energy Finance. In 2021, we provided finance support of over TL 4.4 billion to 22 renewable energy projects.

The legal threshold for the capital adequacy ratio is 12% in our portfolio, as of 31.12.2021 our solo capital adequacy ratio is 14.85.

In 2021, the amount of project cash loan limit assigned to energy and steel-iron production sectors (emission intensive sectors) is TL 7.7 billion and TL 2.1 billion of it is provided. As of the end of 2021, the cash placement as project loans related to the cement, energy, iron & steel and agriculture sectors is 20,8 billion TL (7 billion TL- Fossil Fuel Plant- 9,5 billion TL- Oil-Distribution- 2,7 billion TL- Gas Distribution) and it is 4.65% of the commercial loans portfolio of our Bank.

## C2.2

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

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### **Value chain stage(s) covered**

Direct operations  
Upstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

More than once a year

### **Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

### **Description of process**

Vakıfbank has an advanced and multi-level, multi-disciplinary, company-wide risk & opportunity management model. The essence of banking activities relies on determination, assessment and valuation of risks.

The description of a process for identifying and assessing climate-related risks is as follows: Board of Directors is the main and the highest-level responsible of the overall performance of the Bank. The main responsibility of the Sustainability (including climate change) is on the Corporate Governance Committee (after 30.12.2021 Sustainability Committee), which directly reports to BoD. Stakeholder expectations and material issues analysis are performed periodically from various channels. One of the main channels is the one performed during Integrated Reporting annually. Findings are evaluated mainly by the Strategy Development and Planning, Investor Relations, Env. Man. Serv. and Risk Dept. to determine the risks and opportunities. Besides, relevant

core business units (Credits, SME Banking, International Banking, etc.) detect the possible risks & opp.s on Climate Change. Furthermore, each department mentioned above provides input to risk and opportunity assessment. These inputs contain insights and feedbacks gathered from their stakeholders of whom they are in touch with. As a result, risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand, inspectors also examine periodically.

i) Company level assessment processes:

CGC, with the support of Environmental Management Service (EMS), is responsible from identifying the risks & opportunities that might result from climate change. EMS has the coordinating role among all departments in identifying and communicating the Climate Change (CC) risks & opp.s. The risks & opp.s are then shared with the Risk Management Dept. under the BoD for further assessment & prioritization. Risks are categorized and if necessary; monitored or elevated to Committee and/or necessary actions are taken. Reputational risk, operational risk and credit risk are of our Company wide risks about CC.

ii) Asset level processes:

Several dept.s are responsible from determining asset levels risks for Vakıfbank due to climate change. In credit line; "Financial Evaluation and Ranking Dept." gathers data about the applicant's sector and the applicant itself and prepares the initial assessment report, including CC risks & opp.s. Afterwards, each department considers and evaluates their risks according to their credit type responsibilities. The following dept.s assess credit applications integrating climate change risks and opportunities:

- Investment Loans Project Development and Analysis
- Agricultural Credits
- SME Credits
- Specialized Loans Projects Development and Analysis
- Commercial Credits

The number of our customers with credits made available within the scope of TARSİM is 2,351.

As an example, identifying, assessing and responding a physical risk from 2021 is as follows:

We are witnessing both the acute and the chronic risks of climate change more frequently at the recent years; cyclones, storms, floods, heavy rains, heat waves, rising mean temperatures are of these cases. All of these risks have significant effects on agriculture, and we have Agricultural Credits Department. We have 2,351 customers in TARSİM credits. To protect farmers from financial implications of these risks, these risks 3.009.524,39 ₺ is paid under TARSİM insurance policies to our customers.

As an example; substantial financial impacts about climate-related risks may arise from following subjects. For credit applications over a certain budget, Investment Loans Project Development and Analysis Dept. prepares Financial-Technical-Economic Analysis for Credit Dept.s for an additional risk assessment. The technical part of these reports considers env. & social (including CC) risks & opp.s that may result from the



project, as well as possible risks & opp.s that may impact the project.

The potential risks & opportunities that are identified by Sustainability Working Group-SWG (Formerly; Sustainability Sub-Committee), together with Sustainability Service and EMS, and are communicated to the Risk Management Dept. under the BoD for further assessment & classification. Vakıfbank puts importance on evaluating and managing environmental risks on its credit line. Emission intense clients and projects (e.g., Thermal power plants) are assessed thoroughly and evaluated by high level decision makers within Vakıfbank. In 2021, we issued our new sustainable bond. SWG, together with Sustainability Service and EMS, prepare the risk & opportunity categories (according to the decisions taken by Board of Directors) that may occur due to climate change, and shares this information with credit dept.s, Intelligence Dept. and Project Analysis Dept. in order to integrate them into the risk analysis procedures. Risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand; VakıfBank's in-house inspectors also examine risks and opp.s less than a year.

Risk assessments, research, stakeholder consultation & good governance provide us the input needed to prioritize the risks & opp.s. Risks & opp.s are assessed & prioritised depending on the magnitude of the potential loss & the probability that the loss will occur. Financial, environmental, reputational, legal & customer criteria are considered. The frequency of risk assessments depends on the business unit and risk type, taking place at least annually.

Loan applications for Energy Generation and Energy Efficiency Projects is considered in special attention. While assessing and prioritizing risks, parameters such as price of energy, supply & demand balance and external factors that may impact these two parameters are taken into account. CC has been among those parameters since several years for us. Vakıfbank considers CC as a serious thread which may have direct impact on Vakıfbank's operations, reputation, and capital assets. If they are evaluated at the high-risk category, then they are defined as substantial financial impact.

As an example, identifying, assessing and responding a transition risk from 2021 is as follows:

As of end of 2021, our project finance credit amount provided to cement, steel & iron, and energy sectors is TL 16 billion and its ratio in loans is %3.61. With the expected regulations such as Carbon Border Adjustment Mechanisms (CBAM) to be in force by European Green Deal, these 3 sectors are of firstly subjected to carbon taxation. Therefore, as a response we aim to conduct an "Environmental & Social Impact Analysis Management Policy" for all of our Bank's segments except retail banking in 2022.

## 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	<p>Vakıfbank always aims to fully comply with existing regulations. As a public bank, we put great importance on this matter. EMS and Legal dept. steers Vakıfbank for full compliance. Both national and international current regulations are taken into account.</p> <p>For example, in 2020 legislation about transportation of hazardous wastes and electronic wastes got into force and we align our procedures in full accordingly in 2021. In 2021, we were fully complying with ZERO WASTE.</p>
Emerging regulation	Relevant, always included	<p>Vakıfbank's Sustainability Committee and Sustainability Working Group members, especially Sustainability Service EMS and Project Development and Analysis Dept. follow the upcoming regulations and sometimes share their opinions directly or indirectly via sectoral organizations such as Turkish Banks Association. Emerging regulations are considered in the risk assessment.</p> <p>Within the framework of approximation to EU Acquis, Turkey is expected to integrate to European Emission Trading Scheme (ETS) or develop its own ETS, thus to the cap-and-trade system. Turkey has finished the MRV and PMR phases and the next expected step is to establish an emission trading system or carbon tax mechanisms. Therefore, both national and international emerging regulations are taken into account.</p> <p>For example, if a regulation about carbon taxes or ETS get into force in Turkey, then it will be an extra direct cost item for Vakıfbank. Additionally, its customers' will be an extra cost and it could be risk in its lending activities. Such climate change risks are considered in our climate change related risk assessments.</p> <p>In 2021, European Green Deal is getting more and more shaped up and carbon border adjustment mechanisms are planned to be get in force for 5 emission intensive sectors by the end of 2023 and for the rest by the end of 2026. It could have substantive business and financial effects on Turkey as a neighboring and making around its 50% export to European countries.</p> <p>To manage its direct impacts, Vakıfbank's Env. Man Serv. gathers comprehensive environmental data from all premises including its</p>

		<p>branches abroad, calculates its emissions in ISO 14064-1:2018 Standards with the support of ESG Turkey Sustainability Consultancy firm and make the data and its reductions verified the ISO 14064-3 Standards. Additionally, Vakıfbank is getting ESG rating form Sustainalytics.</p> <p>To manage its risks in lending, Vakıfbank is monitoring its limits and use of lending ratio to emission intensive sectors.</p>
Technology	Relevant, always included	<p>We believe that digitalization has a strong effect on sustainability and that digital transformation serves as an important leverage for the creation of sustainable value.</p> <p>We are a pioneering bank, which encodes and develops its banking software with its resources. At our R&amp;D center, we work with an innovation-focused approach.</p> <p>Technology is considered in the risk and opportunity assessments. As we are a bank, we are highly dependent on technology. For example, dependence on technology could lead an increase in use of electricity energy, consequently our emissions depending on the increase in use of technology. In 2021, our use of electricity is 67,097.13 MWh which causes a release of 5,405.73 tCO<sub>2</sub>e GHG emissions.</p> <p>On the other hand, technology may bring more energy and/or emission efficient products and solutions. We consider the risk of technology and take precautions and actions to diminish the negative effects and foster the positive effects.</p> <p>Technology may bring efficiency in both our direct and indirect operations. Day by day technologies fostering energy and/or emission efficiency is introduced to the market.</p> <p>As an example, in 2020, we replaced 450 of our vehicles with their hybrid versions. With our fleet of hybrid vehicles, we have reduced the emissions generated by our vehicles by approximately 10% in 2021. The gains of our bank achieved with this project correspond to 789 tCO<sub>2</sub>-e. This amount is equal to greenhouse gas emissions that are generated through meeting the electricity needs of 1,112 homes in Turkey. In 2021, we added 50 more hybrid vehicles to our vehicle fleet and reduced our missions arising from company vehicles by 17%. Thanks to all these applications, we save energy, and reduce our GHG footprint.</p>
Legal	Relevant, always included	<p>Vakıfbank always aims to fully comply with regulations, as a public bank puts great importance on this and considers legal risks and opportunities in its evaluations and decision-making processes.</p>

		<p>Additionally, as a bank quoted to Borsa İstanbul (İstanbul Stock Exchange) and subject to not only Turkish Commercial Law, but also to Capital Markets Board's and Turkish Banking Regulation and Supervision Agency. Therefore, it is subject to many regulations.</p> <p>Vakıfbank is providing fund to third parties. Therefore, legal compliance is important for both in its own operations, and in its credit line (project finance).</p> <p>For example, in 2021, if a regulation about carbon taxes gets into force in Turkey, then it will be an extra cost item for Vakıfbank. Such climate change risks are considered in our climate change related risk assessments.</p> <p>In 2021, European Green Deal is getting more and more shaped up and carbon border adjustment mechanisms are planned to be get in force for 5 emission intensive sectors by the end of 2023 and for the rest by the end of 2026. It could have substantive business and financial effects on Turkey as a neighboring and making around its 50% export to European countries.</p>
Market	Relevant, always included	<p>Vakıfbank considers climate related market risks and opportunities in its risk assessment. Vakıfbank uses international funds from EBRD, EIB and AFD, there is environmental and social risk management systems for these funds. Therefore, financing sectors using fossil fuels, especially coal is a risk in our market, where in COP 26 around 40 countries were committed to not to finance business related to coal. Additionally, it is expected that 5 emission intensive sector will be subject to Carbon Border Adjustments soon with the regulations in line with European Green Deal.</p> <p>International Financial Institutions (IFIs) have more focus and concerns on the customer's and project's environmental and social risks, and we have many recent agreements with IFIs. Therefore, it is important for us.</p> <p>Please find the last 2 years LOAN AGREEMENTS with INTERNATIONAL FINANCIAL INSTITUTIONS as an example;</p> <ul style="list-style-type: none"> <li>- 2020 The World Bank Emergency Company Support Project USD 250 million (September 2020)</li> <li>- 2020 AFD (French Development Agency) Green Mortgage Financing Loan EUR 200 million (December 2020)</li> </ul>

		<p>- 2021 Intesa Sanpaolo EUR 50 million (March 2021)</p> <p>- 2021 China Development Bank CNY 3.5 billion (December 2021)</p> <p>- 2021 Intesa Sanpaolo EUR 80 million /December 2021)</p>
Reputation	Relevant, always included	<p>Vakıfbank is a public company and quoted to Borsa Istanbul. Furthermore, Vakıfbank has been one of the first four banks qualified to be in BIST Sustainability Index by meeting the sustainability criteria of BIST SI. Vakıfbank has a leading role of in sustainable finance in Turkey. Vakıfbank's reputation, brand and market value could be affected negatively due to climate change risks. On the contrary, best practices may bring positive financial impacts.</p> <p>As a example from 2021, with its sustainable bond issuance, Vakıfbank is deemed worthy to get the "Best Financial Institution Issuance of the Year Success Award" by Bonds &amp; Loans. Such reputational occasions may have positive financial impacts.</p>
Acute physical	Relevant, always included	<p>Vakıfbank operations are highly dependent on technology. Therefore, floods, storms, extreme weather conditions could affect banking operations. Vakıfbank takes them into consideration in its risk assessments and takes necessary precautions. In addition to that, Vakıfbank operations are highly dependent on electricity and these events could affect the continuity of the electricity supply (energy security) and increase the demand on energy. Therefore, these events could cause disruption in operations. Vakıfbank takes them into account in its risk assessments and takes necessary precautions like having on premise generators at its operation locations.</p> <p>As an example, Vakıfbank insures it's all locations including the risks raised from the acute-physical risks. In 2021, 34 of damages caused by natural disasters were covered by the insurance, and the total amount of compensation was TL 11,434.20.</p>
Chronic physical	Relevant, always included	<p>Chronic physical risks like change in precipitation regimes, drought, change in sea temperatures could negatively affect economy and especially some sectors like agriculture, fishery. Vakıfbank is aware of them and takes them into account in its risk assessments. Necessary precautions like awareness raising among its credit analysts and customers is conducted. In the scope of agricultural loan, we consider risks and opportunities, with the belief that sustainable agriculture is critical to the future of our country. We continue to be the power next to the farmer since 2014 and the number of farmers. We delivered TarımKart, reached over 161,886 in 2021. Our Agricultural Credits Department takes into consideration the report, which is prepared by Financial Evaluation and Ranking Department by gathering data about</p>

