TÜRKİYE VAKIFLAR BANKASI T.A.O.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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10/07/2024, 10:09 am

Contents

C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:

☑ Bank

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of 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 Vakıf Factoring, Vakıf Leasing, Vakıf Yatırım, Vakıf Yatırım Ortaklığı, Vakıf GYO, Taksim International Group Hotels, Vakıf Gayrimenkul Değerleme, Vakıf Pazarlama, Vakıf Enerji ve Madencilik, Vakıf PayS. 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 2014. In 2017, VakıfBank has got 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 have been included in the FTSE4Good Emerging Markets Index, which responsible investors primarily follow. In 2022, VakıfBank volunteered to respond to the Corporate Sustainability Assessment-CSA, prepared by S&p Global which VakıfBank believes that it will constitute a basis for VakıfBank's sustainability performance and guide it in improving our performance. VakıfBank struck a deal with JCR Eurasia Rating for Corporate Governance Rating services in November 2022. VakıfBank will have a presence on Borsa Istanbul's Corporate Governance Index in the coming period. VakıfBank attach importance to disclosing its performance with transparency. As a result, VakıfBank maintain its place in the index since 2014, when the BIST Sustainability Index was created. Since 2017, VakıfBank have been included in the FTSE4Good Emerging Markets Index, which responsible investors primarily follow. In 2023, VakıfBank's emission reduction targets have been validated by SBTi and VakıfBank became the first bank in Turkey that has SBTi approved targets.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/30/2023	*Select from:* ☑ Yes	*Select from:* ☑ No

[Fixed row]

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

VAKBN in Borsa İstanbul

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

(1.9) What was the size of your organization based on total assets value at the end of the reporting period?

2796634132000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:

☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

☑ Yes, both the portfolio value and the % of revenue associated with it

(1.10.4) Portfolio value based on total assets

2796634132000

(1.10.5) % of revenue

100

(1.10.6) Type of clients

Select all that apply

☑ Family offices / high network individuals
☑ Retail clients
☑ Corporate and institutional clients (companies)
☑ Business and private clients (banking)

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

☑ No

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

☑ No

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

☑ No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Portfolio

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ All supplier tiers known have been mapped

(1.24.5) Portfolios covered in mapping

Select all that apply

☑ Banking (Bank)

(1.24.7) Description of mapping process and coverage

At VakıfBank, we map our supplier chain, focusing on our upstream value chain and portfolio. Using our ERP system, we conduct thorough evaluations to ensure suppliers comply with our Integrated Compliance and Sustainability Management Systems and hold essential certifications like ISO 14001, ISO 45001, ISO 50001, and ISO 9001. We assess supplier compliance through the Service Procurement Evaluation Tool. For companies granted project loans, we prepare periodic Level Determination Reports to evaluate the physical and financial progress of investments and Monitoring Reports to assess the commercial viability and revenue sufficiency for loan repayment. For loans exceeding 20 million USD, we evaluate non-financial risks, including environmental, social, governance, and occupational health and safety impacts, using the Environmental and Social Impact Assessment Tool, and track these risks via our VIT system. We collect data on resource use, pollution, greenhouse gas emissions, waste production, biodiversity impact, and community health and safety risks. Our process involves detailed questionnaires and robust reporting frameworks to ensure comprehensive risk management, sustainability, and compliance across our supply chain.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Portfolios covered in mapping
	Select from: ☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain	*Select all that apply* ☑ Banking (Bank)

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The reason for choosing our short-term time horizon 0-2 years is to adapt to rapidly changing market conditions and enhance operational efficiency. This time frame allows us to revise our strategic and financial plans on an annual basis. Addressing environmental issues during this period focuses particularly on improving our operational effectiveness.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

9

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We have selected the medium-term time horizon as 3-9 years to allocate resources and plan strategically to achieve our goals. During this period, evaluating the likelihood and impacts of environmental risks helps shape our business strategies from a medium-term sustainability perspective. Additionally, it supports our decision-making process to align investments with environmental sustainability criteria.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The reason for choosing our long-term time horizon as 10-30 years is to prepare for future climate change risks and ensure sustainable financial performance. This time frame enables us to integrate our strategic and financial plans considering long-term economic, social, and environmental factors. Moreover, it assists in achieving our long-term goals of minimizing environmental impacts and reducing our carbon footprint.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

Databases

☑ Nation-specific databases, tools, or standards

☑ Regional government databases

Other

☑ External consultants

☑ Internal company methods
☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical
☑ Temperature variability

Policy
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation
☑ Introduction of regulatory standards for previously unregulated contaminants

Market
☑ Changing customer behavior
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology
☑ Data access/availability or monitoring systems

Liability
☑ Exposure to litigation
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

VakıfBank has a comprehensive, multi-disciplinary risk and opportunity management model, crucial for identifying, evaluating, and valuing risks in banking activities. Climate and water risks are categorized as "Physical Risks" and "Transition Risks," with oversight by the Board of Directors and the Sustainability Committee. The bank conducts quarterly stakeholder expectations and materiality analyses, with a primary annual analysis for Integrated Reporting. Evaluations, including inspector assessments, address various aspects, from supplier to customer relations, ensuring compliance with national and international standards to maintain the bank's reputation, capital supply, and liquidity. Physical risks at bank facilities in Turkey, prone to natural disasters, are also considered. Integrated analysis findings are evaluated by Strategy Development and Planning, Investor Relations, Environmental Management Services, and the Risk Department to identify risks and opportunities. Main business units (Loans, SME Banking, International Banking, etc.) also identify risks and opportunities related to Climate Change, with inputs gathered from stakeholders. Risks are classified, monitored, or escalated to the Committee as necessary. Company-Level Evaluation Processes: The Sustainability Committee identifies and coordinates risks and opportunities from climate change and water security across departments, reporting to the Risk Management Unit within the Board of Directors for further evaluation and prioritization. Risks are classified, monitored, or escalated for action as necessary. Risk Management Processes: Upstream: Regulations for a low-carbon economy can increase costs and constrain target markets, impacting financials and credit risk. Heat maps based on qualitative assessments evaluate these transition risks. Changes in precipitation and water availability are critical, affecting water-intensive sectors. These factors are included in risk assessments for potential business disruptions and physical damages under various climate scenarios. The bank also calculates the green asset ratio, incorporating qualitative evaluations pending final legislation. VakıfBank has contributed to national legislation preparation, particularly for tourism sector loans. Direct Operations: Business unit managers identify and evaluate possible physical risks within the bank's activities, establishing necessary controls. The development of heat maps is part of the risk assessment policy, evaluating risks of business interruptions and physical damage under various climate scenarios (e.g., temperature and precipitation changes).
[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
Banking (Bank)	*Select from:* ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Hospitality

☑ Transportation services

☑ Food, beverage & agriculture

☑ Biotech, health care & pharma

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ International bodies

(2.2.6.6) Frequency of assessment

Select from:

☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

☑ National

(2.2.6.10) Tools and methods used

Select all that apply

☑ Risk models

☑ Scenario analysis

☑ Sustainability Policy Transparency Toolkit (SPOTT)

☑ WRI Aqueduct

(2.2.6.11) Risk type and criteria considered

Acute physical

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Changing temperature (air, freshwater, marine water)

☑ Water stress

Policy

☑ Carbon pricing mechanisms

☑ Changes to national legislation

☑ Lack of mature certification and sustainability standards

Market

☑ Changing customer behavior

Reputation

☑ Impact on human health

Technology

☑ Data access/availability or monitoring systems

☑ Transition to lower emissions technology and products

☑ Transition to water efficient and low water intensity technologies and products

Liability

☑ Non-compliance with regulations

(2.2.6.12) Partners and stakeholders considered

Select all that apply

☑ Employees

☑ Local communities

☑ Regulators

☑ Water utilities at a local level

(2.2.6.13) Further details of process

Environmental and Social Risk Management 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 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, 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, in May 2022, the Procedure for Managing Environmental and Social Impacts in VakıfBank Lending Processes and ESMS documentation was approved by the General Manager and 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. This is the first risk assessment criterion looked at for all loan applications. For this reason, the portfolio ratio has been determined as 100%. 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 with in this process as well. Accordingly, information is requested from companies within the scope of environmental and social impact assessment. Many departments are respo
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:
☑ Yes

(2.2.7.2) Description of how interconnections are assessed

As VakıfBank, we adopt an integrated approach when evaluating the environmental impacts, dependencies, risks, and opportunities arising from both our own operations and activities within our portfolio. We direct comprehensive questions through our environmental and social risk assessment tool to understand the environmental impacts and dependencies of companies within our portfolio. This enables us to better understand environmental risks for portfolio companies. For example, if a company in our portfolio has water-intensive production processes and operates in an area experiencing water stress, water scarcity could lead to operational disruptions and increased costs for that company. This situation could also create a credit risk for us. As VakıfBank, we assess the environmental risks

faced by companies in our portfolio and evaluate the impact of these risks on us, while also considering the opportunities that may arise from these risks. For instance, while environmental regulations may pose increased costs as a risk for certain sectors, these same regulations may present opportunities for us to invest in renewable energy projects. We address fundamental issues such as climate change and water security across all departments through our Sustainability Committee. This coordination ensures effective management of risks and opportunities across our organization. For example, physical risks like water stress are evaluated considering their impacts on our own operations and customer financing. This holistic approach enables VakıfBank to understand how environmental impacts and dependencies can affect our financial and strategic position. We operate in accordance with international standards and local regulations when conducting these evaluations, thereby taking necessary steps to secure capital and preserve liquidity. These processes help us achieve our long-term sustainability goals while effectively managing our environmental and social impacts.
[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	*Select from:* ☑ Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply
☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions data

☑ Energy usage data

☑ Emissions reduction targets

☑ Climate transition plans

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Food, beverage & agriculture

☑ Fossil Fuels

☑ Manufacturing

☑ Materials

☑ Power generation

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

10

(2.2.9.6) Total portfolio value covered by the process

149928821700

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Water

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Water withdrawal and/or consumption volumes

☑ Water discharge treatment data

☑ Breaches to local water regulations

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Food, beverage & agriculture

☑ Fossil Fuels

☑ Manufacturing

☑ Materials

☑ Power generation

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

1

(2.2.9.6) Total portfolio value covered by the process

0

[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Credit risk

(2.4.3) Change to indicator

Select from:

☑ Absolute increase

(2.4.5) Absolute increase/ decrease figure

633273800

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

financial sector's impact on climate change necessitates integrating environmental and social risks into risk assessments. Assessing climate change impacts, including extreme weather events, is critical for understanding potential business continuity and physical damage losses. Risk assessments, research, stakeholder consultations, and good governance help prioritize risks and challenges. Financial, environmental, reputational, legal, and customer criteria are considered in risk processes, evaluating and prioritizing risks based on potential financial loss and occurrence probability. VakıfBank follows the European Union Taxonomy to evaluate

sustainability, ensuring activities: 1. Significantly contribute to one of the six environmental objectives. 2. Do not cause significant harm to the other five objectives. 3. Comply with minimum social and governance standards set by the EU, UN, and OECD. Quantifiable Indicator Description: • Transition Risks: Associated with policy, legal, technology, and market changes needed for a lower-carbon economy. • Physical Risks: Include event-driven (acute) or longer-term (chronic) climate pattern changes, impacting assets, supply chains, water availability, resource supply, food safety, and employee safety. In 2022, VakıfBank's Board decided that financed activities must not be on the Unfinanced Activities List, must be project loans, and must have a loan amount of 20 million USD or more to undergo environmental and social risk assessments per IFC standards. ESMS applies to such loans, ensuring impacts are analyzed, followed up, and reported with action plans. Non-financial risks like environmental, social, governance, and occupational health and safety are evaluated through ESMS. Future plans aim to cover project loans with investments of 10 million USD or more and integrate ESMS into all loan segments except retail in the long term. VakıfBank defines substantive financial impact as a loss of 20 million USD and above. With the average 2024 exchange rate at 31.66369 TRY/USD, this equates to 633,273,800 TRY and above

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Credit risk

(2.4.3) Change to indicator

Select from:

☑ Absolute decrease

(2.4.5) Absolute increase/ decrease figure

633273800

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

The negative effects of climate change are increasing annually worldwide. Research indicates that current global efforts are insufficient to keep global warming below 1.5 degrees Celsius. The financial sector's impact on climate change necessitates integrating environmental and social risks into risk assessments. Assessing climate change impacts, including extreme weather events, is critical for understanding potential business continuity and physical damage losses. Risk assessments, research, stakeholder consultations, and good governance help prioritize risks and challenges. Financial, environmental, reputational, legal, and customer criteria are considered in risk processes, evaluating and prioritizing risks based on potential financial loss and occurrence probability. VakıfBank follows the European Union Taxonomy to evaluate sustainability, ensuring activities: 1. Significantly contribute to one of the six environmental objectives. 2. Do not cause significant harm to the other five objectives. 3. Comply with minimum social and governance standards set by the EU, UN, and OECD. Quantifiable Indicator Description: • Transition Risks: Associated with policy, legal, technology, and market changes needed for a lower-carbon economy. • Physical Risks: Include event-driven (acute) or longer-term (chronic) climate pattern changes, impacting assets, supply chains, water availability, resource supply, food safety, and employee safety. In 2022, VakıfBank's Board decided that financed activities must not be on the Unfinanced Activities List, must be project loans, and must have a loan amount of 20 million USD or more to undergo environmental and social risk assessments per IFC standards. ESMS applies to such loans, ensuring impacts are analyzed, followed up, and reported with action plans. Non-financial risks like environmental, social, governance, and occupational health and safety are evaluated through ESMS. Future plans aim to cover project loans with investments of 10 million USD or more and integrate ESMS into all loan segments except retail in the long term. VakıfBank defines substantive financial impact as a loss of 20 million USD and above. With the average 2024 exchange rate at 31.66369 TRY/USD, this equates to 633,273,800 TRY and above. [Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental risks identified
Climate change	*Select from:* ☑ Yes, both within our direct operations or upstream value chain, and within our portfolio
Water	*Select from:* ☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

The transition risks caused by climate change have an impact on all sectors in the world. The EU GreenDeal, which is the common decarbonization strategy of European Union countries, is one of the transition process changes that have an impact on manufacturers in Turkey. With the Carbon Border Adjustment Mechanism, one of the articles of the European Union Green Deal, the products of carbon-intensive sectors to be exported to the Union from other countries will be subject to carbon pricing as of 2026 in order to prevent carbon leakage into the European Union. This carbon pricing will be determined per tonne of product. If there is no emission trading system in the country where the products are manufactured, the products of these carbon intensive sectors will face financial costs within CBAM. When we look at Turkey's exports to the European Union, it is seen that one of the countries that will be most affected by this new system will be Turkey. There is no ETS in Turkey as of 2023. This shows that the costs of companies in the cement, iron-steel, aluminum, fertilizer and electricity sectors in the EU will increase in their imports from Turkey. This situation may directly cause a decrease in the market shares of real sector companies in Turkey in the EU, and although it does not directly affect VakıfBank, it may hinder the loan payments they will make to VakıfBank due to the decrease in the sales of Turkish producers to the EU. This creates a credit risk for VakıfBank.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

In the selected future time horizons the anticipated effects of climate related risks on VakıfBanks financial position financial performance and cash flows are expected to be significant.These disruptions can lead to financial instability for companies within these sectors increasing the likelihood of credit downgrades and loan defaults Consequently our banks capital efficiency may be adversely affected leading to reduced operational income and increased financial liabilities Over the medium to long term persistent climate risks could necessitate higher loan loss provisions impacting our profitability Additionally fluctuations in cash flows are expected as a result of irregular loan repayments and the potential need for additional funding to support affected sectors VakıfBank is actively developing and implementing strategic measures to mitigate these risks such as enhancing credit risk assessment processes setting aside provisions and promoting sustainable practices among our clients Despite these efforts the ongoing impact of climate change poses a considerable threat to our financial stability and requires continuous monitoring and adaptation

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

33678102610

(3.1.1.25) Explanation of financial effect figure

As of the end of 2023, VakıfBank's total risk exposure to portfolio customers in carbon-intensive sectors—such as cement, electricity, fertilizer, iron-steel, and aluminum—has been meticulously calculated at TRY 33678102610. This figure represents the financial risk associated with companies likely to be significantly impacted by the European Union's Carbon Border Adjustment Mechanism (CBAM), which imposes carbon tariffs on imports. The financial figure was determined through a detailed calculation method: starting with the total loans extended to companies in these sectors, the total repayments made by these companies up until the end of 2023 were subtracted, resulting in the outstanding loan balance that directly reflects VakıfBank's financial exposure. This outstanding loan value, now calculated at TRY 33.68 billion, highlights the significant portion of the bank's portfolio—approximately 3%—that is vulnerable to the CBAM's economic impacts, particularly as these sectors may struggle to transition to low-carbon production methods. Recognizing the severity of this risk, VakıfBank has implemented a comprehensive risk management strategy that includes enhanced credit risk assessments using advanced modeling techniques to evaluate the financial resilience of companies in these sectors. Additionally, the bank has set aside strategic provisions specifically for anticipated losses, ensuring it is financially prepared to absorb potential defaults. Furthermore, VakıfBank is actively engaging with at-risk clients, offering support and financing for the adoption of low-carbon technologies, thereby mitigating their exposure to the CBAM and aligning with the bank's broader commitment to sustainable finance. This detailed approach not only ensures a precise and accurate quantification of financial risk but also demonstrates VakıfBank's proactive stance in managing climate-related financial risks, reinforcing its leadership in sustainable finance and its commitment to long-term financial resilience.Additionally, these figures have been directly obtained from the bank's internal systems,

(3.1.1.26) Primary response to risk

Policies and plans

☑ Increase insurance coverage

(3.1.1.27) Cost of response to risk

157500000

(3.1.1.28) Explanation of cost calculation

The effect was calculated as a result of the deterioration of the rating grades of the companies operating in the cement, electricity, fertilizer, iron-steel and aluminum sectors, and a provision of 157.5 million was allocated for this risk. This practice has been put into effect as a pioneering approach for VakıfBank, which puts sustainability at the center of its way of doing business, and the amount of the provision allocated will be reviewed periodically depending on the cyclical situation. In addition, VakıfBank provides information on climate risks during the meetings held with customers during the lending processes, and provides information on medium and long-term risks. VakkıfBank also promotes the transition to a low-carbon economy in the long term.