	<p>the sector, and evaluates credit applications integrating risks and opportunities, including climate change and water. In addition to our financing services in 2020; under VakıfBank Farmers Academy 20 meetings were organized and 2,650 farmers were educated on climate change, water management and sustainable agriculture to increase the technical knowledge of our farmers, reduce costs in agricultural production, increase productivity. Due to Covid-19 pandemic, these meetings were not held in 2021.</p> <p>As example from 2021 is about our Agricultural Banking Credit Risks; %6.5 of our SME credits, which constitutes an amount of TL approximately 2.1 billion is allocated as Agricultural Banking Credits.</p> <p>As another example from 2021; Vakıfbank operations are highly dependent on electricity and these events could increase the demand on energy. This may cause disruption in supply and consequently disruption in operations. Vakıfbank takes them into account in its risk assessments and takes necessary precautions like having on premise generators at its operation locations. As an example, Vakıfbank insures it's all locations including the risks elevated from the physical risks. In 2021, 34 of damages caused by natural disaster were covered by the insurance, and the total amount of compensation was TL 11,434.20.</p>
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## C-FS2.2b

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

	We assess the portfolio's exposure
Banking (Bank)	Yes

## C-FS2.2c

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

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	Integrated into multi-disciplinary	4.65	Qualitative and quantitative	Short-term Medium-term	Risk models	Environmental and Social Risk Management

	<p>company-wide risk management process</p>			<p>Long-term</p>	<p>Scenario analysis</p>	<p>System (ESMS); In the projects financed by the banks, beyond the requirements determined by the legal and Bank policies, it ensures that the environmental and social risks that arise from the general activities of the company and that may arise from the projects to be financed are determined. The Environmental and Social Risk Management System is a management system that allows companies to be classified according to the risks they carry and to monitor these risks with the action plans to be prepared specific to the project and to eliminate these gaps. Banks may face risks that may cause significant environmental or social impacts in the projects they support through lending activities. Failure to evaluate these risks in a timely and appropriate manner and not to take action may cause</p>
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						<p>adverse environmental and social impacts, as well as damage the Bank's reputation. As a result, it can lead to loss of investor support and customer loyalty. In our bank, ESMS establishment efforts have been started for project loans over 20 million USD. Accordingly, as of February 2022, VakifBank's Environmental and Social Impacts Management Policy in Lending Processes and VakifBank Unfunded Activities List in the annex of the mentioned policy document were approved by our Bank's Board of Directors and published on our website. After that, in May 2022, the Procedure for Managing Environmental and Social Impacts in VakifBank Lending Processes and ESMS documentation was approved by the General Manager and got into force. Accordingly, if the activity to be</p>
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					<p>financed is not included in the VakıfBank Unfinanced Activities List, it falls within the scope of project loans and the loan application amount is over 20 million USD; these loan applications will be evaluated through the Excel-based Environmental and Social Assessment Tool and the risk category of the company will be determined. It was decided to define the risk categories into four classes as A (High), B+ (Medium High), B- (Medium Low) and C (Low). While the above-mentioned analysis is being carried out, it is planned to evaluate the companies in terms of water risks. Accordingly, information is requested from companies within the scope of environmental and social impact assessment.</p> <p>A cash project loan limit of approximately 1.1 billion TL was created for 5</p>
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						<p>projects (2 purchases, 3 new investments) produced in 2021 for the iron and steel and agriculture sectors, and 0.16 billion TL of this limit was used in 2021.</p> <p>As of the end of 2021, the cash placement as project loans related to the cement, energy, iron &amp; steel and agriculture sectors is 20.8 billion TL (7 billion TL - Fossil Fuel Plant- 9,5 billion TL- Oil Distribution- 2,7 billion TL- Gas Distribution) and it is 4.65 % of the commercial loans portfolio of our Bank.</p>
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### C-FS2.2d

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

	We consider climate-related information
Banking (Bank)	Yes

### C-FS2.2e

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

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#### Portfolio

Banking (Bank)

**Type of climate-related information considered**

Emissions reduction targets

**Process through which information is obtained**

Directly from the client/investee

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

Energy

Other, please specify

Cement, Steel & Iron, Agriculture

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

We are aware that we have a responsibility for the environmental & social impacts of the projects we finance within the framework of or responsible finance approach, which is the basis of our duty to contribute to society & the environment. In this context, 'Environmental & Social Impact Assessment & Sustainability' is included as a special title in our Credit Policy Document to evaluate the environmental & social impacts of the projects we finance. In this way, we focus on creating a positive indirect effect with the projects we provide financing, & prioritize environmentally friendly projects, energy efficiency & renewable energy projects in financing.

In 2021, the amount of project cash loan limit assigned to energy and steel-iron production sectors (emission intensive sectors) is TL 7.7 billion and TL 2.1 billion of it is provided. As of the end of 2021, the cash placement as project loans related to the cement, energy, iron & steel and agriculture sectors is 20.8 billion TL and it is 4.65% of the commercial loans portfolio of our Bank.

## 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.**

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**Identifier**

Risk 1

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

Banking portfolio

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

Market

Other, please specify  
Increased costs for loans

**Primary potential financial impact**

Increased credit risk

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

Credit risk

**Company-specific description**

Within the framework of approximation to EU Acquis, Turkey is expected to integrate to European Emission Trading Scheme, thus to the cap-and-trade system. Additionally, European/US/Australian Green Deals are about get into force and our customers, who are exporters and/or manufacturers, could be subjected to carbon tax, carbon offsetting costs or extra investment costs. During this process, several Turkish industrial sectors may have reduced their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. While ETS would not apply directly to Vakıfbank, the situation may cause loan recipients to increase their capital costs due to additional regulatory requirements for their investments. Increased costs for loan (which are clients of Vakıfbank) may mean increased risk of capacity of the companies to pay back the bank loans especially for project finance. Then, due to NPL ratio the market value may decrease by %10.

**Time horizon**

Short-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,437,269.07

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

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

**Explanation of financial impact figure**

The market value of Vakıfbank as of end of 2020 is TL 14,372,690,763. Therefore, if we assume that there will be a 10% decrease in Vakıfbank's market value due to a climate

change oriented reputational risk, then its negative financial impact will be TL  
1,437,269.076

### **Cost of response to risk**

2,754,591.8

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

“Sustainability Committee” (which is currently named as 'Corporate Governance Committee') coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee”(which is currently named as 'Sustainability Working Group'). Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. Therefore, cap and trade schemes, its risks, opportunities, and impacts are all assessed by Vakıfbank. Vakıfbank established the Environmental Management Service to evaluate such topics in detail and to determine its responses. On the other hand, Vakıfbank conducts business with international organizations such as EBRD, WB, etc. Therefore, Vakıfbank has sufficient infrastructure and experience to develop or involve in such formations, if necessary.

Since there are no cap-and-trade schemes in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

### **Comment**

Since there is no carbon tax in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees of EMS and the budget of consultancy services provided to EMS are TL 2.754.591,80 in total for 2021.

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### **Identifier**

Risk 2

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

Other parts of the value chain

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

Emerging regulation  
Carbon pricing mechanisms

**Primary potential financial impact**

Increased indirect (operating) costs

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

Policy and legal risk

**Company-specific description**

Within the framework of approximation to EU Acquis, Turkey is expected to integrate to European Emission Trading Scheme, thus to the cap-and-trade system. Additionally, European/US/Australian Green Deals are about get into force and our customers, who are exporters and/or manufacturers, could be subjected to carbon tax, carbon offsetting costs or extra investment costs. Carbon tax would be another instrument to reduce Turkey's overall GHG Emissions. In case implemented, carbon tax will bring additional operational cost to Vakıfbank's clients due to their GHG emissions. Increased operational costs will mean less revenue and increased risk for loan pay back to Vakıfbank from the clients. If carbon tax is introduced in Turkey, it could have a direct financial impact on Vakıfbank as a GHG emitting organization. Even though, Vakıfbank achieves its emission reduction targets and verifies its emissions by a third-party organization, Vakıfbank may face an amount of carbon tax.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Low

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

27,616,868

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

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

**Explanation of financial impact figure**

If carbon tax is introduced in Turkey, it could have a direct financial impact on Vakıfbank as GHG emitting organization. Even though, Vakıfbank achieves its emission reduction

targets and verifies its emissions by a third-party organization, Vakıfbank may face an amount of carbon tax. Vakıfbank has direct, energy indirect and other indirect emissions of 414,387.70 tCO<sub>2</sub>e in 2021. If we assume that USD 5 per tCO<sub>2</sub>e is charged as carbon tax, which is similar to the value for our carbon-offsetting cost, then Vakıfbank would subject to USD 2,071,938.5 of tax expenditure (negative effect).

In Turkish liras, it will cost TL 27,616,868, according to the currency rate as of 31 December 2021, which is USD/TRY=13.3290.

### **Cost of response to risk**

2,754,591.8

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

'Corporate Governance Committee' coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee". Corporate Governance Committee with the support of Environmental Management Service (EMS), is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. As an action, EMS is established to develop Carbon Management strategies and policies. To this aim, EMS calculates, monitors, and take actions to reduce the emissions and mitigate the Climate Change effects on Vakıfbank. For example, GHG Inventory is calculated by EMS and projections about possible carbon tax are prepared. If we assume that USD 5 per tCO<sub>2</sub>e is charged as carbon tax, then Vakıfbank would subject to USD 2,071,938.5 of tax. Since there is no carbon tax in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

### **Comment**

Since there is no carbon tax in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary.

Personnel fees of EMS and the budget of consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

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### **Identifier**

Risk 3

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

Banking portfolio

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

Acute physical

Heavy precipitation (rain, hail, snow/ice)

**Primary potential financial impact**

Increased credit risk

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

Credit risk

**Company-specific description**

Chronic physical risks like change in precipitation regimes, drought, change in sea temperatures could negatively affect economy and especially some sectors like agriculture, fishery. Vakıfbank is aware of them and takes them into account in its risk assessments. Necessary precautions like awareness raising among its credit analysts and customers is conducted. In the scope of agricultural loan, we consider risks and opportunities, with the belief that sustainable agriculture is critical to the future of our country. We continue to be the power next to the farmer since 2014 and the number of farmers. We delivered TarımKart, reached over 161,886 in 2021.

Our Agricultural Credits Department takes into consideration the report, which is prepared by Financial Evaluation and Ranking Department by gathering data about the sector, and evaluates credit applications integrating risks and opportunities, including climate change and water.

As example from 2021 is about our Agricultural Banking Credit Risks; %6.5 of our SME credits, which constitutes an amount of TL approximately 2.1 billion is allocated as Agricultural Banking Credits.

An overall change in all climate parameters combined (precipitation, temperature, etc.) is expected to have negative impacts on agricultural product yields and SMEs. Vakıfbank gives loans to farmers, therefore reduced income for farmers may cause a risk of difficulties of receiving back the loans from the loan recipients.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

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

Yes, a single figure estimate



**Potential financial impact figure (currency)**

3,009,524.39

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

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

**Explanation of financial impact figure**

With the belief that sustainable agriculture is critical to the future of our country, we continue to be the power next to the farmer with our expert staff and products and services tailored to our needs since 2014. We help our farmer customers meet their financing needs with our business and investment loan products that are paid once a year in accordance with the harvest periods. In this regard, we adequately finance the operating and investment expenses with our products that are designed according to our customers' needs such as loans for plant production, dairy farming, poultry farming, greenhouse farming, aquaculture, mushroom farming, beekeeping, organic farming, tractor, agricultural land purchase, agricultural equipment, dairy farming. With TarımKart which is another of our products designed for agricultural producers, we finance the inputs that our farmers will need during their agricultural activities, we offer many advantages such as grace period and discount interest rate for their purchases from our agricultural member businesses and enable them to use cash loans within their cash withdrawal limits. We organize state sponsored TARSİM insurance policies through our branches to our farmers who want to protect their assets against risks such as natural disasters and diseases.

For example, in 2021, TL 3,009,524.39 is paid under TARSİM insurance policies.

**Cost of response to risk**

9,250,400

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

Vakıfbank integrates climate risks and associated possible income losses in risk management procedures of project financing on the asset level. According to Vakıfbank's credit policy, eco-friendly projects with the principle of sustainability are given priority for financing. Besides the loan programs originating from international banks, Vakıfbank provides financial incentives to individuals, SMEs, and project owners to support their sustainability projects. In this context, one of the important collaborations we have realized is the Agriculture and Rural Development Loan protocol signed with the French Development Agency (AFD) in November 2017 to support the rural development and agriculture sectors. We have provided funding sources of EUR 80 million that we have provided under the protocol for the use of farmers, agricultural cooperatives and associations under attractive conditions. Within the scope of the protocol, we have implemented to support the agricultural development of our country, the number of our farmer customers who have been granted loans to approximately 2,351 and we continue to work on increasing the capacity of agricultural and rural finance through the technical consultancy component included in the program. Besides,

in order to understand, analyze and correctly direct our customer's needs, we have provided online training courses to our Agricultural Portfolios that include the working principles of the Cotton, Meat and Dairy, Fruit, Vegetable, Greenhouse Production, Sugar Beet and Grain sectors.

Agricultural banking team has 70 employees including the field force and their annual remuneration is 9,250,400 TL

VakıfBank Farmer Academy, which we established to increase the technical knowledge of our farmers, to reduce costs in agricultural production and increase efficiency, and to contribute to sustainability in agriculture, continued its activities.

### **Comment**

There are no additional direct costs on management of AFD loans.

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### **Identifier**

Risk 4

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

Direct operations

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

Acute physical  
Cyclone, hurricane, typhoon

### **Primary potential financial impact**

Increased indirect (operating) costs

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

Operational risk

### **Company-specific description**

Extreme weather events, including windstorms, hailstorms, floods, etc., could have additional maintenance and insurance costs for all sectors. VakıfBank has 2 HQ Buildings, 939 branches and 4,162 ATMs as of the end of 2021. Therefore, they are open to detrimental effects of physical risks of Climate Change.

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Low

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

342,655

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

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

**Explanation of financial impact figure**

Vakıfbank has 2 HQ Buildings, 940 branches and 4,162 ATMs as of the end of 2021. Total value of tangible assets of Vakıfbank is 4,866,82,000 as of end of 2021. The possible maximum negative physical financial implication could lead to this extent, but the possibility for this amount of financial impact is extremely low. For the potential financial impact, we took a reasonable proportion of these assets.

Including physical Climate Change risks such as change in precipitation extremes are managed with the departments in Sustainability Working Group. EMS informs and trains the relevant departments about the detrimental effects of climate change. Constructional Works Department cares these risks and takes necessary measures when renting/buying, moving, or renovating a new premise for Vakıfbank. As a response action, Vakıfbank insures its physical assets, and this insurance also includes the effects of Climate Change. In 2021, 34 of damages caused by natural disasters were covered by the insurance, and the total amount of compensation was TL 11,434.20 and the uncovered part of the cost of the physical damages at Vakıfbank buildings is TL 231,953 TL. Total 342,655 TL

**Cost of response to risk**

2,754,591.8

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

Budget of EMS and the uncovered part of the physical damages by insurance company are of the cost of management. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

**Comment**

Budget of EMS and the uncovered part of the physical damages by insurance company are of the cost of management. The total budget of EMS including employee fees and consultancy services provided are TL 2,754,591.80 for 2021.

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**Identifier**

Risk 5

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

Direct operations

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

Reputation

Increased stakeholder concern or negative stakeholder feedback

**Primary potential financial impact**

Other, please specify

Reduced stock price (market valuation)

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

Reputational risk

**Company-specific description**

Vakıfbank is a public company and quote to Borsa Istanbul. Vakıfbank is a public company and quoted to Borsa Istanbul. Furthermore, Vakıfbank is qualified to be in BIST Sustainability Index by meeting the sustainability criteria of BIST SI. Vakıfbank has been one of the first four banks that satisfied the Sustainability Criteria developed for the Sustainability index. Leading role of Vakıfbank in sustainable finance in Turkey. Vakıfbank's reputation, brand and market value could be affected negatively due to climate change risks.

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,437,269,076

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

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

**Explanation of financial impact figure**

The market value of Vakıfbank as of end of 2020 is TL 14,372,690,763. Therefore, if we assume that there will be a 10% decrease in Vakıfbank's market value due to a climate change oriented reputational risk, then its negative financial impact will be TL 1,437,269,076

### Cost of response to risk

2,754,591.8

### Description of response and explanation of cost calculation

'Corporate Governance Committee' coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee" 'Sustainability Working Group'. Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change (Investor Relations, Corporate Communication, etc.). The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. The unit of Vakıfbank, whose prior focus is climate change effects, is Environmental Management Service. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

### Comment

We will keep up monitoring and responding to our risks.

## C2.4

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

Yes

## C2.4a

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

---

### Identifier

Opp1

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

Banking portfolio

### Opportunity type

Products and services

### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

### Primary potential financial impact

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

Within the framework of approximation to EU Acquis, Turkey is expected to integrate to European Emission Trading Scheme, thus to the cap-and-trade system. During this process, several Turkish industrial sectors may have reduced their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. While ETS would not apply directly Vakıfbank, it may bring opportunities by accelerating the demand for renewable energy and energy-efficiency projects, which the company can finance. Besides, as the most active Turkish bank of international capital markets, we have included the issue of Green Bond &/or Sustainable Bond to our agenda, which has been used as a funding tool for climate change and green projects for many years in developed countries, especially in Europe, and which has started to be seen in our country in recent years. In this context, we prepared the Sustainable Finance Framework Text to form the basis for the issuance of Green Eurobond, and realized the first sustainable Eurobond issue in 2020.

'After the issuance of the first-ever sustainable Eurobond amounting 750 million USD in 2020, VakıfBank made another successful Sustainable Eurobond transaction amounting 500 million USD in 2021. Additionally, we have received the fund amounting 50 million EUR from the French Development Agency (AFD) to finance green buildings with A and B EPC and 21 million USD from the World Bank (WB) to finance SMEs which are negatively affected from Covid 19.'

### **Time horizon**

Short-term

### **Likelihood**

Very likely

### **Magnitude of impact**

Medium

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

Yes, an estimated range

### **Potential financial impact figure (currency)**

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

3,912,000,000

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

6,520,000,000

### **Explanation of financial impact figure**

We continue our cooperation with the European Investment Bank (EIB), the World Bank, the European Bank for Reconstruction and Development (EBRD), the German Development Bank (KfW) and the French Development Agency (AFD) to support the real sector with long-term and cost-effective funding sources. In this context, we made a

200 million Euro resource agreement with the French Development Agency (AFD) for energy efficient houses. Thus, we aim to support the reduction of residential energy consumption and greenhouse gas emissions from the residential construction sector. This agreement also has the distinction of being the largest green housing project provided by a bank in the Turkish banking sector. As of 30 September 2019, we have completed our loan disbursements, which we started as part of the SME Energy Efficiency Project provided by the World Bank to three state banks in 2013. Within the scope of the project, we provided funding sources to support the energy efficiency investments of the enterprises. The total amount of the funding was USD 68,307,204 (approx. TL 406 million as of 31 Dec 2019) also, the fund will provide an estimated 745,693 tons of CO2 emission reduction over the lifetime of the investments. For 2020, our fund received from World Bank for Energy Efficiency in SMEs is USD 68.307.204, which is TL 506,798,469. In 2021, we offered many suitable new products to our SMEs. TOBB Breath Loan 2021, we have contributed to the healthy growth of businesses and also to the environment and the sustainability of the economy with the Sustainability and Resource Efficiency and EcoFriendly Vehicle Loan. In addition, by offering our “Profitable POS” product in 2021, we have enabled SMEs to make financial savings in their member merchant transactions. We have strengthened our current structure to offer the products and services we provide to SMEs to a wider audience. In this context, we closely followed the needs of SMEs by performing customer visits both online and in person. We increased our SME loans to TL 130.4 billion according to the legal SME definition during this period.

If we assume that this loan has a profit margin between 3% and 5%, then it leads to a positive financial impact of 3.91 billion TL and 6.52 billion TL.

### **Cost to realize opportunity**

2,754,591.8

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

“Sustainability Committee” (which is currently named as 'Corporate Governance Committee') coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by Sustainability Sub-committee"(which is currently named as 'Sustainability Working Group'). Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change. The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. Therefore, cap and trade schemes, its risks & opportunities, and impacts are all assessed by Vakıfbank. Vakıfbank established the Environmental Management Service to evaluate such topics in detail and to determine its responses. On the other hand, Vakıfbank conducts business with international organizations such as EBRD, WB, etc. Therefore, Vakıfbank has sufficient infrastructure and experience to develop or involve in such formations, if

necessary. Since there are no cap-and-trade schemes in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

### **Comment**

Since there are no cap-and-trade schemes in Turkey at the moment, the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

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### **Identifier**

Opp2

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

Direct operations

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Shift in consumer preferences

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

After COP meetings in Paris, a consensus provided to limit the global warming under 2 Celsius, if possible 1.5 Celsius. Countries committed decrease their environmental footprint, mitigate the effects of Climate Change, and adapt to Climate Change. This creates a big low carbon economy. Turkey also makes national emission reduction commitments. Such a commitment will eventually be reflected as sectoral emission reduction target to be enforced with a cap system for each industrial installation. During this process, several Turkish industrial sectors may have to reduce their emissions through low carbon technology investments or through offsetting their GHG emissions, in order to keep their emissions under the allowed threshold levels. This may bring opportunities for sustainable finance by accelerating the demand for renewable energy and energy-efficiency projects, which the company can finance. Besides, as the most active Turkish bank of international capital markets, we have included the issue of Green Bond &/or Sustainable Bond to our agenda, which has been used as a funding tool for climate change and green projects for many years in developed countries,



especially in Europe, and which has started to be seen in our country in recent years.

In this context, we prepared the Sustainable Finance Framework Text to form the basis for the issuance of Green Eurobond and realized the first sustainable Eurobond issue in 2020. In September 2021, we issued the second sustainable Eurobond worth 500 million USD. In April 2021, we signed our Bank's first sustainable syndication loan with a total of USD 1.1 billion. In November 2021, we renewed our second syndication loan with a total of USD 650 million based on sustainable performance criteria. Thus, we turned all our syndicated loans into "Sustainable Syndication" loans.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-high

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

Yes, an estimated range

**Potential financial impact figure (currency)**

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

699,772,500

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

1,166,287,500

**Explanation of financial impact figure**

In April 2021, we signed our Bank's first sustainable syndication loan with a total of USD 1.1 billion. In November 2021, we renewed our second syndication loan with a total of USD 650 million based on sustainable performance criteria. Thus, we turned all our syndicated loans into "Sustainable Syndication" loans.

If we assume that this loan has a profit margin between 3% and 5%, then it leads to a positive financial impact of 699,772,500 TL and 1,166,287,500 billion TL. Where 1 USD is equal to 13.3290 (As of 31 December 2021 from TCMB)

**Cost to realize opportunity**

2,754,591.8

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

Vakıfbank had realized that Climate Change (CC) is a reality and to create and/or involve in CC mitigation and adaptation is a necessity. Besides, developing green finance in Turkey was a motivation for our strategies. Furthermore, make the society utilize them. In Vakıfbank, Board of Directors is the main and the highest-level

responsible of the overall performance of the Bank. Nonetheless, the main responsibility of the Sustainability, including climate change, is on the Corporate Governance Committee. It directly reports to Board of Directors. To steer the strategies; stakeholder expectations & material issues analysis are performed periodically from various channels. One of the main channels is the one we performed during our Sustainability Reporting process annually. Findings are evaluated mainly by the Investor Relations, Environmental Management Services and Risk Department to determine the opportunities & risks and update the strategies. Besides, relevant core business units (Credits, SME Banking, International Banking, etc.) consider the possible risks & opportunities on Climate Change. Then, risks are categorized and if necessary; monitored or elevated to Committee and/or actions are taken. On the other hand, inspectors also examine the process periodically. Vakıfbank is already providing sustainable finance to its customers. The Environmental Management Service has a quite important role on monitoring and catching these opportunities, therefore we could consider that the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

#### **Comment**

Vakıfbank is already providing sustainable finance to its customers. The Environmental Management Service has a quite important role on monitoring and catching these opportunities, therefore we could consider that the management cost is the cost of Environmental Management Service (EMS) for Vakıfbank. EMS is a team of 11 full-time employees focuses on environmental management of Vakıfbank. EMS conducts its duties by its own or utilizes consultancy services on purpose when necessary. Personnel fees of EMS and the budget of consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

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#### **Identifier**

Opp3

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

Direct operations

#### **Opportunity type**

Markets

#### **Primary climate-related opportunity driver**

Improved ratings by sustainability/ESG indexes

#### **Primary potential financial impact**

Other, please specify

Increase in Market Value

### **Company-specific description**

Vakıfbank is a public company and quote to Borsa Istanbul. Vakıfbank is a public company and quoted to Borsa Istanbul. Furthermore, Vakıfbank is qualified to be in BIST Sustainability Index by meeting the sustainability criteria of BIST SI. Vakıfbank has been one of the first four banks that satisfied the Sustainability Criteria developed for the Sustainability index. Leading role of Vakıfbank in sustainable finance in Turkey. Vakıfbank's reputation, brand and market value could be affected positively due to climate change opportunities. Also, since 2017, we have been included in the FTSE4Good Emerging Markets Index, which is particularly followed by responsible investors. This year, we also voluntarily participated in the Dow Jones Sustainability Index (DJSI) survey, which is the first sustainability index applied globally and evaluates the management qualities and potential future performances of the leading companies worldwide by integrating the sustainability criteria into traditional financial analyzes, and we started to improve our actions to enhance our performance. Thus, we have taken an important step for investors to make them identify investment opportunities that can create permanent value.