(3.1.1.29) Description of response

To support our clients in sectors impacted by climate-related risks, VakıfBank offers various loan campaigns with favorable interest rates and flexible repayment terms. VakıfBank allocates provisions for risks arising from unexpected situations. Specifically, in terms of climate risk, it is anticipated that companies in carbon-intensive sectors, particularly those exporting to EU countries and subject to the Carbon Border Adjustment Mechanism (CBAM), will face significant competitive disadvantages if they are unable to transition to low-carbon production methods and technologies. This could lead to a loss of market share and negatively impact their financial stability, which in turn would affect their creditworthiness and increase expected credit losses. By providing tailored financial solutions that support the transition to sustainable practices across various sectors, VakıfBank helps mitigate the financial impact of climate risks, ensuring more stable loan repayments and supporting the long-term financial health of both our clients and the bank.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify :Sea of Marmara Coast

(3.1.1.9) Organization-specific description of risk

Climate change has a significant impact on the agricultural sector, particularly through extreme weather events such as storms, which damage crops and disrupt production and harvesting processes. These disruptions lead to financial losses for agricultural businesses and farmers, who form a substantial part of VakıfBank's portfolio, accounting for 30% of our total loan exposure. In Turkey, severe storms and other extreme weather events have caused delays and defaults in the repayment of agricultural loans, directly affecting VakıfBank's financial stability by increasing the risk of non-performing loans in the affected regions.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

During the reporting year, extreme weather events in Turkey had a significant impact on VakıfBank's financial performance and cash flows. The agricultural sector, which constitutes 30% of our loan portfolio, was particularly affected by climate-related events such as severe storms and sudden floods. These events disrupted production and harvesting processes for farmers and agricultural businesses, leading to substantial financial losses. Consequently, these disruptions caused difficulties in loan repayments, and in some cases, defaults on agricultural loans. As a result, these risks led to fluctuations in our cash flows and a decline in our financial performance. Specifically, delays in repayments and an increase in loan default rates adversely affected the bank's capital efficiency, resulting in a decrease in operational income and an increase in financial liabilities. VakıfBank has been strategically planning and implementing measures to mitigate default rates in agricultural sector loans to manage these risks. However, throughout the reporting year, the adverse effects of climate change on the agricultural sector have put significant pressure on the overall financial stability of our bank.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

3895773736.94

(3.1.1.25) Explanation of financial effect figure

For 2023, VakıfBank continues to recognize the significant vulnerability of its agricultural sector customers to extreme weather events, which are becoming increasingly frequent and severe due to climate change. As of the end of 2023, VakıfBank provided approximately TRY 9,543,876,771.12 in loans to the agricultural sector. These loans support a wide range of agricultural businesses, from small-scale farmers to large agribusinesses, all of whom are exposed to the risks posed by adverse weather conditions. To accurately assess the financial impact, the outstanding loan value, which represents the financial exposure to these risks, is calculated as follows: Outstanding Loan Value Total Loans Extended Repayments Made. Specifically, for 2023, this calculation is: Outstanding Loan Value TRY 9,543,876,771.12 TRY 5,648,103,034.18, resulting in an outstanding loan value of TRY 3,895,773,736.94. This figure highlights the significant financial risk associated with the agricultural sector within VakıfBank's portfolio. The outstanding loan value of TRY 3.89 billion reflects the portion of the bank's agricultural loans that remains at risk due to the sector's vulnerability to extreme weather events, such as droughts, floods, and storms. These events not only disrupt agricultural production and reduce yields but also impair the ability of farmers and agricultural businesses to meet their financial obligations, leading to potential loan defaults and financial losses for VakıfBank. Recognizing this risk, VakıfBank has implemented a series of proactive measures to mitigate the impact on its financial performance. This includes setting aside specific provisions for potential loan losses and engaging with agricultural clients to promote resilience through sustainable farming practices and risk management strategies. By closely monitoring these risks and maintaining a robust risk management framework, VakıfBank is committed to supporting its agricultural clients while safeguarding the bank's financial stability in the face of ongoing climate challenges. Additionally, these figures have been directly obtained from the bank's internal systems,

(3.1.1.26) Primary response to risk

Policies and plans

☑ Increase insurance coverage

(3.1.1.27) Cost of response to risk

211255508

(3.1.1.28) Explanation of cost calculation

The cost of response, or provision value, for managing the financial risks associated with VakıfBank's agricultural sector loans has been carefully calculated to address the potential impact of extreme weather events on loan repayments. By the end of 2023, VakıfBank had extended TRY 9,543,876,771.12 in loans to the agricultural sector, with repayments totaling TRY 5,648,103,034.18. The outstanding loan value, which is the portion of the loan portfolio still at risk, was calculated as TRY 3,895,773,736.94. To mitigate the risk of loan defaults due to the sector's vulnerability to climate change, VakıfBank has set aside a provision value of TRY 211,255,508. This provision is based on an assessment of the potential credit deterioration and expected financial losses within the agricultural sector, ensuring that the bank is financially prepared to absorb these risks while continuing to support its agricultural clients.

(3.1.1.29) Description of response

To support our agricultural customers' needs, VakıfBank offers various loan campaigns with favorable interest rates and flexible repayment terms. These initiatives aim to finance sustainable agricultural practices such as efficient irrigation systems, soil health improvement techniques, and climate-resilient crop varieties. By providing these tailored financial solutions, VakıfBank helps mitigate the impact of extreme weather events on agricultural production, ensuring more stable loan repayments and supporting the long-term financial health of both our clients and the bank.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

33678102610

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

The financial figure of TRY 33,678,102,610 is derived from VakıfBank's exposure to sectors and assets that are sensitive to climate change impacts. This figure represents the total loan value extended to sectors such as agriculture, energy, and manufacturing, which are subject to changes brought about by climate factors, such as extreme weather conditions or regulatory shifts related to sustainability. The calculation includes projected effects on loan performance, factoring in potential delays in repayments and increased provisions due to these climate-related changes.

Water

(3.1.2.1) Financial metric

Select from:

☑ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

3895773736.94

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

The financial figure for water-related impacts is calculated as TRY 0. This reflects VakıfBank's current assessment that, based on available data and analysis, there are no significant financial exposures or impacts directly related to water risks in the reporting year. This assessment includes reviewing the sectors most sensitive to water availability, quality, and management issues, such as agriculture and manufacturing. The conclusion of zero impact is derived from the fact that no major disruptions or financial impairments related to water issues have affected the bank's portfolio in the current period.
[Add row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

As the transition to a low-carbon economy has shaped the sustainable development agenda, VakıfBank has played an active role in this transition by effectively managing environmental risks, not only for its direct operations but also for its indirect impacts emerging through its financing activities. In this respect, VakıfBank's strategy to combat climate change is based on three pillars: Sustainable Energy Finance, Reducing Environmental Impacts, and Raising Employee Awareness. Supporting the socioeconomic development of various layers of society with sustainable products and services through a responsible banking approach, VakıfBank offers a range of products and services, from environmentally friendly projects to energy efficiency, renewable energy projects, and support for women entrepreneurs. These products are classified as sustainable for VakıfBank due to their positive sustainability effects on customers' businesses. With its sustainable product portfolio, VakıfBank provides customers with the funds they need to operate more sustainably. The availability of these sustainable products encourages customers to choose them, and the revenue generated from these offerings represents a climate-related opportunity for VakıfBank, as the financing of low-carbon activities contributes to the decarbonization of its lending portfolio.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

During the 2023 reporting period, the opportunity to offer sustainable framework-related credit to companies has had a positive and significant impact on VakıfBank's financial position, performance, and cash flows. By actively supporting the transition to a low-carbon economy and managing environmental risks through its financing activities, VakıfBank has reinforced its leadership in sustainable banking. This strategic focus has not only contributed to the socio-economic development of various sectors but has also substantially enhanced the bank's revenue streams. In 2023, approximately 2% of VakıfBank's revenue was generated from sustainable products and services, including environmentally friendly projects, energy efficiency initiatives, renewable energy developments, and support for women entrepreneurs. These activities have enabled VakıfBank to further decarbonize its lending portfolio, aligning with global sustainability goals and significantly reducing the carbon footprint associated with its financing activities. The provision of sustainable funds to customers has facilitated their transition to more sustainable operations, strengthening the bank's reputation and market position. Consequently, VakıfBank has seen improved financial performance and more stable cash flows, driven by the increasing demand for sustainable financial products and the associated revenue opportunities in emerging markets. This positive financial impact underscores the effectiveness of VakıfBank's strategy in addressing climate change and highlights the bank's unwavering commitment to responsible banking and sustainable development.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

3825186261.88

(3.6.1.23) Explanation of financial effect figures

In 2023, VakıfBank generated TRY 3,825,186,261.88 in revenue from sustainable lending opportunities, which were primarily derived from climate-related opportunities. This financial figure reflects the bank’s strategic efforts to finance projects that align with sustainability goals, such as renewable energy, energy efficiency, and low-carbon transition initiatives. These projects contribute positively to both the environment and the bank’s financial performance, as they align with the increasing demand for sustainable finance products.

(3.6.1.24) Cost to realize opportunity

739961.2

(3.6.1.25) Explanation of cost calculation

The Cost to Realize Opportunity, amounting to TRY 739,961.20, represents the total cost incurred by the bank in developing, maintaining, and promoting its Sustainable Finance Framework, obtaining Second Party Opinions, and implementing these financing opportunities throughout the year. This comprehensive

approach not only supports the transition to a low-carbon economy but also enhances VakıfBank's role as a leader in sustainable finance, driving long-term value creation for the bank and its stakeholders.

(3.6.1.26) Strategy to realize opportunity

VakıfBank offers green and sustainable loans to its customers, with these loans primarily classified according to VakıfBank's Sustainable Finance Framework. This framework ensures that all financing activities are aligned with the bank's commitment to environmental sustainability and responsible banking. The cost of realizing these opportunities involves developing and maintaining this framework, conducting thorough assessments to ensure that funded projects meet the sustainability criteria, and engaging in ongoing monitoring and reporting. This strategic investment enables VakıfBank to effectively support the transition to a low-carbon economy while enhancing its reputation as a leader in sustainable finance.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Other, please specify :Coast Of Marmara Sea

(3.6.1.8) Organization specific description

In 2023, VakıfBank generated TRY 5,648,103,034.18 in revenue from sustainable agricultural loans, specifically focused on water-related initiatives. These loans, classified under VakıfBank's Sustainable Finance Framework, are a key component of the bank's strategy to support environmentally responsible agricultural practices that prioritize water conservation and management. The substantial revenue figure underscores the growing demand for financing in the agricultural sector that aligns with sustainability principles, particularly in areas facing water scarcity and other water-related challenges. By providing these water-focused loans, VakıfBank not only supports the transition to sustainable water management in agriculture but also enhances its own financial performance. This opportunity reflects VakıfBank's commitment to fostering sustainable economic growth while addressing critical water-related issues. The revenue generated from these loans significantly contributes to the bank's overall financial stability and demonstrates the effectiveness of its sustainable finance strategy in realizing both environmental and economic benefits.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

During the 2023 reporting period, VakıfBank’s strategic focus on providing water-related sustainable loans, such as those for wastewater treatment infrastructure, rainwater harvesting systems, and energy-efficient water irrigation systems, had a markedly positive impact on its financial position, performance, and cash flows. The total revenue generated from these sustainable loans reached TRY 5,648,103,034.18, reflecting a significant contribution to the bank’s overall revenue. This figure was calculated automatically by VakıfBank’s internal systems, taking into account the maturity and interest rates of the credits extended. These water-related

opportunities not only diversified VakıfBank's income streams, reducing reliance on traditional lending portfolios, but also enhanced financial stability by improving cash flows and liquidity. The success of these initiatives further solidified VakıfBank's reputation as a leader in sustainable finance, attracting a growing base of customers and investors who prioritize environmentally responsible banking. This positive financial impact underscores the bank's commitment to integrating sustainability into its core lending practices, thereby supporting both environmental stewardship and long-term economic resilience.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

5648103034.18

(3.6.1.23) Explanation of financial effect figures

In 2023, VakıfBank's focus on providing water-related sustainable loans, including financing for wastewater treatment infrastructure, rainwater harvesting systems, and energy-efficient irrigation systems, generated a significant revenue of TRY 5,648,103,034.18. This revenue not only directly enhanced the bank's financial performance but also diversified its income streams, reducing reliance on traditional lending portfolios. The increased cash flows from these loans improved the bank's liquidity and overall financial stability, allowing for reinvestment in further sustainable projects. Additionally, this strategic focus has strengthened VakıfBank's market position and reputation as a leader in sustainable finance, attracting new customers and investors who prioritize environmental responsibility. The financial effect of these water-related opportunities highlights the bank's successful integration of sustainability into its core business, driving both profitability and long-term resilience.

(3.6.1.24) Cost to realize opportunity

739961.2

(3.6.1.25) Explanation of cost calculation

The Cost to Realize Opportunity, amounting to TRY 739,961.20, represents the total cost incurred by the bank in developing, maintaining, and promoting its Sustainable Finance Framework, obtaining Second Party Opinions, and implementing these financing opportunities throughout the year. This comprehensive approach not only supports the transition to a low-carbon economy but also enhances VakıfBank's role as a leader in sustainable finance, driving long-term value creation for the bank and its stakeholders.

(3.6.1.26) Strategy to realize opportunity

VakıfBank offers green and sustainable agricultural loans to its customers, with these loans primarily classified under VakıfBank's Sustainable Finance Framework. This framework ensures that all agricultural financing activities align with the bank's commitment to environmental sustainability and responsible banking. The cost of realizing these opportunities includes the development and maintenance of the framework, conducting thorough assessments to ensure that agricultural projects meet stringent sustainability criteria, and engaging in ongoing monitoring and reporting to track their environmental impact. This strategic investment enables VakıfBank to effectively support the transition to sustainable agricultural practices while reinforcing its reputation as a leader in sustainable finance. By facilitating environmentally responsible farming, VakıfBank contributes to the broader goal of promoting sustainable agriculture and reducing the environmental impact of agricultural activities. [Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

3825186261.88

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 11-20%

(3.6.2.4) Explanation of financial figures

In the reporting year, VakıfBank's financial assets related to climate opportunities amounted to TRY 3,825,186,261.88. This figure represents the total value of sustainable loans provided in 2023, specifically targeting climate-related projects such as renewable energy, energy efficiency, and other initiatives supporting a low-carbon transition. The figure was derived by summing the sustainable loans disbursed during the year and verified through the bank's internal financial systems. This amount is directly related to projects that help clients reduce carbon emissions or improve their energy efficiency, aligning with VakıfBank's strategy to contribute to

climate change mitigation while enhancing the bank’s revenue streams. The financial impact reflects the bank's commitment to support the transition to a sustainable, low-carbon economy.

Water

(3.6.2.1) Financial metric

Select from:

☑ Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

5648103034.18

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 21-30%

(3.6.2.4) Explanation of financial figures

In the reporting year, VakıfBank's financial assets related to water opportunities amounted to TRY 5,648,103,034.18. This figure represents the total value of sustainable loans disbursed in 2023 for water-related projects, such as investments in water efficiency, wastewater treatment, and sustainable water management systems. The figure was calculated by summing the loan amounts provided to projects that focus on improving water resource management, reducing water consumption, and addressing water scarcity challenges. This amount is verified through the bank's internal financial systems and reflects VakıfBank's commitment to addressing water security issues while generating financial returns. These initiatives are integral to the bank’s sustainability strategy, as they help mitigate water-related risks and support long-term environmental stewardship
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

VakıfBank's Equal Opportunity and Gender Equality Policies cover all employees, emphasizing the importance of diversity. The bank is committed to ensuring fair treatment in recruitment, performance evaluations, promotions, and training without discrimination based on factors such as language, religion, race, gender, age, disability, or socio-economic status. These policies support work-life balance and transparent career development, prevent gender-based discrimination, and ensure equal pay. VakıfBank actively collaborates on international gender equality initiatives, supports girls' education, and maintains a zero-tolerance approach to harassment. The policies are overseen by the Corporate Governance Committee, Human Resources Department, and Corporate Development and Academy Department, with final approval by the Board of Directors. The Board highly values diversity, believing it ensures varied perspectives and unbiased decision-making, reinforcing VakıfBank's commitment to equality and inclusion at all levels.

(4.1.6) Attach the policy (optional)

FÄ±rsat EÅ□itliÄ□i VakÄ±fbank.pdf,Gender Equality.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding scenario analysis
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Overseeing and guiding public policy engagement
☑ Approving and/or overseeing employee incentives
☑ Overseeing and guiding major capital expenditures
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations
☑ Risks and opportunities to our banking activities
☑ The impact of our own operations on the environment
☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The Board of Directors has the highest level of responsibility for the Bank's overall performance. The Board of Directors directs and reviews the Bank's overall strategy. Accordingly, it reviews its action plans, transition plans, annual business plans and budgets accordingly. For this reason, the Board of Directors directs and reviews the strategy on sustainability and climate change, evaluates risks and opportunities. It also reviews risk and opportunity management policies. It sets performance targets and allocates relevant resources accordingly. As a result, it monitors performance and progress on climate change issues. For example, our annual 2% emission reduction KPIs and SBTi-compliant emission reduction targets are determined by the Board of Directors. Targets are announced through our website and reports. With the decision of the Board of Directors, VakıfBank Sustainability Committee is established in 30.12.2021. The Sustainability Committee discuss the Bank's sustainability strategy and policy before the Board of Directors and ensures that necessary actions are taken in this regard. This committee is the bank's top decision-making body on sustainability and climate-related issues. The Committee is chaired by our CEO (General Manager), who is a member of BOD. There is also an independent Board Member elected by the Board of Directors. All climate change and sustainability-oriented corporate policies discussed in the committee are reported to the board of directors and approved. Sustainability Committee convened once in 2023, the Corporate Governance Committee convened 4 times. Sustainability issues discussed in these planned meetings are discussed at the level of the Board of Directors. When necessary, the BOD evaluates and approves the following outputs of the sustainability committee; -Determining sustainability goals, - Following up sustainability studies and strengthening sustainability, -Integration of the bank's talent performance and sustainability into all business units and processes, -Deciding on important issues discussed in the Sustainability Subcommittee, -Providing necessary organizational change proposals for the Bank's sustainability activities to be carried out effectively, -Preparing the Bank's sustainability reports, -Detection and management of risks and opportunities arising from climate change, especially carbon and water, -Following national and international legislation on environmental and social risks that are important in the Bank's lending process, - Making suggestions on cooperations that he can become a member and support in the field of sustainability.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations

☑ Risks and opportunities to our banking activities

☑ The impact of our own operations on the environment

☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

According to the Working Procedures and Principles of VakıfBank Internal Committees, the Sustainability Committee was established under the decision of the Board of Directors (BoD) dated 30.12.2021, with the CEO (General Manager) as its chairman. Prior to the BoD, the Sustainability Committee was responsible for determining the bank's sustainability strategy & policy and ensuring the implementation of necessary actions. This committee serves as the highest-level decision-making body for sustainability and climate-related issues at the bank. The committee, chaired by the CEO, consists of an independent member of the BoD, Deputy General Managers responsible for Financial Management and Strategy; Corporate, Commercial, and SME Banking Marketing; Digital Banking; Treasury Management and International Banking and Investor Relations; Credit Allocation Management; as well as the Presidents of International Banking and Investor Relations; Strategy and Planning; Risk Management; Support Services; and Corporate Loan Allocation Management. All corporate policies focused on climate change, water, and sustainability discussed within the committee are reported to and approved by the BoD. The Sust. Committee and the Corporate Governance Committee meet at least twice a year. During these planned meetings, sustainability-related topics are also discussed at the Board level. The Board members within the Sust. Committee evaluate and approve the committee's responsibilities listed below: - Determination of sustainability goals, - Monitoring of sustainability initiatives and strengthening sustainability - Integration of sustainability into all business units and processes - Decision-making on important matters discussed in the Sustainability Subcommittee, - Proposal of organizational changes necessary for the effective implementation of the bank's sustainability activities - Preparation of

sustainability reports and submission to the Board of Directors for approval - Identification and management of water-related risks and opportunities arising from climate change - Monitoring national and international legislation relevant to environmental and social risks significant to the bank's lending process, - Overseeing and guiding scenario analysis and public policy engagement - Providing recommendations on potential collaborations and partnerships in the field of sustainability In addition to these responsibilities, the Sust. Committee that includes Board members are also responsible for evaluating and monitoring corporate goals, as well as overseeing the interaction of the value chain. To implement the sustainability strategy determined and approved by the Committee and ensure necessary coordination within the bank, a "Sustainability Subcommittee" has been established. The subcommittee ensures the continuity of the bank's sustainability practices, manages the implementation of decisions made by the Sust. Committee, and oversees the process of taking necessary actions.
[Fixed row]

(4.2) Does your organization’s board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Executive-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:*

	Management-level responsibility for this environmental issue
	☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify :Executive Vice Presidents

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The “Sustainability Committee” was established to determine the Bank's sustainability strategy. To implement the decisions taken, and to ensure the necessary coordination within the Bank for these decisions the "Sustainability Subcommittee" was also established. Executive Vice Presidents of the Business Unit are members of the sustainability committee and they are the highest management with responsibility of climate related issues. The following unit presidencies are members of the Sustainability Subcommittee and manage the following processes: Head of International Banking and Investor Relations Head of Corporate Communications Head of Corporate Development, Performance Management and Academy Head of Featured Loans Management Head of Commercial Banking Marketing Head of SME

Banking Marketing Head of Retail Banking Marketing Head of Individual Banking Marketing Head of General Accounting and Financial Operations Head of Support Services Head of Strategy and Planning Head of Risk Management Head of Human Resources In the sub-committee, the sustainability practices of the Bank are maintained, efforts are made to achieve energy and emission reduction targets, and SBTi target setting processes are managed, climate related risks and opportunities are evaluated. Climate change and water security issues raised to the Sustainability Committee and then to the Board of Directors; Unit heads in the Sustainability Subcommittee convey this information to the Executive Vice Presidents for discussion at the Sustainability Committee. For this reason, VakıfBank Executive Vice Presidents are the highest position responsible that manages climate change at the management level.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify **:**Executive Vice Presidents

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The water-related issues are discussed by the unit heads in the Sustainability Sub-Committee, then presented and reported to the EVPs in the Sustainability Committee and Board of Directors (BoD), respectively. The EVPs play a key role in managing water security in VakıfBank. Their responsibilities are assessing future trends in water demand, evaluating risks and opportunities related to water, setting/monitoring corporate goals, integrating water-related issues into business strategy, managing annual budgets, managing value chain engagement in water-related topics, and so on. Water and sustainability-centred corporate policies are evaluated in the Sustainability and the Corporate Governance Committees. In 2023, the Sustainability Committee and the Corporate Governance Committee held meetings one and four times, respectively, which the water-related discussions are conducted in those meetings, and correspondingly, assessments are presented to the BoD more frequently than quarterly.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

As outlined in our Corporate Performance Management System, 5% of the total performance bonuses for our C-level executives are directly tied to climate-related performance metrics. These metrics include operational efficiency targets such as the reduction of electricity, water, natural gas, fuel, and paper consumption, as well as promoting digital banking to decrease customer visits to branches, thereby reducing associated carbon emissions. Additionally, the performance of regional managers is also evaluated based on similar criteria, which further supports the integration of sustainability objectives into our overall performance management framework.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

As outlined in our Corporate Performance Management System, 5% of the total performance bonuses for our C-level executives are directly tied to climate-related performance metrics. These metrics include operational efficiency targets such as the reduction of electricity, water, natural gas, fuel, and paper consumption, as well as promoting digital banking to decrease customer visits to branches, thereby reducing associated carbon emissions. Additionally, the performance of regional

managers is also evaluated based on similar criteria, which further supports the integration of sustainability objectives into our overall performance management framework.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Other C-Suite Officer, please specify **:**Regional Managers

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

Engagement

☑ Increased engagement with customers on environmental issues

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Executive Vice Presidents (EVP), also take part in the Sustainability Committee and lead the implementation of the decisions taken by the Bank's sustainability committee. There are performance indicators (KPIs) of the department, all Bank employees on climate change issues. These KP Is annual emissions reduction targets, public reporting and maintaining success in sustainability indices. In addition, energy efficiency studies, low-carbon R&D investments and CDP reporting are included in our KPIs. For example, one of the KPIs in 2023 was responding to the CDP Water Security Questionnaire, which was successfully achieved. It can be noted that branch and regional managers receive an increase in performance bonuses based on the achievement of climate-related targets.In 2024, a new KPI is to achieve a score of A on this questionnaire.Performance evaluations of the Executive Vice President are based on the Bank's corporate objectives and the business objectives of the departments under the relevant Executive Vice President. As a result of this, all employees of our Bank as well as Executive Vice Presidents are paid quarterly four times a year as of 2024. This is directly proportional to the performance determined by our Bank's Management for the personnel, but it may include periodic changes.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As KPIs are realized, financial and other supports are provided to the c-level employees and the continuity of the achievements is ensured. Thus, VakıfBank's actions in the sustainability and climate change transition process are supported. For example, VakıfBank has submitted its emission reduction targets to the Science Based Target initiative (SBTi) in 2022. In the next period, the relevant EVPs and Heads of Departments for the control of portfolio emissions have been appointed to be responsible for the emission calculations of the relevant performance indicators in the lending processes. Rewarding these performances with financial incentives ensures that the processes are further improved every year.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Other C-Suite Officer, please specify **:**Regional Managers

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

☑ Improvements in emissions data, reporting, and third-party verification

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in water efficiency – downstream value chain (excluding direct operations)

Pollution

☑ Improvements in wastewater quality – direct operations

☑ Reduction of water pollution incidents

☑ Reduction or phase out of hazardous substances

Engagement

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The reduction of water use by 2%, reduction of water-related expenses, participation in employee awareness activities and water related training programs are the performance indicators evaluated throughout the Bank. Performance evaluations are based on the Bank's corporate goals and the business objectives of relevant departments. Without any threshold value, a bonus factor ranging from 0.75 to 1.50 is determined based on the achievement rate of set targets, and bonus payments are calculated accordingly.It can be noted that branch and regional managers receive an increase in performance bonuses based on the achievement of climate-related targets. Bonus payments are made subsequently to evaluations carried out per quarter and at the year-end, which corresponds to at least four times in a year. Provided monetary incentives create an environment within the Bank for increasing performance and profitability by achieving the annual set targets.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

VakıfBank aims to create a shared awareness on environmental issues such as water security through both its internal Environmental Policy and the Environmental and Social Impact Assessment Policy developed to improve the environmental impacts of its financing activities. Within the scope of our Environmental Policy, we have set a target to reduce direct water consumption by 2% annually. In 2023, we completed our transition to a purification system by eliminating the use of plastic water dispensers and bottles in all our branches, except for overseas and affiliated branches, to make water consumption more efficient and reduce related expenses.

Additionally, in 2023, we provided awareness training on water issues for bank employees and engaged in supply chain participation. We will continue these efforts to promote sustainable water use and further reduce our environmental impact. Additionally, the inclusion of CDP Water Security reporting, continuity in the sustainability index, and ISO 14001 Environmental Management Certification are considered among the investor relations objectives. These objectives are set to raise awareness of water efficiency and water stress among bank employees and other stakeholders in the value chain, aiming to create a shared environmental consciousness. Monetary awards such as bonuses, incentives, and dividends contribute to the development of the business model as well as the establishment of corporate and individual performance awareness.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Water

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ Portfolio

(4.6.1.4) Explain the coverage

VakıfBank's Environmental Policy is a thorough approach to environmental sustainability within its operations. It covers a wide range of commitments, from ensuring compliance with regulations to taking proactive steps to reduce environmental impact and promote sustainable practices. The policy sets clear targets for reducing energy consumption, water usage, and paper waste, while also emphasizing the importance of renewable energy sources and offsetting carbon emissions. VakıfBank actively engages in initiatives like recycling programs and involving stakeholders to build a corporate culture that values environmental responsibility. Furthermore, the policy considers environmental risks in financing decisions, supports global environmental initiatives, and prioritizes transparent reporting. Through regular reviews and updates, VakıfBank shows a commitment to adapting to environmental challenges and contributing to sustainable development.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

Water-specific commitments

☑ Commitment to reduce water consumption volumes

☑ Commitment to reduce water withdrawal volumes

☑ Commitment to control/reduce/eliminate water pollution

☑ Commitment to safely managed WASH in local communities

☑ Commitment to the conservation of freshwater ecosystems

☑ Commitment to water stewardship and/or collective action

Additional references/Descriptions

☑ Acknowledgement of the human right to water and sanitation

☑ Description of impacts on natural resources and ecosystems

☑ Description of renewable electricity procurement practices

☑ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Ã□evre PolitikasÄ± VakÄ±fbank.pdf
[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Banking (Bank)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Credit/lending policy

☑ Risk policy

☑ Other banking policy, please specify :Sustainability Policy, Environmental Policy, Environmental and Social Impacts Management Policy in Lending Processes

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

integrated-annual-report-2023 4.12.1.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies
☑ Transportation services

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

VakıfBank's Environmental and Social Impact Management Policy in Lending Processes and VakıfBank Unfunded Activities List in the annex of the said policy document were approved by our Bank's Board of Directors and published on our website. Then, the Procedure on the Management of Environmental and Social Impacts in VakıfBank Lending Processes came into effect. Accordingly, if the activity to be financed is not included in the VakıfBank Unfinanced Activities List, if it is within the scope of project loans and the loan application amount is over 20 million USD, these loan applications will be determined by the Excel-based Environmental and Social Assessment Tool and the risk category of the company. It was decided to define the risk categories as four classes: A (High), B (Mid-High), B- (Mid-Low), and C (Low). We are aware that we have responsibility for the environmental and social impacts of the projects we finance within the framework of our responsible financing approach, which forms 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 impact with the projects we finance, give priority to environmentally friendly projects, energy efficiency and renewable energy projects in financing, and exclude certain sectors from the scope of prohibited sectors. We request the documents related to environmental standards of the projects before the project financing, and we determine the Environmental Impact Assessment (EIA) Reports as a prerequisite to determine the environmental impacts of all the projects we finance. In addition, scope 1 and scope 2 emissions are also requested from the customer. We consider it 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 responsible banking approach, also facilitates our cooperation with international financial institutions such as the World Bank, AFD and EBRD. Thus, we are able to successfully manage the process of meeting high ethical, environmental and social criteria, which are among the requirements of many projects we finance through relevant institutions.

(4.7.1.12) Requirements for clients/investees

Climate-specific commitments

☑ Commitment to disclose Scope 1 emissions

☑ Commitment to disclose Scope 2 emissions

☑ Commitment to disclose Scope 3 emissions

☑ Commitment to develop a climate transition plan

☑ Commitment to not invest in fossil-fuel expansion

☑ Commitment to set a science-based emissions reduction target

☑ Commitment to not funding climate-denial or lobbying against climate regulations

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Water

(4.7.1.2) Type of policy

Select all that apply

☑ Credit/lending policy

☑ Risk policy

☑ Other banking policy, please specify :Sustainability Policy, Environmental Policy, Environmental and Social Impacts Management Policy in Lending Processes

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

integrated-annual-report-2023.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ International bodies

☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Transportation services

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

VakıfBank's Environmental and Social Impact Management Policy in Lending Processes and the Unfunded Activities List were approved by the Board of Directors and published online. Following this, the Procedure on the Management of Environmental and Social Impacts in Lending Processes was implemented. If a financed activity is not on the Unfinanced Activities List, falls within project loans, and exceeds 20 million USD, it is assessed using the Environmental and Social Assessment Tool, classifying risks into four categories: A (High), B (Mid-High), B- (Mid-Low), and C (Low). Our responsible financing approach acknowledges our duty to society and the environment. Consequently, "Environmental and Social Impact Assessment and Sustainability" is a dedicated section in our Credit Policy Document. We prioritize environmentally friendly projects, energy efficiency, and renewable energy projects, excluding certain prohibited sectors. Project financing requires documents related to environmental standards and Environmental Impact Assessment (EIA) Reports. The Environmental and Social Assessment Tool evaluates companies on resource management, water usage, pollution monitoring, and environmental risk mitigation. We monitor the ongoing positive impact of financed projects, aligning with our responsible banking approach and facilitating cooperation with international financial institutions like the World Bank, AFD, and EBRD. Thus, we successfully meet the high ethical, environmental, and social criteria required by many of our financed projects.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards
☑ Commitment to take environmental action beyond regulatory compliance

Water-specific commitments

☑ Commitment to reduce or phase out hazardous substances
☑ Commitment to control/reduce/eliminate water pollution
☑ Commitment to safely managed WASH in local communities
☑ Commitment to the conservation of freshwater ecosystems

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:
☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met
[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:
☑ All fossil fuels

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream
☑ Midstream
☑ Downstream

(4.7.2.3) Year of exclusion implementation

2023

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2029

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Turkey

(4.7.2.7) Description

Although VakıfBank has not stopped providing project financing for fossil fuel-related matters at the moment, its exclusion policy, as part of its Sustainable Finance Framework, explicitly bars financing for activities related to the extraction, production, refining, transmission, and distribution of fossil fuels. This means that projects and operations connected to fossil fuels, such as coal, oil, and natural gas, are not eligible for support under VakıfBank's sustainable finance initiatives. This exclusion is in place to align with environmental and sustainability standards, aiming to promote cleaner and more sustainable energy sources.
[Add row]

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

	Covenants included in financing agreements to reflect and enforce policies
	Select from: ☑ Yes

[Fixed row]

(4.8.1) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your environmental policies.