### **Time horizon**

Short-term

### **Likelihood**

More likely than not

### **Magnitude of impact**

High

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

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

1,437,269,076

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

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

### **Explanation of financial impact figure**

The market value of Vakıfbank as of end of 2020 is TL 14,372,690,763. Therefore, if we assume that there will be a 10% increase in Vakıfbank's market value due to a climate change oriented reputational opportunity, then its negative financial impact will be TL 1,437,269,076.

### **Cost to realize opportunity**

2,754,591.8

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

'Corporate Governance Committee' which is directly reporting to Board of Directors coordinates all efforts of sustainability, which include determining the overall sustainability strategy, management and supervision of sustainability projects that are developed and implemented by 'Sustainability Working Group'. Corporate Governance Committee, with the support of Environmental Management Service, is responsible from identifying the risks and opportunities that might result from climate change. Environmental Management Service has the coordinating role among all departments in identifying and communicating the risks and opportunities due to Climate Change (Investor Relations, Corporate Communication, etc.). The risks and opportunities are then communicated to the Risk Management Department under the Board of Directors for further assessment and prioritization. The unit of Vakıfbank, whose prior focus is climate change effects, is Environmental Management Service. As the cost of management, Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2021.

#### Comment

Vakıfbank puts effort to maximize its market value.

## C3. Business Strategy

### C3.1

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

#### Row 1

##### Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

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

In 2019, we became the first Turkish public institution to announce its commitment to reduce carbon emissions by participating in the Science Based Targets initiative. By the publish of banking sector supplement by SBTi, the Scope 3 emissions should be included to the transition plan, and this made the process a bit longer. Therefore, we don't have a transition plan that aligns with a 1.5°C world yet. Bu t we are in process of preparation.

### C3.2

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

Use of climate-related scenario analysis to inform strategy

Row 1	Yes, qualitative and quantitative
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## C3.2a

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

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Bespoke transition scenario	Company-wide	1.6°C – 2°C	Vakıfbank is focusing on Environmental Management and green finance activities for many years. As a public bank actively putting effort to foster green finance in Turkey. Vakıfbank analysis scenarios about the green economy market in Turkey. Also, follows up the improvements about cap-and-trade schemes. Turkey declared its NDC plan and stated that it will be decreasing its GHG emissions by 21%. On the other hand, Ministry of Environment is gathering data about the GHG emissions of industry. Therefore, we are also eager to contribute to Turkey's transition to low Carbon economy therefore we are analyzing the outcomes and impacts of our potential emission reduction actions/activities and its contribution to our goals on emission reduction.

## C3.2b

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

Row 1

### Focal questions

- As a public bank, how do we contribute to a greener world?
- How do we utilize the financial instruments for sustainable development of our country and world?
- How do we meet our responsibilities to be net-zero?

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

We are pledged to start to conduct our "Environmental & Social Impact Assessment Policy" and Exclusion List" to all segments except retail banking.

### C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Our climate-related risks &amp; opportunities influenced our strategies on our products &amp; services in short (0-2yrs), mid(2-6yrs) and long(6-11yrs) term.</p> <p>As a public bank, we believe that we should be a leading organization in Climate Change (CC) mitigation &amp; adaptation activities. Besides, developing green finance in Turkey was a motivation for our strategies. Furthermore, make the society utilize them.</p> <p>Therefore, we support and encourage our stakeholders &amp; clients for their sustainable energy projects &amp; investments, regardless of the size of the investment. According to our credit policy, eco-friendly projects have priority for financing. Besides, the loan programmes originating from international banks, we provide financial incentives to individuals, SMEs, &amp; project owners to support their sustainability projects. We provide financial support to sustainable energy investments &amp; projects by giving priority to renewable energy investments under the title of Sustainable Energy Finance. In 2021, we provided finance support of over TL 4.4 billion to 22 renewable energy projects.</p> <p>Additionally, as of 30 September 2019, we have completed our loan disbursements, which we started as part of the SME Energy Efficiency Project provided by the World Bank to three state banks in 2013. Within the scope of the project, we provided funding sources to support the energy efficiency investments of the enterprises.</p> <p>Moreover, by supporting both energy consultancy &amp; effective projects on energy efficiency, we supported local governments to develop energy efficiency projects, integrating renewable energy into local governments, waste management, generating energy from garbage, lighting, energy efficiency in transportation &amp; water asset management projects.</p>

		<p>Within the framework of our responsible finance approach, which is the basis of our duty to contribute to society and the environment, 'Environmental &amp; Social Impact Assessment &amp; Sustainability' is included as a special title in our Credit Policy Document in order to evaluate the environmental &amp; social impacts of the projects we finance. In this way, we focus on creating a positive indirect effect with the projects we provide financing, and prioritize environmentally friendly projects, energy efficiency &amp; renewable energy projects in financing.</p>
Supply chain and/or value chain	Yes	<p>Our climate-related risks &amp; opportunities influenced our strategies on our products &amp; services in short (0-2yrs), mid (2-6yrs) and long (6-11yrs) term.</p> <p>Since Vakıfbank is a public company and quote to Borsa Istanbul, we consider the climate related risks and opportunities within the scope of the impacts on our reputation, brand and market value. We carry out our business processes with our suppliers and business partners, who are among our stakeholders and have a significant impact on our business, by following the economic intelligence reports every year within the scope of the contracts covered by the Regulation on Banks' Procurement of Support Services. We evaluate the economic and managerial competencies of our suppliers, expect them to comply with BRSA regulations and our policies based on agreements and contracts. We take care to ensure that all companies that will be employed in the procurement of support services provide the quality cost balance best and we pay attention to some criteria in corporate, environmental, and social areas. In this context; as the condition of signing a contract with our suppliers, we request documents on occupational health and safety and energy efficiency. Additionally, within the scope of energy efficiency and cost analysis, we score electronic products on the basis of energy efficiency.</p> <p>Moreover, we provide training to our suppliers that provide operational services in line with the nature of the work done in order not to compromise our service quality and contribute to the development of suppliers.</p>
Investment in R&D	Yes	<p>Our climate-related risks &amp; opportunities influenced our strategies on our products &amp; services in short (0-2yrs), mid (2-6yrs) and long (6-11yrs) term.</p>

		<p>Vakıfbank had realized that Climate Change (CC) is a reality and to create and/or involve in CC mitigation and adaptation is a necessity. Vakıfbank invests in its R&amp;D activities to develop and improve products that decreases third parties' carbon footprint like mobile and internet banking. As a first step of digital transformation within the branch transformation project that we started to implement our new concept in our pilot branch, besides the physical structure; we also simplified in-branch transaction processes. We aimed to increase the digital integration of processes by shortening long processing steps. In this way, by supporting the paperless banking model, we aim to foster the habits of our customers towards alternative distribution channels in digital areas created within the branch.</p>
Operations	Yes	<p>Our climate-related risks &amp; opportunities influenced our strategies on our products &amp; services in short (0-2yrs), mid (2-6yrs) and long (6-11yrs) term.</p> <p>When providing services to our customers without interruption at our operational network, which is countrywide, we consider the physical impacts of the climate change (CC). Vakıfbank is considering physical climate risks effects in new branch location selection and for existing branches, and will be putting effort by its constructional works unit to minimize the potential physical effects of CC. Until 2021, all branches &amp; Head Office is certified under the scope of ISO 14001 EMS. We work to reduce the effects &amp; carbon footprint that occur during our activities. For this, we monitor our environmental performance with an electronic database system which tracks the energy, waste &amp; water monthly data entries of HQ &amp; all our branches &amp; effectively manage our greenhouse gas emissions &amp; energy consumption. The EMS, with 11 full-time employees as our Bank's staff, monitors &amp; controls such data on a regular basis &amp; canalize all our departments to reduce natural resource consumption &amp; greenhouse gas emissions. We also prefer to use products with high efficiency and reduce consumption. We use central heating &amp; cooling systems, energy efficient servers, A-class inverter air conditioners &amp; energy efficient products. We use LED systems in lighting &amp; turn off computers &amp; phones centrally after specified hours. Additionally, 450 of our Bank vehicles are replaced with hybrid versions in 2021.</p>



		<p>With this, we save energy &amp; follow up &amp; report our carbon emissions in accordance with the Greenhouse Gas Emission Data Collection &amp; Calculation Regulation. In addition, we report our CC strategy, risks &amp; performance to CDP &amp; present our performance in this regard to the information of our investors &amp; the public. Within CDP CC program (reporting since 2015), we kept our performance score at B level in 2021 &amp; became one of the participant banks from Turkey who obtained the highest grade. Our new HQ Building is being constructed to have LEED Gold-certified Green Building Certificate.</p>
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### C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	<p>Revenues</p> <p>Direct costs</p> <p>Indirect costs</p> <p>Capital expenditures</p> <p>Capital allocation</p> <p>Access to capital</p> <p>Assets</p> <p>Liabilities</p>	<p>We are aware that the financing of sustainable development in the combat against climate change takes an important place. Within this context, under the heading of Sustainable Energy Financing, we provide financial support to sustainable energy investments and projects by prioritizing renewable energy initiatives. We have provided nearly TL 4.4 billion in funding support to 22 renewable energy projects with a total installed power of 998.4 MW in 2021.</p> <p>In the coming period, we will continue to provide financial support to renewable energy and resource efficiency projects.</p> <p>Vakıfbank accessed international funds with the help its focus on climate related activities. Funds received with the help of Vakıfbank's focus on climate change increased its assets. Vakıfbank gains high revenues from the funds received by international banking activities. The magnitude of the impact is high.</p> <p>In 2021, we increased our total foreign trade volume by 123% compared to the previous year. IN DECEMBER 2021, WE SIGNED A BILATERAL LOAN AGREEMENT WITH THE DEVELOPMENT BANK OF CHINA, AND FOR THE FIRST TIME IN THE HISTORY OF THE BANK, WE OBTAINED YUAN DENOMINATED INTERNATIONAL FUNDING</p> <p>We continue to diversify and cement our funding structure thanks to our strength and credibility in international markets. In this context, we support the import and export transactions of our customers with the</p>

	<p>loans we provide through the agreements concluded with international financing institutions such as European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), and Taiwan Export-Import Bank (TEXIM). In December 2021, we signed a bilateral loan agreement with the Development Bank of China, and for the first time in the history of the bank, we obtained Yuan denominated international funding. The final maturity of the loan worth 3.5 billion Yuan, which has been provided to be utilized for the funding of foreign trade between the two countries and the overall funding needs, was 3 years. As a result, we provided funding of approximately USD 1.3 billion from correspondent banks within the scope of the bilateral loan agreements and post-financing transactions last year. In 2022, we will continue to support our vast customer base trading with different parts of the world by correctly identifying their demands and needs with an awareness of the significant contribution foreign trade makes to the national economy. At the same time, we aim to offer innovative products under the most appropriate conditions to our customers and to provide alternative financing possibilities, with our high technology, high-quality service, and widespread network of correspondent banks as well as our knowledge and experience of many years in the field of foreign trade.</p> <p>Capital expenditures of Vakıfbank could be impacted with the cost of management of climate change management efforts in a very small scale negatively, but with the savings gained by management of these issues will be much higher. Energy savings is much higher than these expenditures, therefore operating costs will lower down. Personnel fees and training expenses of EMS Team, carbon-offsetting expenditure, consultancy services provided to EMS are TL 2,754,591.80 in total for 2020.</p>
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## C-FS3.6

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

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

## C-FS3.6a

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

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### Portfolio

Banking (Bank)

### **Type of policy**

Credit/lending policy

Risk policy

Other, please specify

Sustainability Policy, Environmental Policy, Environmental and Social Impacts  
Management Policy in Lending Processes


### **Portfolio coverage of policy**

100

### **Policy availability**

Publicly available


### **Attach documents relevant to your policy**

 Environmental and Social Impacts Management Policy in Lending Processes.pdf

 Supplier Selection and Compliance Policy.pdf

 Environmental Policy.pdf

 Sustainability Policy.pdf

 VakıfBank ESG Approach\_\_May 2022.pdf

 Sustainable and Responsible Finance in Vakıfbank.docx

### **Criteria required of clients/investees**

Other, please specify

To pass through Bank's Environmental & Social Risk Assessment System

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

Direct operations and supply chain

### **Timeframe for compliance with policy criteria**

Complying with criteria is a pre-requisite for business

### **Industry sectors covered by the policy**

Energy

Materials

Capital Goods

Commercial & Professional Services

Transportation

Automobiles & Components

Consumer Durables & Apparel

Consumer Services

Retailing

Food & Staples Retailing

Food, Beverage & Tobacco

Household & Personal Products

Health Care Equipment & Services

Pharmaceuticals, Biotechnology & Life Sciences  
Software & Services  
Technology Hardware & Equipment  
Semiconductors & Semiconductor Equipment  
Telecommunication Services  
Media & Entertainment  
Utilities  
Real Estate  
Other, please specify

All sectors of which fail in Bank's Environmental & Social Risk Assessment System

### **Exceptions to policy based on**

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

VakıfBank's Environmental and Social Impacts Management Policy in Lending Processes and VakıfBank Unfunded Activities List in the annex of the mentioned policy document were approved by our Bank's Board of Directors and published on our website. After that, the Procedure for Managing Environmental and Social Impacts in VakıfBank Lending Processes got into force. Accordingly, if the activity to be financed is not included in the VakıfBank Unfinanced Activities List, it falls within the scope of project loans and the loan application amount is over 20 million USD; these loan applications will be evaluated through the Excel-based Environmental and Social Assessment Tool and the risk category of the company will be determined. It was decided to define the risk categories into four classes as A (High), B+ (Medium High), B- (Medium Low) and C (Low).

We are aware that we have a responsibility for the environmental and social impacts of the projects we finance within the framework of our responsible finance approach, which is the basis of our duty to contribute to society and the environment. In this context, 'Environmental and Social Impact Assessment and Sustainability' is included as a special title in our Credit Policy Document in order to evaluate the environmental and social impacts of the projects we finance. In this way, we focus on creating a positive indirect effect with the projects we provide financing, and prioritize environmentally friendly projects, energy efficiency and renewable energy projects in financing whereas we do not include certain sectors within the scope of prohibited sectors. We request the documents that the projects need to provide regarding environmental standards before the project financing, and we lay down the Environmental Impact Assessment (EIA) Reports as a prerequisite in order to determine the environmental impacts of all the projects we finance. We see it as our responsibility to monitor the continuity of the positive impact created in the projects we finance. This process, which we have implemented in the project finance phase within the framework of a responsible banking approach, also facilitates our cooperation with international financial institutions such as the World Bank, EBRD, EIB and KfW. Thus, we can successfully manage the process of meeting the high ethical, environmental and social criteria, which are among the requirements of many projects that we provide financing through related institutions.

## C-FS3.6b

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

---

### Portfolio

Banking (Bank)

### Type of exclusion policy

Other, please specify

Nuclear Energy, Illegal Fishing, Activities conducted in critical habitats including RAMSAR areas, CITES

### Year of exclusion implementation

2,020

### Timeframe for complete phase-out

Already phased out

### Application

New business/investment for new projects

New business/investment for existing projects

Existing business/investment for existing projects

### Country/Region the exclusion policy applies to

Turkey

### Description

We require Environmental Impact Assessment (EIA) Reports as a prerequisite for the financing we provide in order to determine the environmental impacts of all projects. In addition, we request the documents that the projects must provide regarding environmental standards before the project financing. In addition to environmental criteria, we also assess the social impact of projects. We expect employees in the projects to meet various criteria regarding human rights, ethical values, non-child labor and non-forced labor. In addition, we do not provide financing to the sectors below under any circumstances.

Energy generation using nuclear fuels

Production or trade in weapons and land mines

Production or activities involving illegal forms of child labor

Gambling, casinos and equivalent enterprises

Production or trade in alcoholic beverages

Production or trade in tobacco

Illegal fishing,

Activities conducted in critical habitats including RAMSAR areas,

Transboundary commerce of wastes or disposals not in compliance with Basel

convention and related regulations

Production or trade in wood or other forestry products other than from sustainably managed forests

Production or trade in any product or activity subject to international bans, such as pharmaceuticals, pesticides/herbicides

We cooperate with international financial institutions such as World Bank, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB) and German Development Bank (Kreditanstalt für Wiederaufbau - KfW) for the loans we provide. Many projects we finance in cooperation with these organizations requires meeting high ethical, environmental and social standards.

In addition, we initiated the works on the establishment of an environmental and social risk management system in the loan allocation processes within the scope of the fund we provide from the French Development Agency (AFD). We aim to complete the establishment of this Environmental and Social Risk Management System by the end of the year.

### C-FS3.8

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

Climate-related covenants in financing agreements	
Row 1	Yes

### C-FS3.8a

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

Types of covenants used	Asset class/product types	Please explain
Covenants related to compliance with your policies	Corporate loans Retail loans Corporate real estate Retail mortgages Trade finance Asset finance Project finance Debt and equity underwriting	In 2021, we were pledged to start to conduct our "Environmental & Social Impact Assessment Policy" and Exclusion List" to all segments except retail banking. In 2022 at the first meeting of Sustainability Committee, the decision is taken by the Sustainability Committee.

	Other, please specify	
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## C4. Targets and performance

### C4.1

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

Absolute target

Intensity target

### C4.1a

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

---

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Base year**

2020

**Base year Scope 1 emissions covered by target (metric tons CO<sub>2</sub>e)**

12,750.36

**Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)**

23,975.66

**Base year Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)**

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

36,726.66

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

100

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

100

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

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

100

**Target year**

2021

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

25

**Total emissions in target year covered by target in all selected Scopes (metric tons CO<sub>2</sub>e) [auto-calculated]**

27,544.995

**Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

12,795.11

**Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

5,405.73

**Scope 3 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)**

18,200.84

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

201.7697225939

**Target status in reporting year**

Achieved

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



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

### **Target ambition**

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

We care the environment and put effort to reduce our environmental footprint. In line with our vision, we aim to reduce our GHG emissions by our efforts driven on energy and emission efficiency, emission reduction activities and raising the awareness by training, communication activities. Thanks to above mentioned activities, we aimed to reduce our Scope 1+2 emissions by 25% in 2021. Our Scope 1 emissions arises from combustion of fossil fuels for heating, generators, company cars and leakages from refrigerants and fire extinguishers and our Scope 2 emissions arises from the electricity energy purchased from the grid. It is seen that our Scope 1 and Scope 2 emissions are reduced by 50.4% in 2021. The main reason of our emission reduction is that, in 2021, we purchased renewable electricity 82.74% of the electricity in total electricity consumption by a Private Purchasing Agreement (PPA).

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

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

In 2021, we purchased renewable electricity 82.74% of the electricity in total electricity consumption by a Private Purchasing Agreement (PPA).

---

#### **Target reference number**

Abs 2

#### **Year target was set**

2021

#### **Target coverage**

Company-wide

#### **Scope(s)**

Scope 2

#### **Scope 2 accounting method**

Market-based

#### **Scope 3 category(ies)**

#### **Base year**

2021

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

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

5,405.73

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

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

18,200.84

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

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

100

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

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

100

**Target year**

2022

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

4.3

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

17,418.20388

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

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

5,405.73

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

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

18,200.84

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

0

**Target status in reporting year**

New

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

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

**Target ambition**

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

We care the environment and put effort to reduce our environmental footprint. In line with our vision; we aim to decrease our GHG emissions by our efforts driven on energy and emission efficiency, emission reduction activities and raising the awareness by training, communication activities. By doing so, we aim to reduce our Scope 2 emissions by 4.3%.

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

Emission reduction activities, behavior change, use of renewable energy.

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

---

**Target reference number**

Abs 3

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Base year**

2021

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

12,795.11

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

5,405.73

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

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

18,200.84

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

100

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

100

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

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

100

**Target year**

2022

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

5

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

17,290.798

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

12,795.11

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

5,405.73

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

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

18,200.84

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

0

**Target status in reporting year**

New

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

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

**Target ambition**

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

We care the environment and put effort to reduce our environmental footprint. In line with our vision, we aim to reduce our GHG emissions by our efforts driven on energy and emission efficiency, emission reduction activities, use of renewable energy and raising the awareness by training, communication activities. By doing so, we aim to reduce our Scope 1 + 2 emissions by 4.3%.

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

Emission reduction activities, behavior change, use of renewable energy.

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

## C4.1b

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

---

**Target reference number**

Int 3

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Intensity metric**

Metric tons CO<sub>2</sub>e per unit revenue

**Base year**

2020

**Intensity figure in base year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000254

**Intensity figure in base year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000479

**Intensity figure in base year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in base year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000733

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

100

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

100

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

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

100

**Target year**

2025

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

11

**Intensity figure in target year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

0.0000065237

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

-11

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

0

**Intensity figure in reporting year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000306

**Intensity figure in reporting year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000129

**Intensity figure in reporting year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in reporting year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000436

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

368.3492496589

**Target status in reporting year**

Underway

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

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

**Target ambition**

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

Vakıfbank has a five-year target of 11% reduction in its Scope 1 & 2 emissions released per each Turkish Liras earned as revenue. This goal is planned to be achieved through continuous emission reduction, energy efficiency projects, behavioral change and increase in use of renewable energy.

For 2020 our Scope 1 & 2 emissions are 36,726.02 tCO<sub>2</sub>e and our revenue is 5,010,456,000 Turkish liras, which makes the intensity figure 0.00000733 tCO<sub>2</sub>e/TL.

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

Emission reduction activities, behavior change, use of renewable energy, decreasing use of fossil fuel cars energy efficiency projects, decreasing consumption of natural gaz, decreasing consumption of coal/lignite.

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

**Target reference number**

Int 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Intensity metric**

Metric tons CO<sub>2</sub>e per unit revenue

**Base year**

2021

**Intensity figure in base year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000306

**Intensity figure in base year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000129

**Intensity figure in base year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in base year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000436

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

100

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

100

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



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

100

**Target year**

2022

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

4.5

**Intensity figure in target year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

0.0000041638

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

-0.04

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

0

**Intensity figure in reporting year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000306

**Intensity figure in reporting year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000129

**Intensity figure in reporting year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in reporting year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

0.00000436

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

0

**Target status in reporting year**

New

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

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

**Target ambition**

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

Vakıfbank has a five-year target of 4.5% reduction in its Scope 1 & 2 emissions released per each Turkish Liras earned as revenue. This goal is planned to be achieved through continuous emission reduction, energy efficiency projects, behavioral change and increase in use of renewable energy.

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

Emission reduction activities, behavior change, use of renewable energy, decreasing use of fossil fuel cars energy efficiency projects, decreasing consumption of natural gaz, decreasing consumption of coal/lignite.

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

## C4.2

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

Target(s) to increase low-carbon energy consumption or production  
Other climate-related target(s)

### C4.2a

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

---

**Target reference number**

Low 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2020

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

68,648

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

25.1

**Target year**

2022

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

70

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

83

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

128.9532293987

**Target status in reporting year**

Underway

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

This target represents our pledged to use electricity energy generated from renewable energy resources and it is a part of our long-term strategy. The main source of our direct emissions is our use of electricity energy. By renewable energy use as much as we can, we aim to diminish, if not possible to minimize, our Scope 2 emissions reductions

As a result, we aim to increase our use of renewable electricity percentage from 25.4% to 70% until the end of 2022 to decrease our emissions.

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

Other, please specify

No, but we anticipate that we will set an initiative in next 2 years

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

In parallel to our vision to reduce our environmental footprint and support to low carbon economy, we aim to purchase electricity generated from 100% renewable sources by a Private Purchasing Agreement (PPA).

On the other hand, due to our environmental consciousness, we decided to offset all of our carbon footprint sourced in 2020 and 2021. In 2021, our use of renewable electricity energy ratio is calculated as 82.7% and we aim to preserve this energy ratio and sustain it until end of 2022. It will provide a considerable decrease both in Scope 2 and Scope 1+2 emission

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

Emission reduction activities, behavior change, use of renewable energy, decreasing use of fossil fuel cars energy efficiency projects, decreasing consumption of natural gaz, decreasing consumption of coal/lignite.

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

## C4.2b

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

---

**Target reference number**

Oth 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Intensity

**Target type: category & Metric (target numerator if reporting an intensity target)**

Energy consumption or efficiency  
kWh

**Target denominator (intensity targets only)**

square meter

**Base year**

2021

**Figure or percentage in base year**

0.18

**Target year**

2022

**Figure or percentage in target year**

0.17

**Figure or percentage in reporting year**

0.18

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

0

**Target status in reporting year**

New

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

We aim to reduce our emissions by decreasing our use of electricity energy, which is the main source of our GHG emissions in our inventory. Therefore, we drive continuous energy efficiency projects in our HQ and branch buildings. In addition to them, we are raising the awareness for behavioral change by training and communication activities. Consequently, yes, it is a part of an emission reduction target.

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

No, it's not part of an overarching initiative

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

We aim to reduce our use of electricity energy through continuous energy efficiency projects driven in our HQ and branch buildings. In addition to them, we are raising the awareness for behavioral change by training and communication activities. We implemented many projects to increase the energy efficiency and reduce the use of electricity energy particularly at our all branches, which are located over 900 offices. Surface area of our branches in 2021 is 610,356 m2 and our target is to reduce the electricity energy use (MWh) per surface area (square meter) of our branches' intensity figure by 5% in 2022.

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

Energy efficiency projects.

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

### C4.3

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

Yes

### C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	368
To be implemented*	5	12,200
Implementation commenced*	3	2,000
Implemented*	5	9,852
Not to be implemented	1	100

## 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  
Insulation

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

200

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

Scope 1  
Scope 2 (location-based)  
Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

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

4,500,000

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

6,270,941

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

VakıfBank's Constructional Affairs constantly puts efforts on energy and emission efficiency of our branches throughout the year for exterior thermal sheathing, double-glazing, thermal brake profiling. The overall sum of the cost for the year 2021 is TL 6,270,941.48 for the above-mentioned efforts.