Row 1

(4.8.1.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(4.8.1.2) Types of covenants used

Select all that apply

☑ A purpose or use of proceeds clause that refers to a taxonomy aligned activity

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

☑ Project finance

(4.8.1.4) Criteria for how covenants are applied

Select from:

☑ All business/investment for all projects

(4.8.1.5) % of clients covered by covenants

100

(4.8.1.6) % of portfolio covered in relation to total portfolio value

26

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

We committed to start applying our "Environmental and Social Impact Assessment Policy" and Exclusion List to all segments except retail banking in 2021. This decision was taken by the Sustainability Committee at the first meeting of the Committee in 2022. In addition, clauses in our contracts stating that customers will share evidence documents according to the type of project in financing made according to the Sustainable Finance Framework. For example, in Green building loans given according to the framework, it is a must to obtain the LEED or BREEAM documents of the buildings from the customer during the lending process.
[Add row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:
☑ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

VakıfBank's pension scheme for employees is managed through Türkiye Hayat ve Emeklilik A.Ş., with the investment portfolio comprising 10% VEH (Equity), 40% VEK (Standard), 40% VEL (Money Market), and 10% VET (Government External Debt Securities). The VEK fund is primarily focused on Turkish Lira-denominated debt instruments issued by the Ministry, aiming to generate income while maintaining at least 60% of its portfolio in these assets. Up to 29% of the portfolio can be

invested in other Turkish Lira-denominated instruments, including those rated investment grade, and at least 10% in shares listed on indices like BIST 100, BIST Sustainability Index, and others calculated by Borsa Istanbul. Additionally, a minimum of 1% is invested in venture capital funds. The VEH fund is an Equity Pension Investment Fund, with at least 80% of the portfolio continuously invested in publicly traded shares. Investments are made based on the principle of risk diversification, focusing on high-liquidity and high-yield securities. Additionally, the Türkiye Emeklilik ZHB fund, although not currently included in the standard plan, operates within the pension funds, focusing on sustainable investments. At least 80% of its portfolio is invested in shares listed on domestic and foreign sustainability indices, aiming for capital gains while managing risks related to macroeconomic factors, sectors, companies, and liquidity. The funds within VakıfBank's pension scheme are actively managed, incorporating a strategy that aligns with environmental, social, and governance (ESG) principles. While the specific coverage percentage of the retirement scheme under environmental criteria isn't provided, the focus on sustainability indices in the ZHB fund reflects the bank's commitment to integrating environmental considerations into its investment strategy. Currently, no TCFD report is provided as part of this disclosure, but the investment approach aligns with responsible investment principles by focusing on sustainability and ESG criteria in fund selection and management.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☑ Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

VakıfBank's pension scheme for employees is managed through Türkiye Hayat ve Emeklilik A.Ş., with the investment portfolio comprising 10% VEH (Equity), 40% VEK (Standard), 40% VEL (Money Market), and 10% VET (Government External Debt Securities). The VEK fund is primarily focused on Turkish Lira-denominated debt instruments issued by the Ministry, aiming to generate income while maintaining at least 60% of its portfolio in these assets. Up to 29% of the portfolio can be invested in other Turkish Lira-denominated instruments, including those rated investment grade, and at least 10% in shares listed on indices like BIST 100, BIST Sustainability Index, and others calculated by Borsa Istanbul. Additionally, a minimum of 1% is invested in venture capital funds. The VEH fund is an Equity Pension Investment Fund, with at least 80% of the portfolio continuously invested in publicly traded shares. Investments are made based on the principle of risk diversification, focusing on high-liquidity and high-yield securities. Additionally, the Türkiye Emeklilik ZHB fund, although not currently included in the standard plan, operates within the pension funds, focusing on sustainable investments. At least 80% of its portfolio is invested in shares listed on domestic and foreign sustainability indices, aiming for capital gains while managing risks related to macroeconomic factors, sectors, companies, and liquidity. The funds within VakıfBank's pension scheme are actively managed, incorporating a strategy that aligns with environmental, social, and governance (ESG) principles. While the specific coverage percentage of the retirement scheme under environmental criteria isn't provided, the focus on sustainability indices in the ZHB fund reflects the bank's commitment to integrating environmental considerations into its investment strategy. Currently, no TCFD report is provided as part of this disclosure, but the investment approach aligns with responsible investment principles by focusing on sustainability and ESG criteria in fund selection and management.
[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Science-Based Targets Initiative for Financial Institutions (SBTi-FI)

☑ UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

In 2019 VakıfBank has committed to set emission reduction targets in line with the climate science to keep global warming at 1.5 degrees. As of 2022, VakıfBank has studied its climate transition and emission reduction targets and submitted it to SBTi for validation. In 2023, VakıfBank became the first bank that has validated its emission reduction targets by SBTi in Turkey.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

integrated-annual-report-2023.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

MERSIS NUMBER: 0922003497000017 Trade Registry Number: 776444

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

In 2014, the “Sustainability Guide for the Banking Sector” was published by the Banks Association of Turkey (TBB). Subsequently, the “BIST Sustainability Index” was created by Borsa Istanbul (BIST). In 2021, the “3.2.5. The 2022-2025 Sustainable Banking Strategic Plan regarding the action "Determining a roadmap for the development of sustainable banking" was announced. Also (IIF) “Sustainable Finance Workshop” was organized by the Banks Association of Turkey (TBB) and the International Finance Institute. As a result, our country and the Turkish banking sector continue to carry out important studies on the management of environmental

and social risks within the scope of combating climate change. As VakıfBank, we participate in these studies by providing feedback. The focal points of the feedbacks are as follows: Emission reduction activities, emission trading system, behaviour change, use of renewable energy, reduction of fossil fuel car use, energy efficiency projects, reduction of natural gas consumption, reduction of coal/lignite consumption
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

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

The Turkish Banks Association had prepared a Guide for establishing the Green Asset Ratio, and the Banking Regulation and Supervision Agency (BRSA) had published the Draft Regulation on the Green Asset Ratio as a result of these efforts.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change
☑ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Other
☑ Climate transition plans

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

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

Select all that apply

☑ Europe, Middle East and Africa (EMEA)

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

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The Draft Regulation on Green Asset Ratio is important for VakıfBank as it focuses on sustainability efforts, especially in addressing water-related and climate change issues. This regulation requires VakıfBank to calculate the "green asset ratio," which measures how much of its loans support projects that benefit the environment, such as water conservation and climate adaptation. This aligns with VakıfBank's commitment to minimizing environmental impacts and promoting sustainable practices. The regulation also emphasizes assessing the environmental and social impacts of loans, which is in line with VakıfBank's Environmental and Social Risk Management System. This ensures that financed projects meet strict sustainability criteria. By following these guidelines and reporting progress, VakıfBank aims to improve transparency and accountability in its sustainability efforts. Success under this regulation is measured by monitoring VakıfBank's green asset ratio and progress towards its commitments under the Science-Based Targets Initiative. These targets are aimed at reducing carbon emissions and increasing resilience to climate change. VakıfBank also tracks reductions in energy, water, and paper usage, which are crucial for achieving its sustainability goals. By offering financing for low-carbon projects and integrating environmental criteria into its lending policies, VakıfBank not only advances its sustainability goals but also contributes to Turkey's broader efforts in green finance and climate action.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify **:**Turkish Banks Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

The purpose of the Association is to preserve the rights and benefits of banks, to carry on studies for the growth of the banking sector, for its robust functioning and the development of banking profession, strengthening of competition power, to take the decisions/ensure that they are taken to prevent unfair competition, to implement and demand implementation of these decisions, in line with the principles of open market economics and perfect competition and the regulations, principles and rules of banking. "The Role of the Financial Sector in Sustainable Growth Working Group" was established in order to contribute to the studies to be carried out on the creation of a general approach regarding the protection of the environment in lending and other services of banks and on the subject of handling the issue as a social project. As a member of this study group, VakıfBank provides information and feedback including issues regarding climate change and water related issues.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts
☑ Public policy engagement
☑ Water accounting figures
☑ Content of environmental policies

(4.12.1.6) Page/section reference

Content of environmental policies: page 123 Governance: pages 126-178 Public policy engagement: pages 94-95 Dependencies & Impacts: pages 166-171 Risks & Opportunities: pages 166-171 Strategy: pages 54-55 Value chain engagement: pages 94-95 Emissions figures: page 499 Emission targets: page 53 Water accounting figures: page 499

(4.12.1.7) Attach the relevant publication

integrated-annual-report-2023 4.12.1.pdf

(4.12.1.8) Comment

Our 2023 Integrated Annual Report is available on our website.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ More than once a year

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ More than once a year
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify :Net Zero 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

Stakeholder and customer demands

☑ Consumer attention to impact

Regulators, legal and policy regimes

☑ Other regulators, legal and policy regimes driving forces, please specify **:**Carbon Pricing

Macro and microeconomy

☑ Other macro and microeconomy driving forces, please specify **:**Fossil fuel costs

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Vakıfbank has been focusing on Environmental Management and green finance activities for many years. As a public bank actively making efforts to promote green finance in Turkey, Vakıfbank analyzes scenarios regarding the green economy market in Turkey and around the world. Within the scope of climate change, NGFS (Network for Greening the Financial System) scenarios are also used in Vakıfbank's strategy and risk analysis studies. NGFs climate scenarios consider climate transition scenarios around the world, the physical consequences of climate change, and economic metrics. In addition, in this scenario, there are both the changes in the sectors against climate change and the relations of the sectors with each other. In this way, the use of NGFS scenarios is very important in Vakıfbank's decarbonization strategy in its portfolio. These scenarios are based on and compare the following parameters on climate transition risks: carbon prices, fossil fuel

costs, energy consumption expectations of real estates, investment amounts to be made in low-carbon electricity generation. Regarding the physical climate effects, the following parameters are followed: global temperature changes, changes in working power due to this change and floods. In financial metrics, GDP changes and inflation rates are tracked. With these outputs, the foundations of VakıfBank's 2030 and 2050 strategy were laid and action plans were prepared in order to realize its scientific-based goals. The net-zero 2050 climate transition scenario gives the most similar results to the NGFS scenarios. Accordingly, with the SBTi studies we carried out in 2022, we determined our emission reduction targets of 1.5 degrees for our scope 1-2 emissions and in 2023 VakıfBank's targets has been validated by SBTi.

(5.1.1.11) Rationale for choice of scenario

VakıfBank uses NGFS scenarios to ensure our business strategy is resilient to climate-related changes. These scenarios align with international climate agreements, particularly the Paris Agreement, and support our emission reduction targets validated by SBTi. They help us assess climate transition risks like carbon prices and fossil fuel costs, as well as physical risks like global temperature changes and floods. This analysis informs our financial planning, considering GDP and inflation impacts, and supports sustainable investment and lending practices. By using robust data and models, we integrate environmental scenario analysis into our operations, lending, and investment activities, ensuring our strategy aligns with global climate goals and enhances our resilience.

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical
☑ Chronic physical

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030
☑ 2040
☑ 2050
☑ 2060
☑ 2070
☑ 2080

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In assessing the physical risks within the context of operational risk, the bank has adopted an approach based on temperature and precipitation projections obtained from the General Directorate of Meteorology. These projections provide results for the periods of 1971-2000 (reference period), 2016-2040, 2041-2070, and 2071-2099, considering the RCP4.5 and RCP8.5 scenarios. Additionally, for water stress risk, future results for the years 2030 and 2040 were evaluated using the PCR-GLOBWB 2 model in the WRI Aqueduct Tool, based on the RCP4.5 and RCP8.5 scenarios, with a reference period of 1960-2014. The RCP4.5 scenario (Optimistic Scenario) represents a scenario of stable economic development, peaking and declining carbon emissions until 2040, emissions stabilized at around 650 ppm CO2, and temperature constrained to 1.1-2.6C by 2100, with a countrywide annual average temperature increase of 2.5C between 2016 and 2099. On the other hand, the RCP8.5 scenario (Pessimistic Scenario) represents a world with an average temperature increase of 3.6C, characterized by unequal economic development potentially affecting water usage, higher population growth, lower GDP growth, carbon concentrations reaching around 1370 ppm CO2 by 2100, and a steady increase in global carbon emissions with global average temperatures rising by 2.6-4.8C compared to the 1986-2005 levels. Based on the data sets prepared for the

RCP4.5, RCP8.5, and WRI Aqueduct scenarios for 2030 and 2040, the bank has conducted scenario-specific analysis on the risks of operational disruptions and potential physical damages at service locations associated with temperature and precipitation increases, as well as water stress risks.

(5.1.1.11) Rationale for choice of scenario

VakıfBank uses NGFS scenarios to ensure our business strategy is resilient to climate-related changes, particularly focusing on water-related issues. We assess physical risks such as temperature and precipitation changes using projections from the General Directorate of Meteorology and the WRI Aqueduct Tool, considering RCP4.5 and RCP8.5 scenarios. These scenarios align with the Paris Agreement and help us understand potential operational disruptions and physical damages due to water stress. This analysis informs our financial planning, considering GDP and inflation impacts, and supports sustainable investment and lending practices. By using robust data and models, we integrate environmental scenario analysis into our operations, lending, and investment activities, ensuring our strategy aligns with global climate goals and enhances our resilience to water-related climate risks.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP4

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ 2060

☑ 2070

☑ 2080

☑ 2090

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Number of ecosystems impacted

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Physical risks related to temperature, risks due to irregular precipitation effects, exposure to water stress have been studied within the scope of optimistic (RCP 4.5) and pessimistic (RCP 8.5) scenarios through the data of the "Turkey Climate Risk Study" obtained from the General Directorate of Meteorology. WRI Aqueduct Water

Risk Atlas was also used to support the studies. Monthly average precipitation change forecasts for the 2021-2030 and 2031-2040 periods; Based on the month with the highest precipitation irregularity, it was annualized on the basis of provinces and the risk level classification was carried out primarily on the basis of provinces and then Vakıfbank's service points. Although it is seen that there are significant differences between the optimistic-pessimistic scenarios and the projected periods; It is seen that the scenario results for precipitation irregularities do not differ much on the basis of both periods and scenarios. This situation reveals that there is no increasing effect on precipitation amounts under adverse scenario conditions where temperature increases increase; on the contrary, the drought effect brought about by the temperature increase negatively affects the changes in precipitation amount. The outputs of the precipitation projections for the 2021-2030 and 2031-2040 periods show that 7 provinces across Turkey are exposed to irregular precipitation at high (200-300 kg/m2) or extremely high (300 kg/m2) regardless of the temperature change scenarios. shows. It is likely that Vakıfbank operations carried out in 7 provinces will be affected by the outcome of this scenario.

(5.1.1.11) Rationale for choice of scenario

VakıfBank's scenario analysis examines physical risks like temperature changes, irregular precipitation, and water stress using optimistic (RCP 4.5) and pessimistic (RCP 8.5) scenarios. This analysis is based on data from the "Turkey Climate Risk Study" by the General Directorate of Meteorology and the WRI Aqueduct Water Risk Atlas. These scenarios are essential for assessing our business strategy's resilience and align with our emission reduction targets validated by SBTi. They help us understand climate-related changes and their impacts on our operations and financial planning, ensuring we meet international climate agreements like the Paris Agreement. This approach also integrates environmental issues into our lending, investment, and insurance activities, promoting sustainable investment and low-carbon growth.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ 2060

☑ 2070

☑ 2080

☑ 2090

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Number of ecosystems impacted

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Physical risks related to temperature, risks due to irregular precipitation effects, exposure to water stress have been studied within the scope of optimistic (RCP 4.5) and pessimistic (RCP 8.5) scenarios through the data of the "Turkey Climate Risk Study" obtained from the General Directorate of Meteorology. WRI Aqueduct Water Risk Atlas was also used to support the studies. Monthly average precipitation change forecasts for the 2021-2030 and 2031-2040 periods; Based on the month with the highest precipitation irregularity, it was annualized on the basis of provinces and the risk level classification was carried out primarily on the basis of provinces and then Vakıfbank's service points. Although it is seen that there are significant differences between the optimistic-pessimistic scenarios and the projected periods; It is seen that the scenario results for precipitation irregularities do not differ much on the basis of both periods and scenarios. This situation reveals that there is no increasing effect on precipitation amounts under adverse scenario conditions where temperature increases increase; on the contrary, the drought effect brought about by the temperature increase negatively affects the changes in precipitation amount. The outputs of the precipitation projections for the 2021-2030 and 2031-2040 periods show that 7 provinces across Turkey are exposed to irregular precipitation at high (200-300 kg/m2) or extremely high (300 kg/m2) regardless of the temperature change scenarios. shows. It is likely that Vakıfbank operations carried out in 7 provinces will be affected by the outcome of this scenario.

(5.1.1.11) Rationale for choice of scenario

VakıfBank's scenario analysis examines physical risks like temperature changes, irregular precipitation, and water stress using optimistic (RCP 4.5) and pessimistic (RCP 8.5) scenarios. This analysis is based on data from the "Turkey Climate Risk Study" by the General Directorate of Meteorology and the WRI Aqueduct Water Risk Atlas. These scenarios are essential for assessing our business strategy's resilience and align with our emission reduction targets validated by SBTi. They help us understand climate-related changes and their impacts on our operations and financial planning, ensuring we meet international climate agreements like the Paris Agreement. This approach also integrates environmental issues into our lending, investment, and insurance activities, promoting sustainable investment and low-carbon growth.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP4

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ 2060

☑ 2070

☑ 2080

☑ 2090

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Number of ecosystems impacted

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In assessing the physical risks within the context of operational risk, the bank has adopted an approach based on temperature and precipitation projections obtained from the General Directorate of Meteorology. These projections provide results for the periods of 1971-2000 (reference period), 2016-2040, 2041-2070, and 2071-2099, considering the RCP4.5 and RCP8.5 scenarios. Additionally, for water stress risk, future results for the years 2030 and 2040 were evaluated using the PCR-GLOBWB 2 model in the WRI Aqueduct Tool, based on the RCP4.5 and RCP8.5 scenarios, with a reference period of 1960-2014. The RCP4.5 scenario (Optimistic Scenario) represents a scenario of stable economic development, peaking and declining carbon emissions until 2040, emissions stabilized at around 650 ppm CO2, and temperature constrained to 1.1-2.6C by 2100, with a countrywide annual average temperature increase of 2.5C between 2016 and 2099. On the other hand, the RCP8.5 scenario (Pessimistic Scenario) represents a world with an average temperature increase of 3.6C, characterized by unequal economic development potentially affecting water usage, higher population growth, lower GDP growth, carbon concentrations reaching around 1370 ppm CO2 by 2100, and a steady increase in global carbon emissions with global average temperatures rising by 2.6-4.8C compared to the 1986-2005 levels. Based on the data sets prepared for the RCP4.5, RCP8.5, and WRI Aqueduct scenarios for 2030 and 2040, the bank has conducted scenario-specific analysis on the risks of operational disruptions and potential physical damages at service locations associated with temperature and precipitation increases, as well as water stress risks.

(5.1.1.11) Rationale for choice of scenario

VakıfBank uses NGFS scenarios to ensure our business strategy is resilient to climate-related changes, particularly focusing on water-related issues. We assess physical risks such as temperature and precipitation changes using projections from the General Directorate of Meteorology and the WRI Aqueduct Tool, considering RCP4.5 and RCP8.5 scenarios. These scenarios align with the Paris Agreement and help us understand potential operational disruptions and physical damages due to water stress. This analysis informs our financial planning, considering GDP and inflation impacts, and supports sustainable investment and lending practices. By using robust data and models, we integrate environmental scenario analysis into our operations, lending, and investment activities, ensuring our strategy aligns with global climate goals and enhances our resilience to water-related climate risks.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050
☑ 2060
☑ 2070
☑ 2080
☑ 2090
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In assessing the physical risks within the context of operational risk, the bank has adopted an approach based on temperature and precipitation projections obtained from the General Directorate of Meteorology. These projections provide results for the periods of 1971-2000 (reference period), 2016-2040, 2041-2070, and 2071-2099, considering the RCP4.5 and RCP8.5 scenarios. Additionally, for water stress risk, future results for the years 2030 and 2040 were evaluated using the PCR-GLOBWB 2 model in the WRI Aqueduct Tool, based on the RCP4.5 and RCP8.5 scenarios, with a reference period of 1960-2014. The RCP4.5 scenario (Optimistic Scenario) represents a scenario of stable economic development, peaking and declining carbon emissions until 2040, emissions stabilized at around 650 ppm CO2, and temperature constrained to 1.1-2.6C by 2100, with a countrywide annual average temperature increase of 2.5C between 2016 and 2099. On the other hand, the RCP8.5 scenario (Pessimistic Scenario) represents a world with an average temperature increase of 3.6C, characterized by unequal economic development potentially affecting water usage, higher population growth, lower GDP growth, carbon concentrations reaching around 1370 ppm CO2 by 2100, and a steady increase in global carbon emissions with global average temperatures rising by 2.6-4.8C compared to the 1986-2005 levels. Based on the data sets prepared for the RCP4.5, RCP8.5, and WRI Aqueduct scenarios for 2030 and 2040, the bank has conducted scenario-specific analysis on the risks of operational disruptions and potential physical damages at service locations associated with temperature and precipitation increases, as well as water stress risks.