---

**Initiative category & Initiative type**

Energy efficiency in buildings  
Lighting

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

129.24

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

Scope 2 (location-based)

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

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

6,987,295

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

3,098,835

**Payback period**

<1 year

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Vakıfbank's Constructional Affairs Unit energy efficiency of Vakıfbank in 2020 and the overall investment cost is TL 3,098,835. The expected annual savings is TL 6,987,295. Due to these improvements, 129.4 tCO<sub>2</sub>e is saved annually.

---

**Initiative category & Initiative type**

Energy efficiency in buildings

Maintenance program

**Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)**

48

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

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

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

1,500,000

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

3,479,795

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

3-5 years

### Comment

Vakıfbank's Constructional Affairs also conducts mechanical improvements and maintenance. Even though, the expected annual saving is around TL 1,500,000 for 2020, the cost of these investments is TL 3,479,795.

---

### Initiative category & Initiative type

Low-carbon energy consumption  
Low-carbon electricity mix

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

8.02

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

Scope 2 (market-based)

### Voluntary/Mandatory

Voluntary

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

0

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

0

### Payback period

<1 year

### Estimated lifetime of the initiative

>30 years

### Comment

With our pledge to conduct climate friendly business and mitigate the impacts of climate change, we put effort to switch our premises to consume electricity energy from 100% renewable energy sources at most. In 2021, the 82.7% our worldwide electricity consumption is from 100% renewable energy resources.

---

### Initiative category & Initiative type

Transportation  
Company fleet vehicle replacement

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

118.8

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

Scope 1



**Voluntary/Mandatory**

Voluntary

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

300,000

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

1,446,090

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

In 2020, we decided to replace 450 of our Bank vehicles with hybrid versions. Emissions from our company vehicles account for 1.3% of our total emissions in 2021 and 44% of our direct greenhouse gas emissions, which is defined as Scope 1. In this way, we aim to reduce emissions by up to 28% per vehicle. By using a hybrid vehicle, an average of 1.7 tons of CO<sub>2</sub> -e emission savings is achieved in 3 years compared to a gasoline vehicle.

**C4.3c**

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

Method	Comment
Dedicated budget for energy efficiency	<p>We put great importance and emphasis on Carbon Management and especially our Environmental Management Service, a team of 11 full-time employees, has a focused effort to decrease Vakıfbank's environmental footprint with the help of emission reduction activities. Our Constructional Works Department puts effort continuously to modernize and/or move our branches from one location to another. With a comprehensive on purpose effort, we determine that TL 14,295,663 of Vakıfbank's Constructional Works Department's budget is used to increase the energy and emission efficiency in 2021 by constructional, mechanical and electrical improvements.</p> <p>For 2021 the budget for constructional, mechanical and electrical improvements is 19.650.000 TL and 12.850.737,19 TL is spend.</p>
Employee engagement	<p>Environmental Management Service (EMS) developed the energy profile of each branch and delivered it to them to foster behavioral change about mitigating the effects of Climate Change. In addition to energy profile of the branch, the energy and emission saving guide internally developed by EMS steers, enlightens, and engages the employees of Vakıfbank for emission reduction activities.</p>

## C-FS4.5

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

Yes

### C-FS4.5a

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

---

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

Banking  
Corporate loans

#### **Taxonomy or methodology used to classify product**

Low-carbon Investment (LCI) Taxonomy

#### **Description of product**

To contribute to sustainable development by increasing the number of houses with high energy efficiency in our country in 2021, we offered the “Green Housing Loan” campaign, which is specific to the financing of completed or unfinished houses with A or B-class building energy performance. In addition, by planting more than 160,000 saplings within the scope of the Environmentally Friendly Housing Loan, we contributed to future generations living in a greener, more beautiful, and environmentally friendly world. To support our sustainable banking approach, we have offered our customers the "Eco-Friendly Vehicle Loan" with an affordable interest rate, which provides the financial support they need for the purchase of electric and hybrid vehicles with much lower carbon emissions compared to gasoline, diesel or LPG vehicles. In addition, we have started working to ensure that our vehicle loans can be used with digital approval without wasting paper and cost, to meet the needs of our customers without going to the branch and to minimize the damage to the environment, along with the pandemic process. In this context, we continued to provide KGF Support Loan Packages to support SMEs that create added value in 2021. Within the scope of packages; While supporting production, employment and exports, we provided financing under suitable conditions to domestic manufacturers engaged in the manufacture of machinery, raw materials and intermediate goods in certain product groups. By financing the purchase of domestic machinery in particular, we have enabled our SMEs to meet with new technologies, contributing to energy efficiency and supporting domestic production. With the KGF Additional Employment Support Package, we made a sustainable contribution to the female and youth workforce.

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

Mitigation

Adaptation

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

4,400,000,000

**% of total portfolio value**

1

**Type of activity financed/insured or provided**

Green buildings and equipment

Low-emission transport

Renewable energy

Paperless/digital service

## C5. Emissions methodology

### C5.1

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

No

### C5.1a

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

Row 1

**Has there been a structural change?**

No

### C5.1b

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

	<b>Change(s) in methodology, boundary, and/or reporting year definition?</b>	<b>Details of methodology, boundary, and/or reporting year definition change(s)</b>
Row 1	Yes, a change in methodology	A transition was made from the 2006 version of the ISO 14064-1 standard to the 2018 version. For this reason, the GHG emissions inventory has been tackled more broadly.

## C5.1c

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

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	Our base year emissions were also calculated in ISO 14064-1:2018 version. Therefore, there is no need to recalculate our base year emissions.

## C5.2

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

### Scope 1

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

12,750.36

**Comment**

Scope 1 emissions are sourced from combustion of fossil fuels for heating, generators, company cars and leakages from refrigerants and fire extinguishers.

### Scope 2 (location-based)

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

23,975.66

**Comment**

Scope 2 emissions are sourced from electricity energy purchased from the grid. In 2020, we purchased renewable electricity 25% of the electricity in total electricity consumption by a Private Purchasing Agreement (PPA). Besides, our use of overall electricity energy decreased by 2.26% in comparison to last year, our Scope-2 emissions seems decreased by 26.5% for that reason. So as our Scope 1 + 2 emissions seems decreased by 19.1%.

### Scope 2 (market-based)

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

In 2020, we purchased renewable electricity 25% of the electricity in total electricity consumption by a Private Purchasing Agreement (PPA). Besides, our use of overall electricity energy decreased by 2.26% in comparison to last year, our Scope-2 emissions seems decreased by 26.5% for that reason. So as our Scope 1 + 2 emissions seems decreased by 19.1%.

**Scope 3 category 1: Purchased goods and services**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

574.85

**Comment**

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064 have been used to calculate Scope 3 emissions caused by purchased goods and services.

Scope 3 - Category 1 emissions include our paper consumption and water supplied from the mains

**Scope 3 category 2: Capital goods**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

Vakıfbank, is providing banking services and its capital goods are IT equipment, furniture and buildings where its services are provided. About the emissions raised from

the production of these capital goods, there is insufficient infrastructure to gather data to calculate their emissions in Türkiye. Therefore, relevant data is neither available nor in sufficient quality to calculate the emissions released. We hope to calculate them in the upcoming years.

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

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

As we did not calculate our Scope 3 - Category 3 emissions in our base year, we assumed this category's emissions is equal to zero.

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

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

As we did not calculate our Scope 3 - Category 4 emissions in our base year, we assumed this category's emissions is equal to zero.

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

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

7.27

**Comment**

As we are a bank, the biggest amount of waste needs to be focused and treated is paper. We send waste papers to recycling processes to third parties. In addition to paper wastes, waste plastics, metals and glasses are separated and gathered inline

with our Waste Management System.

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 6: Business travel

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

190.95

**Comment**

Scope 3 - Category 6 emissions include flights for business travel.

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 7: Employee commuting

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

962.84

**Comment**

Emissions from personnel services are calculated under this category.

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### Scope 3 category 8: Upstream leased assets

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

We are a deposit bank, and we have no upstream leased assets. Therefore, there is no emissions in Scope 3 resulted from the upstream leased assets.

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

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

31.15

**Comment**

The post and cargos Vakıfbank sent are considered in this category (Usually light items)  
Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

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

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

As we are providing deposit banking services, there is emissions released due to processing of sold products.

### **Scope 3 category 11: Use of sold products**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

As we did not calculate our Scope 3 - Category 11 emissions in our base year, we assumed this category's emissions is equal to zero.

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

---



**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

As Vakıfbank, we are providing deposit banking services, we do not have emissions related to the end-of-life of our banking services.

**Scope 3 category 13: Downstream leased assets**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

As we have no downstream assets leased by Vakıfbank, we have no emissions under this category.

**Scope 3 category 14: Franchises**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

We have no emissions related to the franchises, because we have no franchises.

**Scope 3 category 15: Investments**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

As we have not calculated our investments emissions yet, we declared it as zero. At the moment, we determined some emission intensive sectors, and we have started to ask their emission inventory.

**Scope 3: Other (upstream)**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

We have no emissions under this category.

**Scope 3: Other (downstream)**

---

**Base year start**

January 1, 2020

**Base year end**

December 31, 2020

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

0

**Comment**

We have no emissions under this category.

## C5.3

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

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

IEA CO2 Emissions from Fuel Combustion

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

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

US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases

Other, please specify

tappwater and European Mail Industry Platform and European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installation

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

12,795.11

**Comment**

Scope 1 emissions are arised from combustion of fossil fuels for heating, generators, company cars and leakages from HVAC/ air conditioning systems.

We have offset our Scope 1 emissions by receive a Carbon certificate.

### 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**

Scope 2 emissions are sourced from electricity energy purchased from the grid. In 2021, we purchased renewable electricity 82.74% of the electricity in total electricity consumption by a Private Purchasing Agreement (PPA).

Also, we have balanced our location-based electricity consumption with the Carbon certificate.

Compared to 2020, our Scope 2 emissions decreased by 344%.

2020 emissions: 23,975.66 tCO<sub>2</sub>e,  
2021 emissions: 5,405.73 tCO<sub>2</sub>e

Our Scope 2 emissions have been verified according to ISO 14064-3 standard. Please hence our verification report attached in section C10 and C-FI.

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

### Reporting year

---

#### Scope 2, location-based

5,405.73

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

0

#### Comment

Scope 2 emissions are sourced from electricity energy purchased from the grid. In 2021, we purchased renewable electricity 82.74% of the electricity in total electricity consumption by a Private Purchasing Agreement (PPA).

Also, we have balanced our location-based electricity consumption with the Carbon certificate.

Our Scope 2 emissions have been verified according to ISO 14064-3 standard. Please hence our verification report attached in section C-FI.

#### Location-based:

Our electricity consumption is equal to

11,579,482.06 kWh                      5,405.73 tCO<sub>2</sub>e

#### Market-based:

Private Purchasing Agreement (PPA) (renewable electricity)

55,517,643.36 kWh                      0 tCO<sub>2</sub>e

## C6.4

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

No

## C6.5

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

### Purchased goods and services

---

**Evaluation status**

Relevant, calculated

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

1,751.54

**Emissions calculation methodology**

Average data method

Average product method

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

0

**Please explain**

Paper and water consumption are calculated under this section. For water consumption both tap water and bottled water is considered.

ISO 14064 have been used to calculate Scope 3 emissions caused by purchased goods and services.

### Capital goods

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Vakıfbank, is providing banking services and its capital goods are IT equipment, furniture and buildings where its services are provided. About the emissions raised from the production of these capital goods, there is insufficient infrastructure to gather data to calculate their emissions in Türkiye. Therefore, relevant data is neither available nor in sufficient quality to calculate the emissions released. We hope to calculate them in the upcoming years.

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

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Vakıfbank is providing banking services and its "fuel-and-energy-related activities (not included in Scope 1 or 2)" are particularly transportation of fuels and distribution of

electricity energy consumed by Vakıfbank.

All fuel and energy related activities are calculated in Scope 1 and Scope 2 emissions of our activities are calculated. We hope to calculate them in the upcoming years.

## Upstream transportation and distribution

---

### Evaluation status

Not relevant, explanation provided

### Please explain

For banks, upstream transportation and distribution emissions are particularly arises from use of their intellectual capital and the financial capital obtained. Transportation of our customers and investors during VakıfBank's activities of receiving funds, gathering deposits may be considered in Scope 3 emissions raised from upstream transportation and distribution.

Vakıfbank is providing deposit banking services. As there is almost no physical product, there is almost no upstream transportation for resources.

## Waste generated in operations

---

### Evaluation status

Relevant, calculated

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

9.62

### Emissions calculation methodology

Average data method

Waste-type-specific method

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

0

### Please explain

Even though, Vakıfbank has a wide-spread network of branches all over Turkey, we monitor and manage our wastes. We send waste papers to recycling processes to third parties. As we are a bank, the biggest amount of waste needs to be focused and treated is paper. In addition to paper wastes, waste plastics, metals and glasses are separated and gathered inline with our Waste Management System. Including our HQ Buildings and all branches are holding ISO 14001 Environmental Management certificate. Additionally, waste oil is formed from catenaries at the HQ buildings.