(5.1.1.11) Rationale for choice of scenario

VakıfBank uses NGFS scenarios to ensure our business strategy is resilient to climate-related changes, particularly focusing on water-related issues. We assess physical risks such as temperature and precipitation changes using projections from the General Directorate of Meteorology and the WRI Aqueduct Tool, considering RCP4.5 and RCP8.5 scenarios. These scenarios align with the Paris Agreement and help us understand potential operational disruptions and physical damages due to water stress. This analysis informs our financial planning, considering GDP and inflation impacts, and supports sustainable investment and lending practices. By

using robust data and models, we integrate environmental scenario analysis into our operations, lending, and investment activities, ensuring our strategy aligns with global climate goals and enhances our resilience to water-related climate risks.
[Add row]

(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

VakıfBank conducted a scenario analysis focusing on the impacts of climate change on water resources across Turkey using meteorological data and RPC 4.5 and 8.5 scenarios. This analysis identified regions in Turkey at risk of water scarcity due to climate change effects. Consequently, these findings were integrated into VakıfBank's risk analysis framework for operations in these vulnerable cities. In response to the scenario analysis outcomes, VakıfBank took decisive actions across various business areas: Risk and Opportunities Identification, Assessment, and Management: VakıfBank is committed to identifying and managing climate risks, including physical risks from extreme weather events and transition risks from changing regulations and market preferences towards sustainability. In collaboration with the Turkish Banks Association, VakıfBank has played a pivotal role in developing methodologies like Heat Maps to analyze climate impacts and inform risk management strategies. These Heat Maps help visualize and understand the geographical distribution and intensity of climate-related risks, enabling more precise and effective decision-making. This partnership has also influenced the creation of new regulations by the Banking Regulation and Supervision Agency (BDDK) related to the Green Asset Ratio, showcasing VakıfBank's proactive approach to climate risk management and its dedication to sustainable finance practices. Strategy and Financial Planning: In May 2023, VakıfBank renewed a sustainability-themed syndication loan totaling 815 million USD, positioning itself as the bank with the most sustainable-themed resources in its funding structure. The bank aims to enhance its sustainability performance criteria while setting new roadmaps to

increase environmental and social-themed loans, particularly those addressing climate change issues such as carbon emissions reduction, renewable energy projects, and climate resilience initiatives. In November 2023, 15 new banks from across Europe, America, China, and the UK joined VakıfBank's renewed sustainability-themed syndication loan, amounting to 653 million USD. Resilience of Business Model and Strategy: In 2023, VakıfBank's emission reduction targets were validated by the Science Based Targets initiative (SBTi). The bank has committed to reducing its Scope 1 and 2 greenhouse gas emissions by 51% from 2021 levels by 2032, aligning with the 1.5C pathway. To achieve these targets, VakıfBank launched an internal project in 2023 to develop a new action plan and business strategy. This project is a crucial part of the bank's overall sustainability strategies. Capacity Building: In 2023, VakıfBank intensified its capacity-building efforts to enhance sustainability awareness among employees. This included extensive e-learning on sustainability and environmental topics totaling 60,075 hours across various programs. The bank also certified 1,529 employees in ISO standards, ensuring widespread expertise throughout its 940 branches. Additionally, comprehensive training in the ISO 14001 Environmental Management System was provided to all staff, benefiting 6,435 employees, and 12,617 employees participated in e-learning sessions focused on the Zero Waste Project. Senior executives also received education on the Science Based Targets initiative (SBTi) from external experts. Target Setting and Transition Planning: VakıfBank's SBTi target validation process was completed in 2023, and the bank continues to implement its transition plan in line with these targets. To advance towards these targets, VakıfBank has introduced 616 hybrid vehicles into operation and activated electric vehicle charging units at its Headquarters in Istanbul Finance Center. These actions, aimed at reducing emissions, significantly contribute to achieving the bank's sustainability goals. Additionally, VakıfBank prioritizes energy conservation and meticulously monitors and reports its carbon emissions in accordance with the Greenhouse Gas Emission Data Collection and Calculation Regulation. Through these actions, VakıfBank provides a description of how the results of scenario analysis have informed at least one decision or action in relation to at least one of the business processes selected in column 'Business processes influenced by your analysis of the reported scenarios' in the reporting year. VakıfBank not only addresses climate risks identified through scenario analysis but also enhances its resilience, supports sustainable development goals, and ensures long-term financial stability in a changing climate landscape.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

VakıfBank conducted a scenario analysis to assess the impacts of climate change on water resources across Turkey, using meteorological data and RPC 4.5 and 8.5 scenarios. The analysis pinpointed regions in Turkey vulnerable to water scarcity due to climate change effects. Subsequently, VakıfBank integrated these findings into its risk analysis framework for operations in these high-risk areas. In response to the scenario analysis outcomes related to water risks, VakıfBank implemented strategic actions across various business areas: Risk and Opportunities Identification, Assessment, and Management: VakıfBank focuses on identifying and managing climate risks, including both physical risks from extreme weather events and transition risks involving changes in regulations and market preferences towards sustainability. Collaborating closely with the Turkish Banks Association, VakıfBank has been instrumental in developing methods like heat maps, which help visualize the geographical distribution and intensity of climate-related risks, particularly water risks. These maps enable the bank to identify areas prone to water scarcity, flooding, or other water-related risks, leading to more effective and precise decision-making. This partnership has also influenced new regulations by the Banking Regulation and Supervision Agency (BDDK) related to the Green Asset Ratio, underscoring VakıfBank's proactive approach to climate risk management and commitment to sustainable finance practices. Strategy and Financial Planning: In May 2023, VakıfBank renewed a sustainability-themed syndication loan totaling 815 million USD, solidifying its position as the bank with the most sustainable-themed resources in its funding structure. VakıfBank aims to enhance its sustainability performance criteria and set new roadmaps with a focus on increasing environmental and social-themed loans. This includes addressing water-related issues such as water availability, water pollution, and sustainable water management. By November 2023, 15 new banks from Europe, America, China, and the UK joined VakıfBank's renewed sustainability-themed syndication loan, amounting to 653 million USD. Resilience of Business Model and Strategy: VakıfBank has pioneered the development of heat maps through collaboration with the Turkish Banks Association, visualizing the distribution and intensity of water-related risks like scarcity and flooding. Additionally, VakıfBank employs the WRI Aqueduct tool to assess water stress in regions where loans exceeding 20 million dollars are issued, integrating water risk assessments into lending strategies to ensure resilience and responsible financial stewardship. Capacity Building: In 2023, VakıfBank conducted awareness training sessions focused on water efficiency for its employees and actively engaged in supply chain participation. The bank is committed to continuing these efforts to promote sustainable water use and minimize its environmental footprint. Target Setting and Transition Planning: VakıfBank has set ambitious targets to reduce its water consumption. To meet these goals, the bank implemented specific actions at its headquarters in the Istanbul Finance Center, including installing rainwater harvesting and gray water treatment systems. These systems allow VakıfBank to save over 45% of water compared to using fresh drinking water. Additionally, during the construction of the headquarters, efforts were made to recycle and reuse a significant portion of the waste generated, substantially reducing the amount of waste sent to landfills. Through these focused actions, VakıfBank provides a description of how the results of scenario analysis have informed at least one decision or action in relation to at least one of the business processes selected in column 'Business processes influenced by your analysis of the reported scenarios' in the reporting year. VakıfBank not only addresses water-related risks identified through scenario analysis but also enhances its resilience, supports sustainable water management practices, and ensures long-term environmental stewardship in a changing climate landscape.
[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

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

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

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

Select from:

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

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

VakıfBank's transition plan is built upon key assumptions focused on climate change projections and sustainable finance strategies. These assumptions rely on forecasts derived from NGFS scenarios and the Turkey Climate Risk Study, which inform decisions regarding carbon pricing, investments in renewable energy, and managing physical risks such as temperature fluctuations and water stress. Critical dependencies for the plan include adherence to evolving regulatory frameworks, fostering collaboration with stakeholders across sectors, and leveraging advancements in green technologies that support sustainable finance initiatives. VakıfBank is committed to resourcing this plan by integrating environmental and social risk assessments into lending practices and operational strategies, ensuring sustainable growth aligned with international climate objectives.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

In 2023, VakıfBank intensified its sustainability efforts as part of its transition plan, addressing climate risks through initiatives such as developing Heat Maps in collaboration with the Turkish Banks Association. These maps enable visualization and assessment of climate-related risks, guiding proactive risk management strategies aligned with new regulatory frameworks. The bank prioritized financing for renewable energy projects, providing 5.2 billion TL to 131 projects with a combined capacity of 1,515 MW, emphasizing sustainable energy and resource efficiency. Strengthening its business model resilience, VakıfBank integrated environmental and social risk assessments into project financing, aiming to mitigate emerging climate-related risks. Employee capacity-building efforts included extensive sustainability training and ISO certifications for 1,529 employees, alongside education on the Science Based Targets initiative for senior executives. Initiatives like introducing 616 hybrid vehicles and electric vehicle charging units further contribute to emission reduction goals, supported by rigorous carbon emissions monitoring and reporting in compliance with regulations. Our SBTi target validation process was completed in 2023, and we continue to implement our transition plan in line with these targets.

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

VakÄ±fBank-Climate Transition Plan.pdf,Ä°klim Riski YÃ¶netimi Politika DokÃ¼manÄ±.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Plastics

☑ Water

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

VakıfBank's Climate Transition Plan addresses several environmental issues, including water conservation and quality management, with defined targets. The bank has implemented sustainable water management practices such as rainwater harvesting and gray water treatment systems in its LEED Gold-certified headquarters, achieving over 45% water savings compared to potable water use. Furthermore, VakıfBank successfully implemented water purification systems across its branches by 2023 to enhance water quality and promote efficient water use. These initiatives underscore the bank's commitment to reducing its environmental impact, including its annual target of a 2% reduction in water consumption per capita, demonstrating a proactive approach to sustainability and resource efficiency.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As per our credit policy, environmentally friendly projects have priority in financing. We also provide financial incentives to individuals, SMEs and project owners to support their sustainability projects through loan programs from international banks. We provide financial support to sustainable energy investments & projects by giving priority to renewable energy investments under the title of Sustainable Energy Finance. In 2023, we provided over 5.2 billion TL loans for 131 renewable energy investments. In 2020, within the scope of the Green Mortgage project with the French Development Agency (AFD), we provided the largest loan amount of 200 million Euros in the Turkish banking sector. As the first bank in the sector to provide such a high level of environmental resources, we made use of the entire 100 million Euros, the first tranche we have withdrawn in this context, in 2022. In 2023, we secured 100 million Euros in financing from AFD for the second phase of the Green Housing Project, and we plan to continue disbursements at the same pace in 2024. Every loan application to be financed within the scope of the Emergency Firm Support Project that we signed with the World Bank in 2020 must be subject to the Environmental and Social Risk Management System. In this context, we designed an Environmental and Social Risk Assessment Tool specific to the project and continued to provide loans within the scope of the Emergency Firm Support Package that we signed with the World Bank. In addition, to reduce energy dependency and greenhouse gas emissions in energy, and to achieve energy savings in homes, we continued to offer 'Energy Efficiency Loans' to individual customers in 2023, which we started providing in 2022 and we also renewed a sustainable-themed syndication loan totalling 815 million USD in May 2023, making us the bank with the most sustainable-themed resources in our funding structure. In this way, we focus on creating a positive indirect impact with the projects we finance, and give priority to environmentally friendly projects, energy efficiency and renewable energy projects in financing.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our climate-related risks and opportunities have impacted our strategies, which are relevant to our stakeholders in the supply and value chain in the short term. Since Vakıfbank is a publicly traded company and is listed on Borsa Istanbul, we evaluate climate-related risks and opportunities within the scope of impact and market value. With our suppliers and business partners, who are among our stakeholders and have a significant impact on our business, we follow the economic intelligence reports every year within the scope of the agreements within the scope of the Banks Regulation and carry out our business processes for the Purchasing of Support Services. We evaluate the economic and managerial competencies of our suppliers and expect them to comply with the BRSA regulations and policies on the basis of contracts and agreements. We take care to ensure that all companies to be employed in the procurement of support services ensure the quality-cost balance in the best way, and we pay attention to some criteria in corporate, environmental and social areas. In this context, we request documents related to occupational health and safety and energy efficiency as a condition of signing contracts with our suppliers. We aim to work closely with suppliers to benefit from their suppliers' environmentally friendly products and services and try to spread sustainability practices throughout the supply chain. By using the e-tender method as an alternative, our bank also uses technological opportunities in the selection of our suppliers. In addition, within the scope of energy efficiency and cost analysis, we score electronic products according to their energy efficiency. In addition, we provide our suppliers who provide operational services with training in accordance with the nature of the work done in order not to compromise on our service quality and to contribute to the development of suppliers.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our climate-related risks and opportunities have influenced our strategies for our R&D planning in the short term. Vakıfbank realized that Climate Change (CC) is a reality and that the creation and/or inclusion of CC mitigation and adaptation is a necessity. Vakıfbank invests in R&D activities to develop and improve products that reduce the carbon footprint of third parties, such as mobile and internet banking. As VakıfBank, we have made digital transformation a sustainable culture. We have developed applications that center digitalization. In this context, we launched the remote customer acquisition project. In addition, we continued to eliminate the use of paper in our Bank's processes by supporting the paperless banking model. With the new workflows we have designed, we both reduce paper consumption and significantly improve the processing times of our customers. In 2023, we prevented the consumption of more than 43 million papers.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

While providing uninterrupted service to our customers with our nationwide operational network, we consider the physical effects of climate change (CC). Considering the effects of physical climate risks for the new branch location and for the existing branches, Vakıfbank will endeavor to minimize the possible physical effects of CC with its civil works unit. Until 2021, all branches and Headquarters have been certified within the scope of ISO 14001 Environmental Management System (EMS). We work to reduce the impacts and carbon footprints of our activities. For this, we monitor our environmental performance with an electronic database system that monitors monthly energy, waste & water data entries of our Head Office and all our branches and effectively manages our greenhouse gas emissions & energy consumption. We use central heating & cooling systems, energy efficient servers, A class inverter air conditioners & energy efficient products. We use LED systems for lighting, and we turn off computers and phones centrally after specified hours. In addition, 616 of our Bank's vehicles were replaced with hybrid versions in 2023. With our new Headquarters Building in Istanbul Finance Center, we became the first bank to have a LEED Gold certified Green Building Certificate. In the building, which was built by observing international standards on issues such as energy efficiency, water saving, environmentally friendly construction materials and recycling of waste, there are also green areas where employees can socialize, which attracts attention with its landscape architecture. Aiming to improve its sustainability performance criteria and to determine new roadmaps, VakıfBank has set a target to provide at least 90% of its electricity consumption from renewable energy. In addition, it is aimed to construct the Bank's Headquarters Building in Istanbul Finance Center as an environmentally friendly building and to be certified with the LEED-Gold certificate. With the main performance criterion of the second sustainable syndication loan of the year, it is aimed to minimize the use of plastic in all bank locations through water treatment systems to be commissioned in all branches of the Bank.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Water-related issues significantly influence VakıfBank's strategy in its products and services. The bank integrates water management considerations into its financing decisions, particularly for projects in water-intensive sectors. VakıfBank evaluates the water risks associated with its financed projects, ensuring compliance with sustainability standards and promoting water-efficient practices among its clients. By incorporating water-related criteria into credit policies, VakıfBank not only mitigates water-related risks but also supports investments in technologies and practices that enhance water efficiency and conservation.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

VakıfBank encourages water management among its customers by providing funding for water-efficient technologies and projects. By integrating water-related ESG criteria into its lending practices, VakıfBank helps reduce water consumption and minimize water-related impacts throughout its value chain

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Investment in research and development (R&D) plays a crucial role in VakıfBank's approach to addressing water-related challenges and opportunities. The bank invests in innovative technologies and solutions that improve water efficiency and management within its operations and credit lendings.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In its operational activities, VakıfBank prioritizes water efficiency and conservation to minimize its environmental footprint. The bank implements water management strategies across its facilities, utilizing technologies like water purification systems and gray water recycling. By achieving significant water savings and reducing water consumption per capita through operational improvements, VakıfBank demonstrates its commitment to sustainable water practices. Furthermore, the bank's adherence to ISO 14001 Environmental Management System standards ensures rigorous monitoring and management of water-related risks, enhancing operational resilience and sustainability performance.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☑ Assets
- ☑ Revenues
- ☑ Liabilities
- ☑ Direct costs
- ☑ Indirect costs
- ☑ Access to capital
- ☑ Capital allocation
- ☑ Capital expenditures
- ☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

- ☑ Risks
- ☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- ☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We are aware that the financing of sustainable development plays an important role in the fight against climate change. In this context, we provide financial support to sustainable energy investments and projects by giving priority to renewable energy initiatives under the title of Sustainable Energy Finance. In 2023, we provided financing support of over 5.2 billion TL to 131 renewable energy projects with a total installed power of 1,515 MW. In the upcoming period, we will continue to provide financial support to renewable energy and resource efficiency projects. With the importance it attaches to its climate-related activities, Vakıfbank gained access to international funds. With the contribution of Vakıfbank's commitment to climate change, the funds provided increased its assets. Vakıfbank earns high income from the funds it provides from its international banking activities. It continues to cooperate with the World Bank (WB), European Bank for Reconstruction and Development (EBRD) and French Development Agency (AFD) in order to support the real sector with long-term and cost-effective resources. Our bank increased its total deposits by 74%, reaching approximately 2 trillion TRY, with demand deposits growing by 67% and time deposits by 76%. In addition to deposits, we diversified our funding structure with 6.3 billion USD of new resources obtained from international markets. At the same time, we aim to offer our customers innovative products at the most favorable terms and to offer alternative financing opportunities in the field of foreign trade for many years, with our high technology, quality service, extensive correspondent bank network and know-how. We renewed a sustainable-themed syndication loan totalling 815 million USD in May 2023, making us the bank with the most sustainable-themed resources in our funding structure. In December 2022, we signed the largest consistent, sustainability criteria-based, 2-year secured funding agreement between Turkish banks, amounting to 400 million Euros. As an indicator of our commitments in the field of sustainability, we have set new environmental and social-themed loans, including sub-categories such as green housing, environmentally friendly vehicles, and loans to women and young entrepreneurs, as the performance criteria of our secured funding process. In addition, minimizing the use of plastic in all our bank locations and reducing our total greenhouse gas emissions by 2 percent annually were among our

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☑ Assets
- ☑ Revenues
- ☑ Liabilities
- ☑ Direct costs
- ☑ Indirect costs
- ☑ Access to capital
- ☑ Capital allocation
- ☑ Capital expenditures
- ☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

- ☑ Risks
- ☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Water stress, climate change, and sustainable management of water resources have significant implications for credit risk, sectoral performance, and environmental sustainability. VakıfBank evaluates these risks to shape its credit and investment decisions, supporting sustainability goals by providing financing for water efficiency and renewable energy projects. Additionally, the bank tracks water pricing policies, considering the costs and repayment capacity of water-dependent sectors. In terms of CAPEX expenditures, water-related issues and sustainability requirements are considered when investing in the bank's physical assets and infrastructure. For example, investments in initiatives that enhance water efficiency can influence CAPEX spending. Furthermore, the bank analyzes OPEX expenditures and sector performance by monitoring water pricing policies, allowing for the development of appropriate financial strategies. By evaluating and incorporating these factors for 10-30 years, VakıfBank ensures that water-related issues are integral to its financial planning, promoting responsible resource management and supporting sustainable development.
[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon ☑ Water

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Drive energy efficiency

☑ Drive low-carbon investment

☑ Navigate regulations

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment to scientific guidance

☑ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

In our continued effort to support the transition to a low-carbon economy, VakıfBank voluntarily purchased and retired 12,500 Certified Emission Reductions (CERs) from a WHR (Waste Heat Recovery) based power project at Chhattisgarh, India, under the Clean Development Mechanism (CDM). These credits were used to offset the bank's Scope 1 and Scope 2 emissions for 2023. The internal carbon price is a crucial component of our operational projects and risk management processes. As of December 31st, 2023, the carbon price was determined to be between 120 and 250 EUR per tCO2e, reflecting the increasing cost of carbon credits and the growing importance of carbon management in financial operations. The EUR/TRY exchange rate at the end of 2023 was 30. Therefore, the minimum and maximum values of the carbon price are calculated to be 3,600 and 7,500 TRY per tCO2e, respectively. This internal pricing mechanism allows VakıfBank to accurately assess and manage the financial implications of carbon emissions, ensuring alignment with both global sustainability targets and the bank's strategic objectives.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

3600

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

7500

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Operations

☑ Risk management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for all decision-making processes

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

5

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

VakıfBank employs a robust process for monitoring and evaluating its internal carbon pricing approach, conducting quarterly reviews using advanced financial modeling tools, carbon market analysis platforms, and scenario analysis software. This process is overseen by a dedicated sustainability team in collaboration with the risk management department, ensuring that the carbon price is effectively integrated into key business decisions, including capital investments and loan pricing. The internal carbon price plays a pivotal role in achieving VakıfBank's objectives of fostering a low-carbon economy and mitigating environmental risks, driving investment in projects with lower carbon footprints. Tailored to regional and sector-specific conditions, the carbon price is particularly focused on high-emission sectors within VakıfBank's portfolio. While challenges exist in aligning the price with dynamic market conditions and regulatory changes, VakıfBank remains committed to regularly updating its pricing methodology, ensuring it remains a vital component of the bank's climate transition strategy and sustainability objectives. [Add row]

(5.10.2) Provide details of your organization’s internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

☑ Implicit price

(5.10.2.2) Objectives for implementing internal price

Select all that apply

☑ Identify and evaluate financing opportunities

☑ Inform credit risk assessments for existing loans or credit lines

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:

☑ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply

☑ Alignment to scientific guidance

☑ Scenario analysis

(5.10.2.5) Calculation methodology and assumptions made in determining the price

The calculation methodology for determining the implicit price of water for 2023 is based on the total water consumption and associated costs for purification system rentals. The total water consumption, primarily from bottled water, amounted to 838.387 cubic meters, with total rental costs for water purification systems reaching 2,440,051.77 TRY, including VAT. The price per cubic meter was calculated by dividing the total cost by the total water consumption, resulting in an implicit water price of approximately 2,910.72 TRY per cubic meter. This calculation assumes that the purification rental costs directly correspond to the water consumed, without any other additional operational or maintenance costs. It is also assumed that all water used in 2023 was sourced through these systems, making the calculation fully representative of the bank's water-related expenditures.

(5.10.2.6) Stages of the value chain covered

Select all that apply

☑ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.2.9) Pricing approach used – temporal variance

Select from:

☑ Static

(5.10.2.11) Minimum actual price used (currency per cubic meter)

2910.72

(5.10.2.12) Maximum actual price used (currency per cubic meter)

2910.72

(5.10.2.13) Business decision-making processes the internal water price is applied to

Select all that apply

☑ Dependencies management

☑ Impact management

☑ Risk management

☑ Opportunity management

(5.10.2.14) Internal price is mandatory within business decision-making processes

Select from:

☑ No

(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The pricing approach for water consumption is monitored and evaluated through regular analysis of both water consumption volumes and associated costs, such as rental fees for water purification systems. Monthly and yearly reports are generated to track fluctuations in water usage and expenses, ensuring that any deviations from expected consumption levels are quickly identified. This process allows VakıfBank to assess the efficiency of its water management practices, identify potential areas for improvement, and ensure alignment with the bank's sustainability objectives, such as reducing overall water consumption and optimizing costs. Additionally, any changes in supplier contracts or market prices for water services are factored into future evaluations, allowing for timely adjustments to procurement strategies. The objective is to maintain cost-efficiency while supporting the bank's commitment to water conservation and sustainability targets
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Clients	*Select from:* ☑ Yes	*Select all that apply*
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Water

[Fixed row]

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

Select from:

☑ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Climate change

☑ Water

(5.11.3.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to set science-based targets

☑ Support clients to set their own environmental commitments across their operations

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

☑ 76-99%

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☑ 51-75%

(5.11.3.6) Explain the rationale for the coverage of your engagement

In 2023, VakıfBank continued to strengthen its environmental and social management system (ESMS), which was established in 2022 to integrate climate change risk considerations into the lending process. The rationale behind expanding the coverage of our engagement strategy is to ensure that a growing number of customers report their greenhouse gas (GHG) emissions, a requirement that is now embedded within the ESMS framework. Customers subject to the ESMS are required to commit to reporting their Scope 1 and 2 emissions to VakıfBank throughout the duration of their financed projects. As the number of customers under the ESMS increases, so will the reporting of GHG emissions, providing VakıfBank with crucial data for monitoring and managing climate-related risks across its portfolio. This approach not only enhances the bank's ability to assess and mitigate environmental risks but also supports our broader strategy of decarbonizing carbon-intensive sectors. The ultimate goal is to achieve 100% GHG emissions reporting compliance among all clients subject to the ESMS, thereby strengthening our impact on promoting sustainable practices within the business community.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

VakıfBank communicates its engagement strategy to clients and the public through a multi-faceted approach that ensures transparency and accessibility. The strategy is outlined in publicly available documents, including our annual sustainability reports and the environmental and social management system (ESMS) guidelines, which are accessible on our corporate website. Additionally, we actively engage with clients through direct communications, such as meetings, workshops, and webinars, where we provide detailed information about our ESMS processes, expectations for GHG emissions reporting, and the benefits of adopting sustainable practices. Progress and outcomes of our engagements are regularly communicated to clients via tailored reports and updates, highlighting their contributions to our sustainability goals and providing feedback on their performance. To the public, we report on our engagement activities and their impacts in our annual sustainability

report, ensuring that stakeholders are informed about our efforts to promote environmental stewardship and responsible banking practices. This transparent communication process not only reinforces our commitment to sustainability but also encourages broader participation and accountability among our clients.

(5.11.3.8) Attach your engagement strategy

Ã□evre PolitikasÄ± VakÄ±fbank.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ CEO

☑ Investor relations managers

(5.11.3.11) Effect of engagement, including measures of success

In 2023, VakıfBank continued to enhance its Environmental and Social Management System (ESMS), originally established in 2022, to systematically integrate climate change risk assessments into our lending processes. Quantitative threshold for a measure of success: As the ESMS expands to include more clients, we anticipate a substantial increase in the number of customers reporting their greenhouse gas (GHG) emissions, with a specific target of achieving 100% compliance from all clients subject to the ESMS in reporting their Scope 1 and 2 emissions throughout the duration of their financed projects. Description of the impact of engagement on climate-related issues: This approach is designed to ensure that critical emission data is systematically gathered from each client whose risk is assessed through the ESMS, thereby enhancing our ability to monitor and manage climate-related risks across our entire lending portfolio. The increase in GHG reporting serves as a key metric for evaluating the success of our client engagement strategy, reflecting our commitment to sustainability and responsible banking. To further support and strengthen this engagement, VakıfBank will continue to provide comprehensive guidance to clients on decarbonizing carbon-intensive sectors within the ESMS framework, ensuring that they are well-equipped to meet their reporting obligations. Measure of success: The growth in client participation since the inception of the ESMS in 2022 demonstrates strong progress toward achieving our objective of full compliance, with 100% of ESMS clients reporting their emissions. Impact of engagement: By fostering increased GHG reporting through these systematic efforts, VakıfBank is not only advancing its commitment to sustainabimanagement of climate-related risks across our portfolio. The increase in GHG reporting is a key metric for assessing the success of our client engagement strategy. To support and enhance this engagement, VakıfBank will continue to provide comprehensive guidance to clients on decarbonizing carbon-intensive sectors within the ESMS framework. Our goal is to achieve full compliance, with 100% of clients subject to the ESMS reporting their emissions. The steady growth in client participation since the ESMS's inception indicates strong progress toward this objective. By driving increased GHG reporting, VakıfBank is advancing its commitment to sustainability and promoting the reduction of carbon emissions across the sectors we finance.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

When dialogue with clients fails to achieve compliance with our sustainability standards, VakıfBank follows a structured escalation process. This includes directly expressing concerns to the client, increasing monitoring and reporting requirements, and collaborating with other stakeholders to collectively address the issue. If necessary, we may make public statements, escalate the issue to higher management, or ultimately consider withdrawing financial support or exiting the relationship if the client remains non-compliant. This process ensures our commitment to environmental and social responsibility is upheld.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Support suppliers to set their own environmental commitments across their operations

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ Less than 1%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023, VakıfBank continued to select its suppliers according to the Supplier Selection and Compliance Policy, which outlines the processes for choosing new suppliers, the behaviors expected of existing suppliers, and the expectations regarding the continuity of products and services. To ensure that the bank's needs are met promptly and under the most favorable conditions, supplier selection is conducted in accordance with the Purchase, Sale, and Tender Regulation. VakıfBank actively collaborates with its suppliers to benefit from environmentally friendly products and services, striving to promote sustainability throughout the supply chain. All suppliers are required to comply with Turkey's waste disposal regulations, irrespective of their percentage of total purchasing value, ensuring 100% compliance. The impact of this engagement strategy is significant: suppliers must adhere to environmental and climate change laws, and any litigation faced by non-compliant suppliers could affect VakıfBank's reputation. This creates an opportunity for the bank to engage with its suppliers on environmental and climate issues, guiding them towards regulatory compliance. As of 2023, all suppliers are required to fully meet these standards, with success measured by the percentage of compliant suppliers. Through this climate engagement strategy, VakıfBank has strengthened its commitment to addressing the climate crisis within its supply chain.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Provision of fully-functioning, safely managed WASH services to all employees

(5.11.7.3) Type and details of engagement

Capacity building

☑ Support suppliers to set their own environmental commitments across their operations

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

VakıfBank selects suppliers according to our Supplier Selection and Compliance Policy, which sets criteria for new suppliers, expectations for existing ones, and ensures continuity in products and services. Supplier selection follows the Purchase, Sale, and Tender Regulation to meet our needs under the best conditions. We prioritize working with suppliers who provide environmentally friendly products and services, requiring all to comply with Turkish waste disposal regulations and the ISO 14001 standard, covering water management and conservation. This requirement applies to all suppliers, ensuring 100% compliance. Our engagement impacts our supply chain by promoting adherence to environmental and climate regulations, and we guide non-compliant suppliers towards meeting these standards. As of 2023, all suppliers are required to fully comply, with success measured by the percentage of compliant suppliers, reflecting VakıfBank's commitment to sustainability.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

VakıfBank engages with its employees on sustainability issues to ensure they are well-informed and proactive in adopting environmentally friendly practices. By providing training and raising awareness on energy and water efficiency, climate change, and waste management, the bank aims to foster a culture of sustainability within the organization. Engaging employees helps the bank achieve its sustainability goals more effectively, as well-trained and knowledgeable staff can contribute to energy savings, reduce waste, and support the bank's overall environmental initiatives. Additionally, when employees understand and embrace the bank's sustainability vision, they are more likely to implement these practices in their daily work, leading to a more significant and lasting impact on the bank's environmental performance. Overall, VakıfBank's engagement with its employees is essential for creating a collective effort towards sustainability, ensuring that everyone is working together to achieve the bank's environmental targets and contribute to a greener future.

(5.11.9.6) Effect of engagement and measures of success

The impact of our engagement on Climate related issues: The impact of our engagement efforts is seen in how we've improved environmental practices and efficiency at VakıfBank. Through extensive training on energy efficiency and climate change, we've raised awareness among employees and encouraged them to adopt eco-friendly behaviors. This has led to noticeable reductions in energy use, waste production, and carbon emissions per branch. The measure of success: Our measure of success is ensuring that at least one employee in every branch obtains ISO 14001 Environmental Management System certification. By the end of 2023, we've certified 1,529 employees, ensuring every one of our 940 branches has a certified staff member. This certification not only shows our commitment to meeting global standards but also enhances our ability to manage environmental impacts effectively.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

VakıfBank engages with the World Bank by providing regular reports on projects and financing activities funded by the World Bank, covering key areas such as project progress, fund utilization, compliance with sustainability criteria, and financial performance. These reports are prepared according to the World Bank's specified format and timeline to ensure transparency and alignment with international standards. VakıfBank seeks funding from the World Bank to finance sustainable development projects, support investments that consider environmental and social impacts, and contribute to economic growth in Turkey. The rationale for engaging with the World Bank lies in its global expertise and ability to help VakıfBank finance projects in line with international norms, particularly in areas such as renewable energy and energy efficiency. This partnership allows VakıfBank to optimize capital costs and meet its strategic objectives while supporting Turkey's broader development goals.

(5.11.9.6) Effect of engagement and measures of success

In 2023, VakıfBank's engagement with the World Bank led to substantial progress in financing sustainable development projects, particularly in renewable energy and energy efficiency. This engagement supported VakıfBank’s commitment to aligning with international sustainability standards and advancing Turkey’s transition to a low-carbon economy. The effectiveness of this engagement is measured by the deployment of at least 80% of the allocated funds into projects that delivered measurable environmental benefits, such as a 10% reduction in carbon emissions or equivalent improvements in energy efficiency across supported projects. This quantifiable impact reflects VakıfBank’s dedication to addressing climate-related issues and underscores the success of its partnership with the World Bank in achieving its sustainability goals.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :employees

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

VakıfBank engages with its employees on sustainability issues to ensure they are well-informed and proactive in adopting environmentally friendly practices. By providing training and raising awareness on energy and water efficiency, climate change, and waste management, the bank aims to foster a culture of sustainability within the organization. Engaging employees helps the bank achieve its sustainability goals more effectively, as well-trained and knowledgeable staff can contribute to energy savings, reduce waste, and support the bank's overall environmental initiatives. Additionally, when employees understand and embrace the bank's sustainability vision, they are more likely to implement these practices in their daily work, leading to a more significant and lasting impact on the bank's environmental performance. Overall, VakıfBank's engagement with its employees is essential for creating a collective effort towards sustainability, ensuring that everyone is working together to achieve the bank's environmental targets and contribute to a greener future.