ISO 14064 have been used to calculate Scope 3 emissions caused by waste generated in operations.

## Business travel

---

**Evaluation status**

Relevant, calculated

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

364.8

**Emissions calculation methodology**

Average data method

Distance-based method

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

0

**Please explain**

Since Vakıfbank is a deposit bank with a wide span of branch network all around Turkey, business air travels are used for audit and business purposes. However, alternative channels such as videoconferencing and teleconferencing are applied to avoid emissions.

After flight data are gathered from Vakıfbank's travel agency, the distance of each flight leg was determined. The corresponding conversion factors published by US EPA are used in the calculation of related emissions. It is calculated with the appropriate emission factor based on the distance of the flight, categorized in 3 classes as short, medium and long hauls.

ISO 14064 have been used to calculate Scope 3 emissions caused by business travel.

**Employee commuting**

---

**Evaluation status**

Relevant, calculated

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

1,289.11

**Emissions calculation methodology**

Average data method

Distance-based method

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

0

**Please explain**

Vakıfbank provides employee commuting to its employees for their well-being. Also, Bank strives to decrease the number of employees using their own cars for commuting, otherwise the carbon footprint could increase due to using their own cars individually.

ISO 14064 have been used to calculate Scope 3 emissions caused by our employee commuting.

### Upstream leased assets

---

#### Evaluation status

Not relevant, explanation provided

#### Please explain

We are deposit bank, and we have no upstream leased assets. Therefore, there is no emissions in Scope 3 resulted from the upstream leased assets.

The only leased assets are a group of company cars leased for long term and their fuel consumptions are already accounted for under Scope 1. Leased cars are included into Scope 1 emissions because The Bank has a direct control over the fuels of those vehicles.

### Downstream transportation and distribution

---

#### Evaluation status

Relevant, calculated

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

44.51

#### Emissions calculation methodology

Average data method

Distance-based method

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

0

#### Please explain

As we are a bank, our relevant downstream transportation and distribution is resulted from the mailing (courier/cargo) activity. Therefore, we calculated the emissions released by that activity. Postage emission per delivery is taken from "The Facts of Our Value Chain" report of European Mail Industry Platform.

ISO 14064 have been used to calculate Scope 3 emissions caused by downstream transportation and distribution

### Processing of sold products

---

#### Evaluation status

Relevant, not yet calculated

#### Please explain

As we are providing deposit banking services, there is emissions released due to processing of sold products.



## Use of sold products

---

### Evaluation status

Relevant, calculated

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

392,727.27

### Emissions calculation methodology

Average data method

Investment-specific method

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

0

### Please explain

It was not possible to obtain most of the activity data required for the calculation of emissions from the services/products offered by the institution. For this reason, only "New Investment Loans in the Iron-Steel sector" are included in the emissions inventory.

The activity data calculation used to calculate the total estimated lifetime emissions from the services provided by the organization:

Vakıfbank allocated a total of 1,100,000,000 TL (B) loans for 5 projects (A) to the iron and steel industry in 2021. The loan disbursement amount in 2021 is 16.000.000 TL (C). Of the 5 projects, only 3 (D) are allocations for new investment purposes. (Only new investment projects are included in the calculation.)

Total amount of new investment disbursement for 2021 (3 Facilities): 96.000.000 TL. ((C/A)\* D) = ( E )

Greenhouse Gas Emission Calculation:

It is stated that the annual emission amount of 1 facility in the iron and steel industry is between 500,000 tCO2e and 2,500,000 tCO2e within the scope of Category C specified in Article 17 of the Fourth Chapter of the Communiqué of the Ministry of Environment and Urbanization on the Monitoring and Reporting of Greenhouse Gas Emissions. In this context, 1.500.000 tCO2e (A) emission amount, which is the average of 1 facility, was used.

3 facilities (number of facilities to which new investment loans were made) loan disbursement rate: 8.73% (B)

Annual average emissions per Category C facility 1,500,000 (A) tCO2e

Category C 3 Facility annual average emissions 4.500.000 (A\*3) = ( C ) tCO2e

Emission amount by loan utilization rate 2021 (3 FACILITIES) 392,727.27 ( C\* B ) = (D) tCO2e

## End of life treatment of sold products

---

### Evaluation status

Not relevant, explanation provided

**Please explain**

As Vakıfbank, we are providing deposit banking services, we do not have emissions related to the end-of-life of our banking services.

**Downstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

As we have no downstream assets leased by Vakıfbank, we have no emissions under this category.

**Franchises**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

We have no emissions related to the franchises, because we have no franchises.

**Other (upstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

We have no emissions under this category.

**Other (downstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

We have no emissions under this category.

## C6.10

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

---

**Intensity figure**

0.00078

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

18,200.84

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

23,363,201

**Scope 2 figure used**

Location-based

**% change from previous year**

89.4

**Direction of change**

Decreased

**Reason for change**

Our 2020 intensity figure per unit revenue in TRY, for Turkey, was 0.00733 tons CO<sub>2</sub>e/TRY. The intensity figure decreased by 89.4%.

23,363,201 TL (in thousand TL)

---

**Intensity figure**

1.08

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

18,200.84

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

16,929

**Scope 2 figure used**

Location-based

**% change from previous year**

51

**Direction of change**

Decreased

**Reason for change**

In 2020, our intensity figure was 2.19 tCO<sub>2</sub>e/FTE per full time equivalent employee.

In 2021, 82.7% of electricity energy are obtained from renewable energy sources by The Private Purchasing Agreement. Therefore, our gross global combined Scope 1 and 2 emissions and the intensity figure decreased.

## 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?**

Decreased

### C7.9a

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

	Change in emissions (metric tons CO <sub>2</sub> e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	27,876.77	Decreased	31	As we consider the climate emergency and are pledged to decrease our emissions, we were purchasing 100% renewable electricity by a Private Purchasing Agreement (PPA). We purchased 55,517 MWh of renewable electricity energy.  By doing so, we decreased our Scope 2 emissions 25,876.77 tCO <sub>2</sub> e.
Other emissions reduction activities	18,525.18	Decreased	50.4	In 2020, our Scope 1 + Scope 2 Emissions were 36,726.02 tCO <sub>2</sub> e, while in 2021 our Scope 1 + Scope 2 emissions amounted to 18,200.84.  Last year, we provided 25% of our electricity consumption from renewable energy sources, in 2021 we increased this rate to 83%, We

				<p>achieved a 344% reduction in our Scope 2 emissions.</p> <p>We put great importance on mitigating the effects of Climate Change and disseminating the energy &amp; emission efficiency activities throughout Vakıfbank. As of 2020, all of our buildings in Turkey including 933 branches are certified by ISO 14001 Environmental Management System. All our employees work in ISO 14001 EMS certified buildings. thanks to that, our energy &amp; emission efficiency will be improved, and our footprint will be decreased.</p> <p>We also kept on training &amp; awareness raising activities on "Sustainability &amp; CC" for our employees to raise their consciousness. With all these efforts and activities, we believe we achieved to decrease our emissions by 18,525.18 tCO<sub>2</sub>e.</p>
Divestment	0	No change	0	We have no divestment.
Acquisitions	0	No change	0	We have no acquisition.
Mergers	0	No change	0	We have no merger.
Change in output	308,316,579,000	Increased	44.1	<p>Our total assets increased by 44.1% compared to 2020.</p> <p>2021 total assets: 1,007,213,697 (thousand TL) 2020 total assets: 698,897,118 (thousand TL)</p>
Change in methodology	0	No change	0	There is no change due to methodology.
Change in boundary	0	No change	0	No Chance

Change in physical operating conditions	0	No change	0	We assume there is no change in physical operating conditions.
Unidentified	0	No change	0	We assume that there is no change due to unidentified reasons in our overall emissions.
Other	0	No change	0	We assume that there is no change in our overall emissions.

## 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	44,335.16	44,335.16
Consumption of purchased or acquired electricity		55,517.64	11,579.48	67,097.13
Total energy consumption		55,517.64	55,914.64	111,432.28

## C8.2g

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

---

**Country/area**

Turkey

**Consumption of electricity (MWh)**

67,097.27

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

0

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

67,097.27

---

**Country/area**

Bahrain

**Consumption of electricity (MWh)**

25.97

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

0

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

25.97

---

**Country/area**

Iraq

**Consumption of electricity (MWh)**

33.33

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

0

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

33.33

---

**Country/area**

United States of America

**Consumption of electricity (MWh)**

196.88

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

0

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

196.88

---

**Country/area**

Qatar

**Consumption of electricity (MWh)**

3.68

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

0

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

3.68



## C9. Additional metrics

### C9.1

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

---

**Description**

Energy usage

**Metric value**

3.96

**Metric numerator**

Energy Use in MWh

**Metric denominator (intensity metric only)**

Full Time Equivalent Employee (FTE)

**% change from previous year**

3.3

**Direction of change**

Decreased

**Please explain**

Vakıfbank has 16,929 Full Time Equivalent employees in 2021. The total energy use for 2020 is 67,097.13 MWh. Therefore, the relevant intensity, which is energy use per full time equivalent employee, is 3.96 MWh/FTE. The intensity figure is decreased by 3.3% according to last year. It means 3.3% less energy is used for each FTE, which is positive for energy and emission efficiency. It may also be considered as the output of the behavioral change efforts for employees.

---

**Description**

Energy usage

**Metric value**

0.11

**Metric numerator**

Energy use in MWh

**Metric denominator (intensity metric only)**

Total surface area of Vakıfbank premises in m<sup>2</sup>

**% change from previous year**

3.2

**Direction of change**

Decreased

**Please explain**

The total energy use for 2021 is reported as 67,097.13 MWh. The total surface area of Vakıfbank premises, including HQ and branches, is 610,356.00 square meters for 2021. The intensity figure is decreased by 3.2% according to last year, which is positive for energy and emission efficiency.

---

**Description**

Energy usage

**Metric value**

15,011.28

**Metric numerator**

Total Assets in Turkish Liras (thousand TL)

**Metric denominator (intensity metric only)**

Electricity Energy used in Turkey in MWh

**% change from previous year**

47.4

**Direction of change**

Increased

**Please explain**

Vakıfbank uses electricity energy of 67,097.13 MWh in Turkey and its asset volume is TL 1,007,213,697.00 (thousand TL) in 2021

With 1 MWh electricity energy used in Turkey, we generated TL 15,011.28 of assets in Vakıfbank in 2021.

We increased it 47.4%, which is positive for energy and emissions efficiency.

## C10. Verification

### C10.1

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

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

Scope 3	Third-party verification or assurance process in place
---------	--

## C10.1a

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

---

**Verification or assurance cycle in place**

Annual process


**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 Vakıfbank ISO 14064-2018 Tetkik Raporu.pdf

**Page/ section reference**

Page 20

**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**

 Vakıfbank ISO 14064-2018 Tetkik Raporu.pdf

**Page/ section reference**

Page 20

**Relevant standard**

ISO14064-3

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

100

## C10.1c

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

---

**Scope 3 category**

- Scope 3: Purchased goods and services
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Downstream transportation and distribution
- Scope 3: Use of sold products

**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**

 Vakıfbank ISO 14064-2018 Tetkik Raporu.pdf

**Page/section reference**

Page 20

**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?**

Yes


### C10.2a

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


Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISO 14064-3	Last year, Scope 1 emissions were verified against the same standard, and they have been verified this year as well. Therefore, the year-to-year variation in Scope 1 emissions is also considered confirmed.  1, 2
C6. Emissions data	Year on year change in emissions (Scope 2)	ISO 14064-3	Last year, Scope 2 emissions were verified against the same standard, and they have been verified this year as well. Therefore, the year-to-year variation in Scope 2 emissions is also considered confirmed.  1, 2
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO 14064-3	Last year, Scope 1 and 2 emissions were verified against the same standard, and they have been verified this year as well. Therefore, the year-to-year variation in Scope 1 and 2 emissions is also considered confirmed.  1, 2
C6. Emissions data	Year on year change in emissions (Scope 3)	ISO 14064-3	Last year, Scope 3 emissions were verified against the same standard, and they have been verified this year as well. Therefore, the year-to-year variation in Scope 3 emissions is also considered confirmed.  2, 3
C6. Emissions data	Change in Scope 1 emissions against a	ISO 14064-3	Scope 1 emissions for 2020 is verified in the same standard and have been confirmed this year as well. Therefore, the change in Scope


	base year (not target related)		1 emissions relative to the base year is considered justified.  2, 4
C6. Emissions data	Change in Scope 2 emissions against a base year (not target related)	ISO 14064-3	Scope 2 emissions for 2020 is verified in the same standard and have been confirmed this year as well. Therefore, the change in Scope 2 emissions relative to the base year is considered justified.  2, 4
C6. Emissions data	Other, please specify Net Profit	External Auditor	Net profit of the bank is audited by an authorized third party and the declaration is included in the Integrated Annual Report.  5

 <sup>1</sup>VakifbankScope122020.pdf

 <sup>2</sup>Vakifbank ISO 14064-2018 Tetkik Raporu.pdf

 <sup>3</sup>VakifbankScope32020.pdf

 <sup>4</sup>TürkiyeVakıflarBankası14064.pdf

 <sup>5</sup>Integrated\_Annual\_Report\_2021.pdf

## C11. Carbon pricing

### C11.2

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

Yes

### C11.2a

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

#### Credit origination or credit purchase

Credit purchase

#### Project type

Wind

#### Project identification

Project: Jangi 91.8 MW wind farm in Gujarat  
 18,203 CERs / Equivalent to 18,203 tonne(s) of CO<sub>2</sub>

Start serial number: IN52735039682206702

End serial number: IN52735221702206702

DATE: 2 MARCH 2022

REFERENCE: VC22926/2022

The VCS Certificate is attached to section C-FI.