(5.11.9.6) Effect of engagement and measures of success

The impact of our engagement on water related issues: The impact of our engagement efforts is seen in how we've improved environmental practices and efficiency at VakıfBank. Through extensive training on water efficiency and water management, we've raised awareness among employees and promoted responsible water use practices. This initiative has led to significant reductions in water consumption and improved water efficiency across our branches and administrative offices. The measure of success: Our measure of success is ensuring that at least one employee in every branch obtains ISO 14001 Environmental Management System certification. By the end of 2023, we've certified 1,529 employees, ensuring every one of our 940 branches has a certified staff member. This certification not only shows our commitment to meeting global standards but also enhances our ability to manage environmental impacts effectively.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

VakıfBank has chosen the operational control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency and alignment with the Science-Based Targets Network (SBTN) guidance. This approach aligns with our financial accounting practices, ensuring that the entities included in our environmental data are the same as those in our financial statements, simplifying reporting processes and enhancing data reliability. By using operational control, we account for all facilities and operations under our significant influence, capturing our full environmental impact and enabling effective management strategies. This uniform reporting framework supports VakıfBank's strategic objectives, allowing us to set and achieve science-based targets, drive continuous improvement in sustainability efforts, and enhance stakeholder confidence in our environmental performance.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

VakıfBank has chosen the operational control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency and alignment with the Science-Based Targets Network (SBTN) guidance. This approach aligns with our financial accounting practices, ensuring that the entities included in our environmental data are the same as those in our financial statements, simplifying reporting processes and enhancing data reliability. By using operational control, we account for all facilities and operations under our significant influence, capturing our full environmental

impact and enabling effective management strategies. This uniform reporting framework supports VakıfBank's strategic objectives, allowing us to set and achieve science-based targets, drive continuous improvement in sustainability efforts, and enhance stakeholder confidence in our environmental performance.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

VakıfBank has chosen the operational control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency and alignment with the Science-Based Targets Network (SBTN) guidance. This approach aligns with our financial accounting practices, ensuring that the entities included in our environmental data are the same as those in our financial statements, simplifying reporting processes and enhancing data reliability. By using operational control, we account for all facilities and operations under our significant influence, capturing our full environmental impact and enabling effective management strategies. This uniform reporting framework supports VakıfBank's strategic objectives, allowing us to set and achieve science-based targets, drive continuous improvement in sustainability efforts, and enhance stakeholder confidence in our environmental performance.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

VakıfBank has chosen the operational control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency and alignment with the Science-Based Targets Network (SBTN) guidance. This approach aligns with our financial accounting practices, ensuring that the entities included in our environmental data are the same as those in our financial statements, simplifying reporting processes and enhancing data reliability. By using operational control, we account for all facilities and operations under our significant influence, capturing our full environmental impact and enabling effective management strategies. This uniform reporting framework supports VakıfBank's strategic objectives, allowing us to set and achieve science-based targets, drive continuous improvement in sustainability efforts, and enhance stakeholder confidence in our environmental performance.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1.1) 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?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☑ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

In the reporting year, VakıfBank's emissions accounting methodology, boundary, and reporting year definition have not undergone any changes. However, it is important to note that we have refined our emissions inventory by excluding certain emission sources to ensure a more accurate and relevant GHG emissions inventory. Specifically, we have excluded emissions from hotel stays, incoming customer-related emissions, Well-To-Tank (WTT) emissions for flights, and WTT emissions for personnel services. These exclusions were made to streamline our emissions reporting and focus on the most significant and controllable sources of emissions within our operational control. By doing so, we aim to maintain the consistency and relevance of our GHG emissions inventory, ensuring it accurately reflects our core activities and supports our strategic sustainability goals.

[Fixed row]

(7.1.3) Have your organization’s base year emissions and past years’ emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ No, because the impact does not meet our significance threshold

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

No, because the impact does not meet our significance threshold. VakıfBank has a base year recalculation policy in place, and we have evaluated the changes and potential errors identified in sections 7.1.1 and 7.1.2. Upon review, we determined that these changes or errors do not meet our policy’s significance threshold and therefore, the impact on our emissions is deemed non-material. As such, our organization’s base year emissions and past years’ emissions have not been recalculated. This approach ensures the consistency and relevance of our GHG emissions inventory over time, allowing for meaningful historical comparisons and maintaining the integrity of our emissions data.

(7.1.3.4) Past years’ recalculation

Select from:

☑ No

[Fixed row]

(7.3) Describe your organization’s approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☑ We are reporting a Scope 2, location-based figure	*Select from:* ☑ We are reporting a Scope 2, market-based figure	*N/A*

[Fixed row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

12795.11

(7.5.3) Methodological details

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)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

31282.5

(7.5.3) Methodological details

Scope 2 emissions are due to imported energy.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

31282.5

(7.5.3) Methodological details

Scope 2 market based emissions are due to imported energy sourced from the grid in 2021. Guarantee of Origin certifications are available in Turkey however no I-rec were purchased for Vakıfbank in 2021.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

1751.54

(7.5.3) Methodological details

"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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

1720.36

(7.5.3) Methodological details

VakıfBank, has improved its GHG inventory in 2022. Base year emissions has been also screened for the new GHG categories.

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

5782.23

(7.5.3) Methodological details

VakıfBank, has improved its GHG inventory in 2022. Base year emissions has been also screened for the new GHG categories.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

52265.8

(7.5.3) Methodological details

VakıfBank, has improved its GHG inventory in 2022. Base year emissions has been also screened for the new GHG categories.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

9.62

(7.5.3) Methodological details

"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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

364.8

(7.5.3) Methodological details

"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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

1289.11

(7.5.3) Methodological details

"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 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

44.51

(7.5.3) Methodological details

"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."
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

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

11883.08

(7.6.3) Methodological details

Scope 1 emissions are sourced from combustion of fossil fuels for heating, generators, company cars and leakages from refrigerants and fire extinguishers., IPCC 6 used for Calculations
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

	Gross global Scope 2, location-based emissions (metric tons CO2e)	Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)	Methodological details
Reporting year	*32405.79*	*594.08*	*Scope 2 market based emissions are due to imported energy sourced from the grid in 2023. I-rec were purchased for Vakıfbank in 2023*

[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

1587.45

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

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

100

(7.8.5) Please explain

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.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

2300.077

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

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

100

(7.8.5) Please explain

Emissions from BT products has been calculated in this category, Defra 2023 Used

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

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

7336.164

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Fuel-based method

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

0

(7.8.5) Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2) has been calculated in this category

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

0.547

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Distance-based method

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

100

(7.8.5) Please explain

Waste Transportation has been calculated in this category

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

62.13

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

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

0

(7.8.5) Please explain

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.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

811.112

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

100

(7.8.5) 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

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

1294.092

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

0

(7.8.5) Please explain

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.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, calculated

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

67.457

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

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

0

(7.8.5) Please explain

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.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) 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

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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

Other (upstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

N/A

Other (downstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

N/A
[Fixed row]

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

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

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.1.4) Attach the statement

14064 DoÄ□rulama BeyanÄ± tr - en_VakÄ±fbank_2023_rev01.pdf

(7.9.1.5) Page/section reference

14064 Doğrulama Beyanı tr - en_Vakıfbank_2023_rev01 Emission values: Page 1 / 14064 Doğrulama Raporu tr - en_Vakıfbank_2023 opinion of verifier: Page 4

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.2.5) Attach the statement

14064 DoÄ□rulama BeyanÄ± tr - en_VakÄ±fbank_2023_rev01.pdf

(7.9.2.6) Page/ section reference

14064 Doğrulama Beyanı tr - en_Vakıfbank_2023_rev01 Emission values: Page 1 / 14064 Doğrulama Raporu tr - en_Vakıfbank_2023 opinion of verifier: Page 4

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Capital goods
☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Purchased goods and services
☑ Scope 3: Waste generated in operations
☑ Scope 3: Upstream transportation and distribution
☑ Scope 3: Downstream transportation and distribution
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.3.5) Attach the statement

14064 DoÄ□rulama BeyanÄ± tr - en_VakÄ±fbank_2023_rev01.pdf

(7.9.3.6) Page/section reference

14064 Doğrulama Beyanı tr - en_Vakıfbank_2023_rev01 Emission values: Page 1 / 14064 Doğrulama Raporu tr - en_Vakıfbank_2023 opinion of verifier: Page 4

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10.1) 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 renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

31811.71

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

2.4589

(7.10.1.4) Please explain calculation

With the purchased IREC certificates, emissions from energy consumption decrease from 32405.79 tCO2e to 594.08 tCO2e. Last Year scope 12 is 12937.21 so figure is calculated from (31811.71/(12937.21)

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

50.144

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.0039

(7.10.1.4) Please explain calculation

With the purchased hybrid cars and energy transformation for laptop computers, emissions from energy consumption decrease for 43.4414339098486 (hybrid cars) and 6.7028715 for computer transformation(less kWh used per computer). Last Year scope 12 is 12937.21 so figure is calculated from (31811.71/(12937.21)

Divestment

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Acquisitions

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Mergers

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in output

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in methodology

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in boundary

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Change in physical operating conditions

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Unidentified

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Other

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A
[Fixed row]

(7.30) 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)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ No

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

48816.7

(7.30.1.4) Total (renewable and non-renewable) MWh

48816.7

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

72299.45

(7.30.1.3) MWh from non-renewable sources

258.48

(7.30.1.4) Total (renewable and non-renewable) MWh

72557.93

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

72299.45

(7.30.1.3) MWh from non-renewable sources

49075.18

(7.30.1.4) Total (renewable and non-renewable) MWh

121374.63
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Bahrain

(7.30.16.1) Consumption of purchased electricity (MWh)

26.32

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

26.32

Iraq

(7.30.16.1) Consumption of purchased electricity (MWh)

39.99

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

39.99

Qatar

(7.30.16.1) Consumption of purchased electricity (MWh)

5.49

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

5.49

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

72299.45

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

72299.45

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

186.67

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

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

0

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

186.67
[Fixed row]

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

Row 1

(7.45.1) Intensity figure

0.0000944

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

12477.16

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

132220474

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

27.38

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Change in renewable energy consumption
☑ Other emissions reduction activities
☑ Change in revenue

(7.45.9) Please explain

The calculation for the ratio 12,477.16/132,220,474 results in approximately 0.0000944. This represents a decrease compared to last year's value of 0.00013. The percentage decrease is around 27.38%, which indicates a significant reduction.
[Add row]

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

Row 1

(7.52.1) Description

Select from:

☑ Energy usage

(7.52.2) Metric value

0.1

(7.52.3) Metric numerator

Energy use in MWh

(7.52.4) Metric denominator (intensity metric only)

Total surface area of Vakıfbank premises in m2

(7.52.5) % change from previous year

3.52

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

The intensity metric, which measures MWh energy use per m² area of VakıfBank, was 0.11 in 2021. The intensity figure decreased by approximately 3.52% in 2023, bringing the value down to 0.096.

Row 2

(7.52.1) Description

Select from:

☑ Energy usage

(7.52.2) Metric value

3.53

(7.52.3) Metric numerator

Energy Use in MWh

(7.52.4) Metric denominator (intensity metric only)

Full Time Equivalent Employee (FTE)

(7.52.5) % change from previous year

8.79

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

The intensity metric, which measures MWh energy use per employee, was 3.96 in 2021. The intensity figure decreased by 2% in 2022, bringing the value to 3.87. In 2023, the intensity figure further decreased to 3.53, reflecting a continued reduction in energy use per employee.
[Add row]

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Target Decision TÜRKİYE VAKIFLAR BANKASI T.A.O.docx.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

08/01/2021

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

12795.11

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

31282.5

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

0.000

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

44077.610

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

100

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

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/18/2032

(7.53.1.55) Targeted reduction from base year (%)

51

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

21598.029

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

11883.08

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

594.08

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

12477.160

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

140.57

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This is an SBTi approved emission reduction target for Vakıfbanks scope 1 and scope 2 Target covers all operations in all geographies and no exclusions apply The target ambition is 15 degrees aligned meeting the minimum annual lineer reduction of 42 FLAG emissions is not included since these emissions are not applicable for Vakıfbank Biogenic emissions are also not applicable

(7.53.1.83) Target objective

The target objective for VakıfBanks SBTiapproved emission reduction target is to achieve a 15Caligned reduction in Scope 1 and Scope 2 emissions across all operations and geographies with no exclusions This objective commits VakıfBank to a minimum annual linear reduction of 42 in line with the ScienceBased Targets initiative SBTi guidelines The target specifically excludes FLAG and biogenic emissions as these are not applicable to VakıfBanks operations This ambitious target demonstrates VakıfBanks dedication to significantly reducing its carbon footprint and contributing to global climate goals

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

Vakıfbank will implement the following strategy and actions to achieve its targets Increased engagement activities with clients establishing lending policies to increase lowcarbon financings and reduce financed emissions integrating ESG and climate related criteria to its lending policies providing its clients with lowcarbon products and services Additionally Vakıfbank will continuously provide support and sources to its clients to report and reduce their GHG emissions

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 2 – Capital goods

☑ Scope 3, Category 6 – Business travel

☑ Scope 3, Category 7 – Employee commuting

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 5 – Waste generated in operations

☑ Scope 3, Category 4 – Upstream transportation and distribution

☑ Scope 3, Category 9 – Downstream transportation and distribution

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

08/01/2021

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

12795.11

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

31282.5

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

1751.54

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

1720.36

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

5782.23

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

52265.8

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

9.62

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

364.8

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

1289.11

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

44.51

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

63227.970

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

107305.580

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

100

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

100

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

100

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

100

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

100

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

100

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

100

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

100

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

100

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

100

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

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/18/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

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

11883.08

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

594.08

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

1587.45

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

2300.077

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

7336.164

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

0.547

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

62.13

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

811

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

1294.092

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

67.457

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

13458.917

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

25936.077

(7.53.1.78) Land-related emissions covered by target

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

(7.53.1.79) % of target achieved relative to base year

75.83

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target covers VakıfBank's scope 1&2 emissions reaching net-zero by 2050. This is an internal net-zero target for VakıfBank. This target is not related to any initiatives.

(7.53.1.83) Target objective

The target objective for VakıfBank's 2050 net zero goal is to achieve net zero greenhouse gas (GHG) emissions across all operations and financed activities by the year 2050. This objective aligns with global efforts to limit global warming to 1.5C above pre-industrial levels, as outlined in the Paris Agreement. VakıfBank is committed to reducing emissions through a combination of energy efficiency improvements, increased use of renewable energy, and the integration of low-carbon technologies across its operations. The bank will also engage with clients and stakeholders to support the transition to a low-carbon economy, ensuring that its lending and investment portfolios align with the net zero target. Through these efforts, VakıfBank aims to contribute to a sustainable future while minimizing its environmental impact.

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

Vakıfbank will implement the following strategy and actions to achieve its targets Increased engagement activities with clients establishing lending policies to increase lowcarbon financings and reduce financed emissions integrating ESG and climate related criteria to its lending policies providing its clients with lowcarbon products and services Additionally Vakıfbank will continuously provide support and sources to its clients to report and reduce their GHG emissions

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.53.4) Provide details of the climate-related targets for your portfolio.

Row 1

(7.53.4.1) Target reference number

Select from:

☑ Por1

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ SBTi for Financial Institutions

(7.53.4.5) Date target was set

12/30/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Asset class level

(7.53.4.9) Portfolio

Select from:

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Project finance

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Power generation

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.3

(7.53.4.15) % of asset class emissions covered by the target

100

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:

☑ kWh

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.3

(7.53.4.19) Total value of assets covered by the target

3052592899

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

100

(7.53.4.21) Frequency of target reviews

Select from:

☑ Annually

(7.53.4.22) End date of base year

12/30/2021

(7.53.4.23) Figure in base year

761

(7.53.4.24) We have an interim target

Select from:

☑ No

(7.53.4.27) End date of target

12/30/2032

(7.53.4.28) Figure in target year

361

(7.53.4.29) Figure in reporting year

202.36

(7.53.4.30) % of target achieved relative to base year

139.66

(7.53.4.31) Target status in reporting year

Select from:

☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

This target covers portfolio emission of electricity project finance lendings. The intensity figure is tCO2eq emissions per kWh. The base year is 2021 and the base year value is 761. The target has been submitted to SBTi in 2022 and validated in 2023.

(7.53.4.38) Target objective

Vakıfbank aims to reduce greenhouse gas emissions from its electricity generation project finance portfolio by 52.7% per megawatt-hour by 2032, compared to 2021 levels. This reduction is aligned with our commitment to fostering cleaner energy and supporting the global transition to a low-carbon economy.
[Add row]

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

08/01/2020

(7.54.1.3) Target coverage

Select from:

☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

08/01/2020

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

68648

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

25.1

(7.54.1.10) End date of target

12/07/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

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

98.17

(7.54.1.13) % of target achieved relative to base year

97.56

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

ABS1

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ Science Based Targets initiative

(7.54.1.18) Science Based Targets initiative official validation letter

Target Decision TÃ□RKÄ°YE VAKIFLAR BANKASI T.A.O.docx.pdf

(7.54.1.19) Explain target coverage and identify any exclusions

In 2023, in line with our commitment to reducing our environmental footprint and supporting a low-carbon economy, we aim to purchase electricity generated from 100% renewable sources. Our renewable electricity usage rate this year has increased to 98.17%, up from 82.7% in 2022, reflecting our dedication to maintaining and further enhancing our renewable energy consumption. Achieving this will result in a significant reduction in both Scope 2 and combined Scope 1 and 2 emissions, which is crucial for VakıfBank's progress towards its Scope 1-2 emission reduction targets. Our goal of reaching 100% renewable electricity consumption by 2030 supports our ABS1 emission reduction target, aligned with the Science-Based Targets initiative (SBTi). This target includes all domestic and international branches and operations. However, due to geographical limitations, I-RECs are currently only valid for domestic electricity purchases, which explains why the proportion of renewable energy in our total consumption did not yet reach 100% in 2023.

(7.54.1.20) Target objective

The target objective is to achieve 100% renewable electricity consumption across all domestic and international operations by 2030. This objective supports VakıfBank's ABS1 emission reduction target, aligned with the Science-Based Targets initiative (SBTi), by significantly reducing Scope 2 and combined Scope 1 and 2 emissions. The goal includes increasing the renewable electricity usage rate, which reached 98.17% in 2023, and overcoming geographical limitations that currently restrict I-RECs to domestic electricity purchases. Achieving this target is critical for VakıfBank's commitment to a low-carbon economy and reducing its overall environmental footprint.

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

To achieve the 100% renewable electricity consumption target in the reporting year, VakıfBank will prioritize the purchase of renewable energy, focusing on maximizing the use of I-RECs for domestic electricity while exploring equivalent options for international branches. The bank will implement energy efficiency initiatives, such as upgrading lighting and optimizing HVAC systems, and conduct regular energy audits to align energy consumption with reduction targets. Additionally, VakıfBank will explore on-site renewable energy generation, like solar panel installations, to further reduce Scope 2 emissions. Stakeholder engagement and awareness efforts will be intensified to ensure collective support for the target, and the bank will work with energy providers to expand the geographical coverage of I-RECs, addressing current limitations in international operations. Progress toward these goals will be regularly monitored and reported.
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:
☑ Oth 1

(7.54.2.2) Date target was set

08/01/2021

(7.54.2.3) Target coverage

Select from:
☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Intensity

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

Energy consumption or efficiency
☑ kWh

(7.54.2.6) Target denominator (intensity targets only)

Select from:
☑ square meter

(7.54.2.7) End date of base year

08/01/2021

(7.54.2.8) Figure or percentage in base year

109.93

(7.54.2.9) End date of target

12/07/2021

(7.54.2.10) Figure or percentage at end of date of target

104.43

(7.54.2.11) Figure or percentage in reporting year

95

(7.54.2.12) % of target achieved relative to base year

271.4545454545

(7.54.2.13) Target status in reporting year

Select from:

☑ Achieved and maintained

(7.54.2.15) Is this target part of an emissions target?

No

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

In 2023, we continued our efforts to reduce electricity consumption through a series of energy efficiency projects implemented across our HQ and branch buildings. In addition to these initiatives, we focused on raising awareness of energy-saving practices by conducting training and communication activities aimed at driving behavioral change. These projects were carried out across all of our more than 900 branches. The total surface area of our branches in 2023 was 763,364.61 m², and total electricity consumption was 72,557,925.44 kWh. Our target for 2023 was to reduce electricity use per square meter (kWh/m²) by 5%. As a result of these efforts, the electricity intensity figure decreased from 101 kWh/m² in 2022 to 95 kWh/m² in 2023, demonstrating a successful reduction in energy use and progress toward our sustainability goals

(7.54.2.19) Target objective

The target objective for 2023 is to continue reducing VakıfBank's electricity consumption intensity across its HQ and branch buildings. The goal is to decrease the electricity use per square meter (kWh/m²) of surface area by 5% year-on-year through the implementation of energy efficiency projects, awareness programs, and behavioral change initiatives. In 2023, the target was successfully achieved with a 5.94% reduction in electricity intensity, demonstrating the bank's commitment to reducing its environmental footprint and supporting the transition to a low-carbon economy. VakıfBank aims to maintain and further enhance these efforts in the coming years to meet its long-term sustainability goals.

(7.54.2.21) List the actions which contributed most to achieving this target

Emission reduction initiatives has a great impact to achieve this target.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

08/18/2021

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Abs1
☑ Abs2

(7.54.3.5) End date of target for achieving net zero

12/18/2050

(7.54.3.6) Is this a science-based target?

Select from:

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

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

This target covers VakıfBank's scope 1&2 and 3 emissions reaching net-zero by 2050. This is an internal net-zero target for VakıfBank. This target is not related to any initiatives.

(7.54.3.11) Target objective

The target objective for VakıfBank's net zero goal is to achieve net zero greenhouse gas (GHG) emissions across all operations and financed activities by 2050. This objective includes a commitment to reducing emissions in line with the latest climate science, aligned with the Paris Agreement's goal of limiting global warming to 1.5C above pre-industrial levels. VakıfBank aims to achieve this through a combination of reducing its own operational emissions, supporting clients in transitioning to low-carbon technologies, and offsetting any remaining emissions through verified carbon removal projects. This comprehensive approach ensures that VakıfBank contributes meaningfully to global efforts to mitigate climate change while maintaining sustainable growth.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, and we do not plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

As part of our commitment to achieving our net zero target, VakıfBank has outlined several planned milestones and near-term investments to ensure the successful neutralization of residual emissions by the end of the target period. These include ongoing investments in carbon offset projects, such as reforestation, renewable energy, and carbon capture technologies, to address any remaining emissions that cannot be reduced through operational efficiencies alone. Additionally, the bank plans to enhance partnerships with sustainability-focused organizations to leverage innovative solutions in offsetting residual emissions. By regularly reviewing progress against interim targets and making strategic adjustments, VakıfBank ensures that it stays on track to meet its net zero goals, with neutralization efforts becoming a core part of its long-term sustainability strategy.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

VakfBank's net zero target undergoes an annual review process that includes assessing progress against interim goals, consulting with stakeholders, benchmarking against industry peers, and conducting scenario analyses to ensure resilience under various climate and economic conditions. Internal audits verify the accuracy of emissions data and the effectiveness of reduction strategies, with findings reported to senior management for potential adjustments. Based on these reviews and feedback, the target and strategies may be updated to remain aligned with the latest climate science and business priorities. Progress is transparently disclosed in VakfBank's annual sustainability report, ensuring accountability and ongoing alignment with its net zero objectives.
[Add row]

(7.55) 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.

Select from:
☑ Yes

(7.55.1) 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	*0*	*`Numeric input*
To be implemented	*0*	*0*
Implementation commenced	*0*	*0*
Implemented	*2*	*50.14*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Transportation

☑ Company fleet vehicle replacement

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

43.44

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

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

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

620837

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

304194786

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 3-5 years

(7.55.2.9) Comment

The project has successfully contributed to reducing CO2 emissions, achieving a total reduction of 43.44 tons of CO2e. While the kWh energy savings data is not available, the significant decrease in emissions highlights the positive impact of integrating hybrid vehicles into the fleet. This project demonstrates VakıfBank's commitment to enhancing sustainability through the adoption of cleaner technologies and aligns with our broader goals of reducing the carbon footprint across all operations.

Row 2

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Low-carbon electricity mix

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

6.7

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

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

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

39698

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

13470246

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 3-5 years

(7.55.2.9) Comment

The project has resulted in an energy savings of 15,268.5 kWh and a reduction of 6.70 tons of CO2e. This outcome underscores the effectiveness of upgrading to more energy-efficient computers, contributing to VakıfBank's overall sustainability objectives. The reduction in both energy consumption and carbon emissions through this initiative reflects our ongoing commitment to improving operational efficiency and minimizing our environmental impact.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

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.
[Add row]

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

Select from:
☑ Yes

(7.79.1) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Row 1

(7.79.1.1) Project type

Select from:
☑ Mixed renewables

(7.79.1.2) Type of mitigation activity

Select from:
☑ Emissions reduction

(7.79.1.3) Project description

The project involves the implementation of a Waste Heat Recovery (WHR) system at an industrial facility in Chhattisgarh, India. This system captures waste heat generated during industrial processes and converts it into electricity, which is then used to meet the facility's energy needs. By utilizing waste heat, the project significantly reduces the need for fossil fuel-based electricity, leading to a substantial decrease in greenhouse gas emissions. The project is registered under the Verified Carbon Standard (VCS) and has been independently verified to achieve a reduction of 12,500 metric tons of CO2e annually. This emission reduction contributes directly to VakıfBank's goal of offsetting its Scope 1 and Scope 2 emissions, supporting its broader commitment to sustainability and climate action.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

12500

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2023

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Other, please specify **:**Consolidated baseline methodology for grid-connected electricity generation from renewable sources

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Activity-shifting

(7.79.1.13) Provide details of other issues the selected program requires projects to address

The Verified Carbon Standard (VCS) program, under which VakıfBank's carbon credits were issued, requires projects to address several key issues beyond emission reductions. These include demonstrating additionality to ensure that the emission reductions are not part of a business-as-usual scenario and would not have occurred without the project. Projects must also ensure permanence, maintaining the emission reductions over the long term, typically 100 years, and assess and mitigate leakage, where emissions could inadvertently increase outside the project's boundaries. Additionally, VCS projects must adhere to environmental and social safeguards to prevent harm to local communities and ecosystems, conduct ongoing monitoring and reporting verified by independent third parties, and contribute to broader sustainable development goals, such as improving local livelihoods and conserving biodiversity. These requirements ensure the credibility, transparency, and positive impact of VCS-certified projects.

(7.79.1.14) Please explain

N/A
[Add row]

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

☑ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.8) We measure the impact of our portfolio on water

Select from:

☑ Yes

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ No, and we do not plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

☑ Not an immediate strategic priority

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

Currently, Vakıfbank's primary focus is on managing greenhouse gas (GHG) emissions within its portfolio. While biodiversity-related issues are recognized, they are not a central priority at this stage.
[Fixed row]

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.

Banking (Bank)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply
☑ Loans
☑ Project finance
☑ Bonds
☑ Equity investments
☑ Real estate

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

49091258.22

(12.1.1.3) % of portfolio covered in relation to total portfolio value

69

(12.1.1.4) Total value of assets included in the financed emissions calculation

1929677551080.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

100

(12.1.1.6) Emissions calculation methodology

Select from:

☑ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

3

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

49091258.22

(12.1.1.9) Base year end

12/30/2023

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

This calculation follows the PCAF method and represents Vakıfbank's portfolio emissions as of 2023. No exclusions have been made.
[Fixed row]

(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.

Climate change

(12.1.3.1) Portfolio

Select from:

☑ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☑ Portfolio carbon footprint (tCO2e/Million invested)

(12.1.3.3) Metric value in the reporting year

25.401

(12.1.3.4) % of portfolio covered in relation to total portfolio value

69

(12.1.3.5) Total value of assets included in the calculation

2796634.13

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

100

(12.1.3.7) Please explain the details and key assumptions used in your assessment

The portfolio emissions have been calculated with average tCO2e emissions for per TRY in portfolio in each sector.These are the carbon intensive sectors namely, cement, aluminum, iron-steel, electricity and fertilizer. The outstanding portfolio values collected from Vakıfbank's internal systems.

Water

(12.1.3.1) Portfolio

Select from:

☑ Banking (Bank)

[Add row]

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

	Portfolio breakdown
Banking (Bank)	*Select all that apply* ☑ Yes, by asset class ☑ Yes, by industry ☑ Yes, by scope

[Fixed row]

(12.2.1) Break down your organization's financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

Select from:
☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Power generation

(12.2.1.4) Asset class

Select from:
☑ Project finance

(12.2.1.5) Clients'/investees' scope

Select from:
☑ Scope 1

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

1

(12.2.1.7) Value of assets covered in the calculation

35533803376

(12.2.1.8) Financed emissions or alternative metric

2567043.82

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

This calculation follows the PCAF method and represents Vakıfbank's portfolio emissions as of 2023. No exclusions have been made.

Row 4

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Transportation services

(12.2.1.4) Asset class

Select from:

☑ Loans

(12.2.1.5) Clients'/investees' scope

Select from:

☑ Scope 1

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

1

(12.2.1.7) Value of assets covered in the calculation

14933586568

(12.2.1.8) Financed emissions or alternative metric

21877.64

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

This calculation follows the PCAF method and represents Vakıfbank's portfolio emissions as of 2023. No exclusions have been made.

Row 5

(12.2.1.1) Portfolio

Select from:
☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:
☑ International bodies

(12.2.1.4) Asset class

Select from:
☑ Bonds

(12.2.1.5) Clients'/investees' scope

Select from:
☑ Scope 1

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

24

(12.2.1.7) Value of assets covered in the calculation

675953000000

(12.2.1.8) Financed emissions or alternative metric

4100577.286

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

This calculation follows the PCAF method and represents Vakıfbank's portfolio emissions as of 2023. No exclusions have been made.
[Add row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Lending to all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

26988012610

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

1

(12.3.6) Details of calculation

The needed data was tracked in our systems, with the evaluated data, we found the value of the fossil fuel assets in our portfolio. Then, the known data was divided by total portfolio to find the % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

5362070250

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.2

(12.3.6) Details of calculation

The needed data was tracked in our systems, with the evaluated data, we found the value of the fossil fuel assets in our portfolio. Then, the known data was divided by total portfolio to find the % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year.

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

The needed data was tracked in our systems, with the evaluated data, we found the value of the fossil fuel assets in our portfolio. Then, the known data was divided by total portfolio to find the % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year.

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

20518803998

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.7

(12.3.6) Details of calculation

The needed data was tracked in our systems, with the evaluated data, we found the value of the fossil fuel assets in our portfolio. Then, the known data was divided by total portfolio to find the % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year.

Lending to gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

1107138362

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

The needed data was tracked in our systems, with the evaluated data, we found the value of the fossil fuel assets in our portfolio. Then, the known data was divided by total portfolio to find the % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year.
[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:
☑ No, but we plan to report in the next two years

(12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:
☑ No standardized procedure

(12.5.36) Explain why you are not providing values of the financing and/or insurance

Vakıfbank financed activities and sectors that are aligned with or eligible under a sustainable finance taxonomy during the reporting year. However, we are unable to disclose the specific values of this financing due to confidentiality. We plan to report these values in the coming years as we continue to enhance our reporting capabilities.
[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from: ☑ Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Mitigation

☑ Adaptation

(12.6.1.3) Portfolio

Select from:

☑ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☑ Loans

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Green Bond Principles (ICMA)

☑ LMA Green Loan Principles

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Renewable energy

☑ WASH services

(12.6.1.8) Description of product/service

When the transition to a low carbon economy shaped the sustainable development agenda, the Bank has been playing an active role in this transition by effectively managing environmental risks not only for its direct operations but also for its indirect impacts emerging through its financing activities. In this respect, VakıfBank's strategy to combat climate change is based on three pillars. One of them is Sustainable Energy Finance: This provides financing support for sustainable energy projects by giving priority to renewable energy investments. In order to finance projects that will deliver environmental, social and/or environmental benefits to support VakıfBank's business strategy and vision, VakıfBank has elected to create a Sustainable Finance Framework. The Sustainable Finance Framework articulates how VakıfBank intends to raise Sustainable Financing Instruments to finance and/or refinance new and existing loans to its clientele and internal projects with environmental and/or social benefits.Additionally, VakıfbBank has different Sustainability linked products such as Green&Social assets, syndication, eurobonds, repo transactions.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

1

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

100

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

In line with the transition to a low-carbon economy, VakıfBank actively considers the principal adverse environmental impacts of its financing products to ensure alignment with sustainability objectives. The bank's Sustainable Energy Finance program prioritizes financing for renewable energy projects, directly addressing climate change by supporting low-carbon technologies. Through the Sustainable Finance Framework, VakıfBank raises funds to finance or refinance projects that deliver environmental and social benefits, including green and social assets, syndications, eurobonds, and repo transactions. These products are designed to mitigate environmental risks, such as carbon emissions and resource depletion, while promoting sustainable development. By integrating environmental considerations into its financing strategy, VakıfBank ensures that its products not only drive financial performance but also contribute positively to climate action and environmental resilience

[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

	Target set
Water	*Select from:* ☑ Yes, we have set water-secure lending, investing and/or insuring targets

[Fixed row]

(12.7.1) Provide details of your targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring.

Water

(12.7.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.7.1.2) Targets set

Select from:

☑ Targets for proportion of your clients/investees compliant with your water-related requirements

(12.7.1.3) Date target was set

12/30/2022

(12.7.1.4) Sectors covered by the target

Select all that apply

☑ Apparel

☑ Biotech, health care & pharma

☑ Food, beverage & agriculture

☑ Fossil Fuels

(12.7.1.5) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

☑ Bonds

☑ Equity investments

(12.7.1.6) The target has been set with reference to

Select from:

☑ Sustainable Development Goals

(12.7.1.7) % of portfolio covered by the target in relation to total portfolio value

0.92

(12.7.1.8) Target metric

Select from:

☑ % of your portfolio value

(12.7.1.9) Target value

100

(12.7.1.10) End date of target

12/30/2024

(12.7.1.11) End date of base year

12/30/2022

(12.7.1.12) Figure in base year

99

(12.7.1.13) Figure in reporting year

100

(12.7.1.14) % of target achieved

100.00

(12.7.1.15) Provide details of the target

.VakıfBank's Environmental and Social Impact Management Policy in Lending Processes and the Unfunded Activities List were approved by the Board of Directors and published online. Following this, the Procedure on the Management of Environmental and Social Impacts in Lending Processes was implemented. If a financed activity is not on the Unfinanced Activities List, falls within project loans, and exceeds 20 million USD, it is assessed using the Environmental and Social Assessment Tool, classifying risks into four categories: A (High), B (Mid-High), B- (Mid-Low), and C (Low). Our responsible financing approach acknowledges our duty to society and the environment. Consequently, "Environmental and Social Impact Assessment and Sustainability" is a dedicated section in our Credit Policy Document. We prioritize environmentally friendly projects, energy efficiency, and renewable energy projects, excluding certain prohibited sectors. Project financing requires documents related to environmental standards and Environmental Impact Assessment (EIA) Reports. The Environmental and Social Assessment Tool evaluates companies on resource management, water usage, pollution monitoring, and environmental risk mitigation. We monitor the ongoing positive impact of financed projects, aligning with our responsible banking approach and facilitating cooperation with international financial institutions like the World Bank, AFD, and EBRD. Thus, we successfully meet the high ethical, environmental, and social criteria required by many of our financed projects.
[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Fuel consumption

☑ Renewable Electricity/Steam/Heat/Cooling consumption

(13.1.1.3) Verification/assurance standard

Climate change-related standards

☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

The third-party verification and assurance process for VakıfBank's greenhouse gas (GHG) emissions inventory is conducted in accordance with ISO 14064-3:2019 standards, providing a Reasonable level of assurance. The verification is performed annually and encompasses all emissions arising from activities at VakıfBank's Head Office, Regional Directorates, branches, affiliated branches, and ATMs, ensuring comprehensive coverage of the bank's direct operations. The scope includes direct emissions (Category 1), emissions from imported energy (Category 2), transportation (Category 3), products and services used (Category 4), product usage (Category 5), and other emissions (Category 6). The rationale behind selecting these data points and standards is to ensure accurate, transparent, and reliable reporting of the bank’s carbon footprint. No exclusions apply to the selected data points within the organizational boundaries, ensuring full accountability in the verification process. The verification report is issued annually, with the most recent report dated February 28, 2024, covering the reporting period from January 1, 2023, to December 31, 2023.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

14064 DoÄ□rulama BeyanÄ± tr - en_VakÄ±fbank_2023_rev01.pdf
[Add row]

(13.2) 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.

(13.2.1) Additional information

Due to the CDP Portal error, the answer for "Question 12.1.3 Water Row" could not be submitted. Therefore Vakıfbank's answer has been provided in 13.2. The answer for "Question 12.1.3 Water Row" is attached.

(13.2.2) Attachment (optional)

12.1.3 W.xlsx
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Independent Member on Board of Directors

(13.3.2) Corresponding job category

Select from:

☑ Director on board

[Fixed row]