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO<sub>2</sub>e)**

18,203

**Number of credits (metric tonnes CO<sub>2</sub>e): Risk adjusted volume**

18,203

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

## C11.3

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

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

---

**Objective for implementing an internal carbon price**

Stakeholder expectations

Change internal behavior

Drive energy efficiency

Identify and seize low-carbon opportunities

Other, please specify

Being a role model and pioneering institution in Climate Change Management in Turkey

**GHG Scope**

Scope 1

Scope 2

Scope 3

### Application

We put great importance on reducing our carbon footprint, therefore we offset all of our Carbon footprint including Scope 1, Scope 2 and Scope 3. Furthermore, we bought more carbon credits than our overall footprint in 2020 & 2021, and be the pioneering organization in Turkey as being a carbon positive bank. We also wanted to contribute and support to low carbon economy, especially in Turkey. Therefore, we voluntarily bought 45.000 tCO<sub>2</sub>e originated from a hydro power plant in Verified Carbon Standards, where our overall GHG inventory in all over the world is 40.429 tCO<sub>2</sub>e in 2020.

### Actual price(s) used (Currency /metric ton)

5

### Variance of price(s) used

Actual price was 66.65 TL/tCO<sub>2</sub>e, where it is assumed that USD 1 equals to TRY 13.3290 as of 31 December 2021. For forecasting the financial impacts of climate change risks for the future, 5 USD / tCO<sub>2</sub>e is used for calculations. Although carbon price has increased over 80 Euros in EU ETS, we bought our carbon-offset certificates around 5 USD, which corresponds to 66.65 TL.

### Type of internal carbon price

Offsets

### Impact & implication

We wanted to motivate our both internal and external stakeholders by voluntarily offsetting our GHG emissions released in Scope 1+2+3 in 2020 and 2021. We also wanted to contribute to low carbon economy and be a role model as a pioneering public institution in Turkey. Therefore, we offset all of our Carbon footprint including Scope 1, Scope 2 and Scope 3. For the last 3 years in row, we bought more carbon credits than our footprint and maintain to be the pioneering organization in Turkey as being a carbon positive bank.

## C12. Engagement

### C12.1

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

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

### C12.1a

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

---

Type of engagement



Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Provide training, support, and best practices on how to make credible renewable energy usage claims

Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms

**% of suppliers by number**

100

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

100

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

0.44

**Rationale for the coverage of your engagement**

To improve our supplier selection procedure and add ESG (Environmental, Social and Governance) dimensions to our supplier selection criteria.

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

Our measure of success is ful-compliance to "Supplier Selection and Compliance Policy". It is a prerequisite to be a supplier.

**Comment**

We aim to improve our sustainable procurement practices.

## C-FS12.1b

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

---

**Type of clients**

Customers/clients of Banks

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Run an engagement campaign to educate clients about your climate change performance and strategy

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

Run an engagement campaign to educate clients about climate change

Included climate change considerations in client management mechanism

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

99.1

**Portfolio coverage (total or outstanding)**

17.23

**Rationale for the coverage of your engagement**

Engagement targeted at clients with increased climate-related risks

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

Reporting and monitoring emissions to the Bank

## C12.1d

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

In region, we are providing many green finance products to the market, such as sustainable syndication loans, sustainable Eurobond issuance.

We are a member of Turkish Banks Association and an active member of the sustainable banking group under TBA. We engage with our sectoral partners mainly at that association.

In our direct operations, we frequently engage with governmental organizations. Vakıfbank has ISO 14001 certificates at all locations of operation and also conducting Zero-Waste processes.

## C12.3

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

Row 1

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

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

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

Yes

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

 Supplier Selection and Compliance Policy.pdf

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

Emission reduction activities, behavior change, use of renewable energy, decreasing use of fossil fuel cars energy efficiency projects, decreasing consumption of natural gaz, decreasing consumption of coal/lignite.

## C12.3a

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

---

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

Other, please specify

Portfolio ratio in emission intensive sectors

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

Banking Regulation and Supervision Agency gathered info and opinion from banks about their portfolio's ratio on emission intensive sectors in their lending and investment activities.

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

National

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

Turkey

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

Support with no exceptions

### **Description of engagement with policy makers**

As we are public bank committed to the development of Turkey, we also support the sustainable development of our country and the world. As one of the leading bank in the sector on sustainable banking practices, we support the regulations on green finance. For example, a legislation got into force about Sustainability Principles Compliance Framework in line with Annual Reports.

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

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

Yes, we have evaluated, and it is aligned

## C12.3b

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

---

### Trade association

Other, please specify  
Turkish Banks Association

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We have already influenced them to change their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

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

Yes, we have evaluated, and it is aligned

## C12.4

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

---

### Publication

In mainstream reports, incorporating the TCFD recommendations

### Status

Complete

**Attach the document**

 Integrated\_Annual\_Report\_2021.pdf

**Page/Section reference**

Pgs 46-55; 116-119; 133; 152

**Content elements**

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

**Comment**

- 46: Our Material Topics and Sustainability Approach
- 116: Our Natural Capital
- 133: Committee Structures and Policies
- 152: Sustainability Principles Compliance Framework

## C-FS12.5

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

	<b>Environmental collaborative framework, initiative and/or commitment</b>	<b>Describe your organization’s role within each framework, initiative and/or commitment</b>
Row 1	Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	We are an active member of UNGC, and we are reporting in TCFD standards.

## C14. Portfolio Impact

### C-FS14.0

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

**Lending to all carbon-related assets**

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

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

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

Lack of internal resources

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

Our carbon related assets are 12,849,572.91 TL. Our Environmental & Social Impact Management Unit has just established in 2021, we aim to provide the ratio figures soon.

**Lending to coal**

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

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

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

Lack of internal resources

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

Our Environmental & Social Impact Management Unit has just established in 2021, we aim to provide these figures soon.

**Lending to oil and gas**

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

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

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

Lack of internal resources

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

Our Environmental & Social Impact Management Unit has just established in 2021, we aim to provide these figures soon.

**C-FS14.1**

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

	<b>We conduct analysis on our portfolio's impact on the climate</b>	<b>Disclosure metric</b>
Banking (Bank)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)

## C-FS14.1a

**(C-FS14.1a) Provide details of your organization's portfolio emissions in the reporting year.**

### Banking (Bank)

---

**Portfolio emissions (metric unit tons CO<sub>2</sub>e) in the reporting year**

38,493.08

**Portfolio coverage**

**Percentage calculated using data obtained from clients/investees**

0

**Emissions calculation methodology**

Other, please specify

Fourth Chapter of the Communiqué of the Turkish Republic Ministry of Environment and Urbanization on the Monitoring and Reporting of Greenhouse Gas Emissions

**Please explain the details and assumptions used in your calculation**

Greenhouse Gas Emission Calculation:

It is stated that the annual emission amount of 1 facility in the iron and steel industry is between 500,000 tCO<sub>2</sub>e and 2,500,000 tCO<sub>2</sub>e within the scope of Category C specified in Article 17 of the Fourth Chapter of the Communiqué of the Ministry of Environment and Urbanization on the Monitoring and Reporting of Greenhouse Gas Emissions. In this context, 1.500.000 tCO<sub>2</sub>e (A) emission amount, which is the average of 1 facility, was used.

## C-FS14.1b

**(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.**

---

**Portfolio**

Banking (Bank)

**Portfolio metric**

**Metric value in the reporting year**

**Portfolio coverage**

**Percentage calculated using data obtained from clients/investees**

## Calculation methodology

### C-FS14.2

**(C-FS14.2) Are you able to provide a breakdown of your organization’s portfolio impact?**

	Portfolio breakdown
Row 1	Yes, by industry

### C-FS14.2b

**(C-FS14.2b) Break down your organization’s portfolio impact by industry.**

Portfolio	Industry	Portfolio metric	Portfolio emissions or alternative metric
Banking (Bank)	Other, please specify Cement, Steel & Iron	Absolute portfolio emissions (tCO2e)	392,727

### C-FS14.3

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

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	No, but we plan to in the next two years	We have committed to Science Based Targets by sending our letter, but our targets are not published yet.

## C15. Biodiversity

### C15.1

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

Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight



Row 1	Yes, both board-level oversight and executive management-level responsibility	Sustainability Committee, which our CEO is chairing a Board Member is a member, is responsible for ESG topics.	Risks and opportunities to our own operations Risks and opportunities to our bank lending activities The impact of our bank lending activities on biodiversity
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## C15.2

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

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments
Row 1	Yes, we have made public commitments only	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no trade of CITES listed species

## C15.3

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

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

## C15.4

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

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


## C15.5


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

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

## C15.6

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

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Risks and opportunities	VakifBank Environmental and Social Impacts Management Policy in Lending Processes is attached.  <sup>1, 2</sup>

 <sup>1</sup>Environmental and Social Impacts Management Policy in Lending Processes.pdf

 <sup>2</sup>Environmental Policy.pdf

## C16. Signoff

### C-FI

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

- 📎 VakıfBank 2021 Offset.pdf
- 📎 Vakıfbank Yenilenebilir Enerji Kullanımı 2021 Yılı Tamamı.pdf
- 📎 KARBON OFSETLEME PLATFORMU EKCRAN GÖRÜNTÜSÜ .jpg
- 📎 VakıfbankScope122020.pdf
- 📎 Entegre\_Faaliyet\_Raporu\_2021.pdf
- 📎 TürkiyeVakıflarBankası14064.pdf
- 📎 Vakıfbank ISO 14064-2018 Tetkik Raporu.pdf
- 📎 VakıfbankScope32020.pdf
- 📎 Ethical Principles.pdf
- 📎 Environmental and Social Impacts Management Policy in Lending Processes.pdf
- 📎 Supplier Selection and Compliance Policy.pdf
- 📎 Environmental Policy.pdf
- 📎 Sustainability Policy.pdf
- 📎 Value Creation Model.pdf
- 📎 VakıfBank ESG Approach\_\_May 2022.pdf
- 📎 Sustainable and Responsible Finance in Vakıfbank.docx
- 📎 Integrated\_Annual\_Report\_2021.pdf

## C16.1

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

	Job title	Corresponding job category
Row 1	Independent Member on Board of Directors	Director on board

## FW-FS Forests and Water Security (FS only)

### FW-FS1.1

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

	Board-level oversight of this issue area
Forests	
Water	

## FW-FS1.1c

**(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?**

### Forests

Board member(s) have competence on this issue area

### Water

Board member(s) have competence on this issue area

## FW-FS1.2

**(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.**

## FW-FS2.1

**(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?**

	We assess our portfolio's exposure to this issue area
Banking - Forests exposure	
Banking – Water exposure	

## FW-FS2.2

**(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?**

	We consider forests- and/or water-related information
Banking – Forests-related information	
Banking – Water-related information	

## FW-FS2.3

**(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Risks identified for this issue area
Forests	

Water	
-------	--

## FW-FS2.4

**(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Opportunities identified for this issue area
Forests	
Water	

## FW-FS3.1

**(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?**

### Forests

---

**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

### Water

---

**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

## FW-FS3.2

**(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?**

### Forests

---

**Scenario analysis conducted to identify outcomes for this issue area**

### Water

---

**Scenario analysis conducted to identify outcomes for this issue area**

## FW-FS3.3

**(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?**

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity
Forests	
Water	

### FW-FS3.4

**(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?**

	Policy framework includes this issue area
Forests	
Water	

### FW-FS3.5

**(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?**

	Covenants included in financing agreements to reflect and enforce policies for this issue area
Forests	
Water	

### FW-FS4.1

**(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?**

	We engage with clients/investees on this issue area
Clients – Forests	
Clients – Water	

### FW-FS4.3

**(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?**

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain
Row 1	

## FW-FS4.4

**(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?**

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area
Forests	
Water	

## FW-FS5.1

**(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?**

	We measure our portfolio impact on this issue area
Banking – Impact on Forests	
Banking – Impact on Water	

## FW-FS5.2

**(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?**

	Finance or insurance provided to companies operating in the supply chain for this commodity
Lending to companies operating in the timber products supply chain	
Lending to companies operating in the palm oil products supply chain	
Lending to companies operating in the cattle products supply chain	
Lending to companies operating in the soy supply chain	
Lending to companies operating in the rubber supply chain	
Lending to companies operating in the cocoa supply chain	
Lending to companies operating in the coffee supply chain	

## FW-FS6.1

**(FW-FS6.1) Have you published information about your organization’s response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I understand that my response will be shared with all requesting stakeholders</b>	<b>Response permission</b>
Please select your submission options	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms