



TURKIYE VAKIFLAR BANKASI TURK ANONIM ORTAKLIGI

2025 CDP Corporate Questionnaire 2025

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.

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Contents

C1. Introduction.....	7
(1.1) In which language are you submitting your response?	7
(1.2) Select the currency used for all financial information disclosed throughout your response.	7
(1.3) Provide an overview and introduction to your organization.	7
(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.	8
(1.4.1) What is your organization's annual revenue for the reporting period?	8
(1.5) Provide details on your reporting boundary.	8
(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?	9
(1.7) Select the countries/areas in which you operate.	10
(1.9) What was the size of your organization based on total assets value at the end of the reporting period?	11
(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?	11
(1.24) Has your organization mapped its value chain?	13
C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities	15
(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?	15
(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?	16
(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?	17
(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.	17
(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities? ..	21
(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?	22
(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.	22
(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?	26
(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?	27
(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.	27

(2.4) How does your organization define substantive effects on your organization?	28
---	----

C3. Disclosure of risks and opportunities..... 32

(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?.....	32
(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.	32
(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.	43
(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?	45
(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.	46
(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.	54

C4. Governance 57

(4.1) Does your organization have a board of directors or an equivalent governing body?	57
(4.1.1) Is there board-level oversight of environmental issues within your organization?	58
(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.	58
(4.2) Does your organization's board have competency on environmental issues?	63
(4.3) Is there management-level responsibility for environmental issues within your organization?.....	65
(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).	66
(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?	71
(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).	73
(4.6) Does your organization have an environmental policy that addresses environmental issues?	78
(4.6.1) Provide details of your environmental policies.	78
(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?.....	81
(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.	81
(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.	85
(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?	86
(4.8.1) Provide details of the covenants included in your organization's financing agreements to reflect and enforce your environmental policies.	87

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?	88
(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?	90
(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?	90
(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?	92
(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.	94
(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?	96
(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.	96

C5. Business strategy..... 100

(5.1) Does your organization use scenario analysis to identify environmental outcomes?	100
(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.	101
(5.1.2) Provide details of the outcomes of your organization's scenario analysis.	117
(5.2) Does your organization's strategy include a climate transition plan?	120
(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?.....	122
(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.....	123
(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.	126
(5.10) Does your organization use an internal price on environmental externalities?	127
(5.11) Do you engage with your value chain on environmental issues?	128
(5.11.3) Provide details of your environmental engagement strategy with your clients.	130
(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.	132
(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.	136

C6. Environmental Performance - Consolidation Approach 143

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.....	143
--	-----

C7. Environmental performance - Climate Change..... 145

(7.1) Is this your first year of reporting emissions data to CDP?	145
---	-----

(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?.....	145
(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?	145
(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?	146
(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.	146
(7.3) Describe your organization's approach to reporting Scope 2 emissions.	147
(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?	147
(7.5) Provide your base year and base year emissions.	147
(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?	152
(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?	153
(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.	153
(7.9) Indicate the verification/assurance status that applies to your reported emissions.	162
(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.	162
(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	163
(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	166
(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?	167
(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.	167
(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?	168
(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?.....	168
(7.29) What percentage of your total operational spend in the reporting year was on energy?	168
(7.30) Select which energy-related activities your organization has undertaken.	168
(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.	169
(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.	171
(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.	174
(7.53) Did you have an emissions target that was active in the reporting year?	175
(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.	176

(7.53.4) Provide details of the climate-related targets for your portfolio.	188
(7.54) Did you have any other climate-related targets that were active in the reporting year?	192
(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.....	192
(7.54.3) Provide details of your net-zero target(s).....	195
(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.	198
(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.	198
(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.	198
(7.55.3) What methods do you use to drive investment in emissions reduction activities?	200
(7.79) Has your organization retired any project-based carbon credits within the reporting year?	201
(7.79.1) Provide details of the project-based carbon credits retired by your organization in the reporting year.....	201

C12. Environmental performance - Financial Services 204

(12.1) Does your organization measure the impact of your portfolio on the environment?	204
(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.....	204
(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.	206
(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?.....	209
(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.	209
(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.	214
(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.	217
(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?.....	222
(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?.....	223
(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.	223
(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?.....	225
(12.7.1) Provide details of your targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring.....	226

C13. Further information & sign off 232

(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? 232

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used? 232

(13.3) Provide the following information for the person that has signed off (approved) your CDP response. 233

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website..... 233

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ TRY

(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

Established in 1954 with the mission of efficiently managing the assets of Turkish foundations and contributing to national savings and development, VakıfBank is Turkey's largest publicly listed bank and the second largest by asset size. It offers a wide range of financial services across corporate, commercial, SME, retail, and private banking segments, as well as investment banking and capital markets activities. Through its subsidiaries, VakıfBank also provides leasing, factoring, insurance, and digital financial services. The Bank operates with an extensive domestic network and international presence, including branches abroad and a subsidiary in Austria. Backed by strong digital infrastructure, VakıfBank serves millions of customers through its mobile and internet banking platforms. VakıfBank embeds environmental, social, and governance (ESG) principles into its strategy. In 2024, it established a dedicated Sustainable Banking Department and strengthened its governance with new working groups focused on climate and science-based targets. The Bank holds multiple ISO certifications and is a long-time participant in global sustainability initiatives such as the UN Global Compact and WEPS. VakıfBank has been included in the BIST Sustainability Index since 2014 and

the FTSE4Good Index since 2017. In 2023, it became the first Turkish bank to have its emission reduction targets approved by the SBTi. In 2024, it was featured in CDP's Global A List for both Climate Change and Water Security. The Bank also continued to play a leading role in sustainable finance, guided by its Green, Social and Sustainable Finance Framework.

[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
	12/30/2024	Select from: ☒ Yes	Select from: ☒ No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

40375301000

(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:

☒ Yes

(1.6.2) Provide your unique identifier

789000KAIHOLSQKQ9858

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]

(1.7) Select the countries/areas in which you operate.

Select all that apply

- ☒ Bahrain
- ☒ Iraq
- ☒ Qatar
- ☒ Turkey
- ☒ United States of America

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

4021485697000

(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

4021485697000

(1.10.5) % of revenue

100

(1.10.6) Type of clients

Select all that apply

- ☒ Government / sovereign / quasi-government / sovereign wealth funds
- ☒ 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 | ☒ Fossil Fuels |
| ☒ Apparel | ☒ Manufacturing |
| ☒ Services | ☒ Infrastructure |
| ☒ Materials | ☒ Power generation |
| ☒ Hospitality | ☒ International bodies |
| ☒ Transportation services | |
| ☒ Food, beverage & agriculture | |
| ☒ Biotech, health care & pharma | |

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 (the threshold is set to be USD 10 million in 2025), 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]

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

This period aligns with our objectives of analysing the impacts of policy and regulatory changes on the operational period and annual strategic plans, managing climate and sustainability risks and opportunities by incorporating necessary actions into the business plan, and closely monitoring current developments to track opportunities.

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

10

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

This period aligns with our objectives regarding our science-based targets set for 2032, the effective management of transition and physical risks, compliance with increasing national and international regulations, completion of the necessary technical infrastructure during this process, and enhancing our support and funding for Türkiye’s sustainable and inclusive development.

Long-term

(2.1.1) From (years)

10

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

Select from:

☒ Yes

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

This period aligns with our objectives of ensuring compliance with Türkiye’s 2053 net-zero emission commitment and international climate commitments from a broad perspective, including the financing framework, value chain, and suppliers.
[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
- ☒ Forests
- ☒ 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:

- ☒ Annually

(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

- ☒ IPCC Climate Change Projections
- ☒ ISO 14001 Environmental Management Standard
- ☒ ISO 14046 Environmental Management – Water Footprint

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

- ☑ Drought
- ☑ Flood (coastal, fluvial, pluvial, ground water)
- ☑ Heavy precipitation (rain, hail, snow/ice)
- ☑ 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
- ☑ Inadequate access to water, sanitation, and hygiene services (WASH)

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

At VakıfBank, the identification, assessment, prioritization, and monitoring of sustainability and climate risks are carried out within the framework of the Bank's Climate Risk Management Policy document. Forest and water risks are evaluated under the Environmental Policy and the Policy on the Management of Environmental and Social Impacts in Lending Processes. The Bank commits in its Policy on the Management of Environmental and Social Impacts in Lending Processes not to finance certain projects/activities. Risk management processes at the Bank are conducted through policies, action plans, implementation procedures, and limits determined based on the risk-return structure and the nature and level of operations. These processes cover the identification, measurement, and reporting of risks on a solo and consolidated basis, as well as the monitoring of total capital requirements and liquidity adequacy related to risk profiles. In this context, the Bank has identified the risks it is exposed to or expects to be exposed to, in accordance with the principle of materiality, as Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Counterparty Credit Risk, Interest Rate Risk Arising from Banking Book, Residual Risk, Concentration Risk, Country Risk, Reputation Risk, Model Risk, Earthquake Risk, and Climate Risk. Sustainability and climate-related risks are reviewed annually at VakıfBank. These risks are reassessed in case of any changes in VakıfBank's business strategy or in national regulations and international practices. VakıfBank employs various tools and approaches in managing physical and transition risks arising from lending activities, as well as physical risks that may increase operational risk levels. Methods such as organizational structuring, data processing, documentation, and risk transfer are all included in the climate risk management process. Additionally, the Bank manages environmental and social impacts arising from lending activities under its Environmental and Social Management System (ESMS). Accordingly, the Bank avoids financing activities listed under the Excluded Activities List and evaluates and monitors credit requests in accordance with local and international standards.

[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

☒ Forests

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

(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
- ☒ WRI Aqueduct

(2.2.6.11) Risk type and criteria considered

Acute physical

- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Heat waves
- ☒ Heavy precipitation (rain, hail, snow/ice)

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
- ☒ Suppliers

(2.2.6.13) Further details of process

VakıfBank has established an Environmental and Social Risk Management System (ESMS) to assess and manage environmental and social risks in project loans exceeding USD 20 million. Beyond legal requirements, the ESMS enables the identification, categorization, and mitigation of both project-specific and company-wide environmental and social risks through tailored action plans. In addition, the assessment threshold is set to be USD 10 million in 2025, thereby expanding the share of the loan portfolio subject to ESMS assessment. Preparatory work is ongoing to support the expansion of the customer portfolio. As of February 2022, VakıfBank's Environmental and Social Impact Management Policy in Credit Processes and the Excluded Activities List were approved by the Board of Directors and publicly disclosed. In May 2022, supporting procedures and ESMS documentation entered into force. All eligible project finance applications undergo an initial environmental and social risk assessment using a standardized tool that assigns a risk category ranging from A (high) to C (low). As part of this process, companies are also assessed for water-related risks, and relevant environmental and social information is requested. The assessment process is applied to 100% of the relevant project finance applications. Multiple departments, including credit, risk, and sustainability units, are involved in the implementation of the ESMS. Within the scope of combating climate change, the Climate Law was enacted in Türkiye in July 2025 with the aim of reducing greenhouse gas emissions and supporting climate change adaptation activities. In line with the Law, preparations are ongoing for the legal regulations of the Emissions Trading System (ETS). The National Emissions Trading System planned to be established in Türkiye stands out as a significant market-based mechanism aligned with low-carbon development goals. Carbon pricing mechanisms under the Emissions Trading System have not yet been clearly defined. VakıfBank plans to analyze the potential impacts of this system on its portfolio.

[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

VakıfBank evaluates the interconnections between environmental dependencies, impacts, risks, and opportunities through a structured process embedded within its Environmental and Social Risk Management System (ESMS) and climate-related risk framework. During the credit evaluation process and social risks are assessed using an integrated tool that considers multiple dimensions simultaneously, such as resource dependencies (e.g., water), local environmental impacts, and regulatory context. These aspects are not assessed in isolation but in relation to each other. For instance, a water-dependent company operating in a water-stressed region is not only flagged for physical risk, but also evaluated for financial implications (e.g., cost of adaptation, potential revenue loss), which could lead to credit risk for the Bank. Similarly, a regulatory transition may increase operational costs for some clients while presenting sustainable finance opportunities for others—these dynamics are captured jointly. Cross-departmental collaboration is ensured through the Sustainability Committee and its working groups, where physical and transition risks are discussed in terms of their combined impacts across the portfolio. These interconnections inform both our portfolio-level risk appetite and product development processes. By evaluating how dependencies (e.g., reliance on water or fossil fuels) interact with risks (e.g., regulation, physical damage) and opportunities (e.g., low-carbon investment demand), VakıfBank ensures that environmental and financial materiality are understood in an integrated manner and incorporated into strategic and credit decisions.

[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
- ☒ Forests
- ☒ Water

(2.2.9.2) Type of environmental information considered

Select all that apply

- ☒ Emissions data
- ☒ Breaches to local water regulations

- | | |
|---|---|
| ☒ Energy usage data | ☒ Water withdrawal and/or consumption volumes |
| ☒ Climate transition plans ecosystems | ☒ Commitment to eliminate deforestation and conversion of other natural |
| ☒ Emissions reduction targets | |
| ☒ Water discharge treatment data | |

(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

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

(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

40214856970

[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:

- ☒ Other, please specify :Equity

(2.4.3) Change to indicator

Select from:

- ☒ % decrease

(2.4.4) % change to indicator

Select from:

- ☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Time horizon over which the effect occurs
- ☒ Likelihood of effect occurring

(2.4.7) Application of definition

VakıfBank applies a quantitative threshold to determine whether an environmental risk or opportunity is considered substantive. A financial effect is deemed substantive if it results in a projected change of 1% or more in total shareholder equity. This threshold reflects the Bank's financial materiality criteria and is used

consistently across climate-related and environmental risk assessments. To support this definition, VakıfBank uses a 5×5 severity–likelihood matrix, where both the potential impact and the probability of occurrence are scored on a scale from 1 (very low) to 5 (very high). The matrix allows the Bank to evaluate and prioritize risks and opportunities by combining the size of potential impact with its likelihood. This approach ensures that only those effects with a meaningful financial implication are treated as substantive and integrated into sustainability-related governance and reporting processes.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Other, please specify :Equity

(2.4.3) Change to indicator

Select from:

☒ % increase

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

VakıfBank applies a quantitative threshold to determine whether an environmental risk or opportunity is considered substantive. A financial effect is deemed substantive if it results in a projected change of 1% or more in total shareholder equity. This threshold reflects the Bank's financial materiality criteria and is used consistently across climate-related and environmental risk assessments. To support this definition, VakıfBank uses a 5×5 severity–likelihood matrix, where both the potential impact and the probability of occurrence are scored on a scale from 1 (very low) to 5 (very high). The matrix allows the Bank to evaluate and prioritize risks and opportunities by combining the size of potential impact with its likelihood. This approach ensures that only those effects with a meaningful financial implication are treated as substantive and integrated into sustainability-related governance and reporting processes.

[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
Forests	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 Carbon Border Adjustment Mechanism (CBAM), developed as part of the European Union (EU) Green Deal, entered into force on October 1, 2023. Designed to prevent carbon leakage, CBAM imposes financial obligations on companies operating in carbon-intensive sectors and exporting to the EU. Effective from 2026, the mechanism covers sectors such as aluminum, cement, iron and steel, electricity, hydrogen, and fertilizers. It introduces carbon costs that are expected to significantly increase operational and capital expenditures for companies in these sectors. For VakıfBank, this may result in heightened credit risk. As companies in CBAM-covered sectors face rising compliance costs and declining competitiveness in EU markets, their profitability and cash flows may weaken, thereby compromising their ability to service existing loans. Consequently, the Bank may be exposed to an increased risk of default across parts of its loan portfolio."

(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

☒ Medium-term

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

"With the enforcement of the Carbon Border Adjustment Mechanism (CBAM), increasing carbon costs may compress the profit margins of companies operating in sectors to which VakıfBank provides credit, thereby negatively affecting their debt repayment capacity. This situation may pose a credit risk for the Bank. VakıfBank closely monitors credit risks arising from the financial difficulties that may be faced by its clients operating in carbon-intensive sectors as a result of the regulatory obligations introduced by CBAM. It has been identified that VakıfBank's portfolio includes exposure to sectors with high transition risks and within the scope of CBAM, such as iron and steel, cement, energy, aluminum, and fertilizers. As of 2024, loans to sectors subject to CBAM account for 5% of the Bank's total loan portfolio. Accordingly, the Bank has assessed clients' debt repayment capacity by examining the share of their exports to the EU within their total revenues."

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

Select from:

☒ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

190955624

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

190955624

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

190955624

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

190955624

(3.1.1.25) Explanation of financial effect figure

In short-term projections, the Bank calculated the impact of overlay provisions resulting from a one-notch downgrade in the credit ratings of its customers operating in the iron-steel, cement, energy, aluminum, and fertilizer sectors, and allocated an overlay provision amounting to TRY 190,955,624.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Develop a climate transition plan

(3.1.1.27) Cost of response to risk

190955624

(3.1.1.28) Explanation of cost calculation

The stated cost represents the overlay provisions recognized by VakıfBank in the short term to mitigate potential credit risks arising from CBAM-related transition risks. Specifically, the Bank projected a one-notch downgrade in the credit ratings of clients operating in iron and steel, cement, energy, aluminum, and fertilizer sectors due to increased carbon-related compliance costs. As a result, VakıfBank allocated TRY 190,955,624 in overlay provisions in line with TFRS 9 requirements.

In addition, operational expenses related to climate risk assessment—including scenario-based projections, data analysis, and risk monitoring—also contribute to the overall cost of response.

(3.1.1.29) Description of response

"To manage the financial risks associated with transition-related regulatory changes such as CBAM, VakıfBank has implemented a multifaceted risk response strategy. In the short term, the Bank has proactively calculated and set aside overlay provisions to address the potential credit impact of deteriorating client creditworthiness in high-risk sectors. In parallel, the Bank has supported renewable energy investments by offering sustainable finance to clients covered under the Renewable Energy Resources Support Mechanism (YEKDEM). These clients benefit from guaranteed purchase prices, reducing market and revenue volatility. Accordingly, VakıfBank has upgraded the risk ratings of these clients by one notch and allocated an underlay provision of TRY 69,519,644. In the medium and long term, VakıfBank aims to reshape its loan portfolio by gradually decreasing exposure to carbon-intensive sectors while prioritizing financing for low-carbon and environmentally friendly projects. This transition strategy not only mitigates financial risks posed by climate change but also positions the Bank to capture opportunities in sustainable finance."

Forests

(3.1.1.1) Risk identifier

Select from:

☒ Risk3

(3.1.1.2) Commodity

Select all that apply

☒ Not applicable

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Other acute physical risk, please specify :Floods, extreme heat waves, forest fires and tsunamis

(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

Climate change poses increasing physical risks to the Bank's lending in the tourism sector. Acute events such as floods, extreme heatwaves, wildfires, and tsunamis can damage tourism infrastructure, disrupt operations, and reduce the number of tourists. Additionally, chronic impacts such as sea level rise and water scarcity may diminish the attractiveness of destinations, negatively affecting long-term tourism revenues.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☒ Less than 1%

(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

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ More likely than not

(3.1.1.14) Magnitude

Select from:

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Increasing physical risks driven by climate change may reduce the revenues and loan repayment capacities of borrowing businesses, thereby jeopardizing the Bank's financial performance. Secondary effects of climate change, such as rising insurance premiums and supply chain disruptions, may further increase the costs of businesses in the tourism sector, making loan repayments even more challenging.

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

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

31385409108

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

31385409108

(3.1.1.25) Explanation of financial effect figure

Due to the high measurement uncertainty associated with the method used, the cost of responding to the risk could not be reliably quantified. Given this high measurement uncertainty, the maximum potential impact has been estimated as equivalent to the total value of the relevant portfolio exposure; therefore, this financial amount has been disclosed. More in-depth analyses will be conducted in the future.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☒ Other compliance, monitoring or target, please specify :In the upcoming period, measures planned in response to the related risk include strengthening collateral structures based on customer credit ratings, introducing climate resilience prerequisites, expanding mandatory insurance coverage, implementing

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

There is no spent for the response yet.

(3.1.1.29) Description of response

"Increasing physical risks driven by climate change may reduce the revenues and loan repayment capacities of borrowing businesses, thereby posing a threat to the Bank's financial performance. Secondary effects of climate change—such as rising insurance premiums and supply chain disruptions—may further increase the operating costs of businesses in the tourism sector, making loan repayments even more challenging. In its environmental and social risk assessments for project finance, the Bank also evaluates the climate change-related risks of the projects. Identified non-compliances are monitored through action plans and corrective measures are implemented. In the upcoming period, measures planned in response to this risk include strengthening collateral structures based on customer credit ratings, introducing climate resilience prerequisites, expanding mandatory insurance coverage, implementing project-based sustainability audits, and developing early warning systems."

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Water stress

(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

"The World Economic Forum (WEF) 2023 report indicates that droughts have significantly impacted global hydropower production, with output in the first half of 2023 falling by 8.5% compared to the same period in 2022. This confirms that drought poses a substantial risk to hydroelectric power plant (HPP) projects and complicates the energy transition. The report also highlights the importance of diversifying drought-resilient renewable energy sources and reducing dependence on hydropower. During drought periods, reduced rainfall and increased evaporation lower river water levels and flow rates. Water levels in dam reservoirs that supply HPPs also decrease, reducing the potential energy of the water that drives the turbines. As a result, the electricity generation capacity of HPPs may decrease, and in some cases, plants may even be rendered completely inoperative. In short, a decrease in river flow rates due to drought, particularly in basins with higher drought risk, may reduce the repayment capacity of loans and pose a credit risk for the Bank."

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☒ Less than 1%

(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

☒ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☒ More likely than not

(3.1.1.14) Magnitude

Select from:

☒ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As part of its sustainable energy investments, VakıfBank provides financing for hydroelectric power plants. As of 2024, hydroelectric projects constitute 20.1% of the renewable energy portfolio and 5.1% of the project finance portfolio. A decrease in river flow rates due to drought—particularly in basins with higher drought risk—may reduce the repayment capacity of loans and pose a credit risk for the Bank.

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

Select from:

☒ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

7731997663

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

7731997663

(3.1.1.25) Explanation of financial effect figure

Due to the high measurement uncertainty associated with the method used, the cost of responding to the risk could not be reliably quantified. Given this high measurement uncertainty, the maximum potential impact has been estimated as equivalent to the total value of the relevant portfolio exposure; therefore, this financial amount has been disclosed. More in-depth analyses will be conducted in the future.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Other policies or plans, please specify :The actions planned in response to the risk are as follows: Environmental and Social Management Plan Labor and Working Conditions Resource Efficiency and Pollution Prevention Community Health and Safety Plan Land Acquisition and Resettlement Biodiver

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

There is no spent for the response yet.

(3.1.1.29) Description of response

"The following actions are taken to reduce the environmental and social risks of HPP projects and ensure their alignment with sustainable development principles: Environmental and Social Management Plan: A comprehensive Environmental and Social Management Plan is prepared to assess the project's potential environmental and social impacts and to identify mitigation measures. Labor and Working Conditions: The rights, safety, and access to fair working conditions for workers at the project site are ensured, with compliance to national and international labor standards. Resource Efficiency and Pollution Prevention: Necessary measures are taken to ensure efficient use of water, energy, and other natural resources and to prevent pollution. Community Health and Safety Plan: The potential impacts of the project on community health and safety are assessed, and necessary measures are taken. Emergency response plans are prepared and drills are conducted. Land Acquisition and Resettlement: Land acquisition and involuntary resettlement processes are conducted fairly and transparently in accordance with international standards and local regulations. Biodiversity and Natural Resource Management: The project's impacts on biodiversity and natural resources are minimized. Necessary efforts are undertaken to protect ecosystems and ensure their sustainable use. Cultural Heritage Protection: Measures are taken to protect cultural heritage located within the project area (e.g., preparation of procedures such as the Chance Find Procedure)."

[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)

190955624

(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)

39117406771

(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

"Carbon Border Adjustment Mechanism (CBAM) Carbon Pricing Risk – 190,955,624 TRY Increasing Physical Risks from Climate Change in Tourism Sector Lending – 31,385,409,108 TRY Drought-Related Credit Risk in Hydroelectric Projects – 7,731,997,663 TRY"

Forests

(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)

31385409108

(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

Increasing Physical Risks from Climate Change in Tourism Sector Lending – 31,385,409,108 TRY

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)

7731997663

(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

Drought-Related Credit Risk in Hydroelectric Projects – 7,731,997,663 TRY

[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	<i>Select from:</i> ☒ Yes, we have identified opportunities, and some/all are being realized
Forests	<i>Select from:</i> ☒ Yes, we have identified opportunities, and some/all are being realized
Water	<i>Select from:</i> ☒ 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

Capital flow and financing

☒ Access to new financing options

(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

During the reporting period, VakıfBank leveraged the opportunity to provide credit products aligned with its Sustainable Finance Framework to companies actively transitioning to a low-carbon economy. By financing environmentally friendly projects, renewable energy developments, energy efficiency initiatives, and other climate-positive activities, the bank positioned itself as a leader in sustainable banking while supporting clients in reducing their carbon footprints. This approach has both advanced VakıfBank's climate objectives and strengthened its lending portfolio's alignment with global decarbonization goals.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Other, please specify :Increased revenue from the growing demand for sustainable finance 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

The provision of sustainable finance products generated additional income streams, improved financial performance, and supported more stable cash flows. This was driven by increased client demand for financing aligned with climate transition objectives, resulting in portfolio growth in renewable energy and energy efficiency projects. The bank's market position and reputation were further enhanced, contributing to sustained profitability and resilience in a competitive environment.

(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)

17680000000

(3.6.1.23) Explanation of financial effect figures

In 2024, VakıfBank generated TRY 17.680.000,000 in revenue from sustainable lending 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

1020000

(3.6.1.25) Explanation of cost calculation

The Cost to Realize Opportunity, amounting to TRY 1.020.000, 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 has adopted increasing access to international resources for financing the green transition as a strategic priority. In this context, sectors with a high need for transformation are prioritized; in cooperation with the relevant business units, efforts are carried out to develop sustainable financing products tailored to these sectors, and financing sources are diversified. In addition, through syndicated loans, collaborations are developed at both the national and international levels, thereby achieving significant gains not only in terms of financial resources but also in terms of environmental sustainability. Innovative financing solutions strengthen the Bank's asset quality while also making meaningful contributions to sectoral transformation processes and sustainable development.

Forests

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.2) Commodity

Select all that apply

☒ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☒ Access to new financing options

(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

VakıfBank identified the opportunity to expand its sustainable framework-related lending to include projects and clients that contribute to the conservation and sustainable management of forest resources. By financing environmentally friendly projects, renewable energy developments, and energy efficiency initiatives that reduce deforestation pressures and promote responsible land use, the bank supports clients' transition to more sustainable operations and decreases portfolio exposure to forest-related risks.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Other, please specify :Increased revenue from the growing demand for sustainable finance 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

This opportunity generated additional income streams, improved financial performance, and supported more stable cash flows by meeting rising demand for sustainable finance solutions linked to forest conservation, while enhancing VakıfBank's market position and stakeholder trust.

(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)

17680000000

(3.6.1.23) Explanation of financial effect figures

In 2024, VakıfBank generated TRY 17.680.000,000 in revenue from sustainable lending 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

(3.6.1.25) Explanation of cost calculation

The Cost to Realize Opportunity, amounting to TRY 1.020.000, 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 has adopted increasing access to international resources for financing the green transition as a strategic priority. In this context, sectors with a high need for transformation are prioritized; in cooperation with the relevant business units, efforts are carried out to develop sustainable financing products tailored to these sectors, and financing sources are diversified. In addition, through syndicated loans, collaborations are developed at both the national and international levels, thereby achieving significant gains not only in terms of financial resources but also in terms of environmental sustainability. Innovative financing solutions strengthen the Bank's asset quality while also making meaningful contributions to sectoral transformation processes and sustainable development.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☒ Access to new financing options

(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

During the reporting period, VakıfBank leveraged the opportunity to provide credit products aligned with its Sustainable Finance Framework to companies actively transitioning to a low-carbon economy. By financing environmentally friendly projects, renewable energy developments, energy efficiency initiatives, and other climate-positive activities, the bank positioned itself as a leader in sustainable banking while supporting clients in reducing their carbon footprints. This approach has both advanced VakıfBank's climate objectives and strengthened its lending portfolio's alignment with global decarbonization goals.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Other, please specify :Increased revenue from the growing demand for sustainable finance 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

This opportunity generated additional income streams, improved financial performance, and supported more stable cash flows by meeting rising demand for sustainable finance solutions that address water resource management, while strengthening VakıfBank's market position and reputation.

(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)

17680000000

(3.6.1.23) Explanation of financial effect figures

In 2024, VakıfBank generated TRY 17.680.000,000 in revenue from sustainable lending 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

1020000

(3.6.1.25) Explanation of cost calculation

The Cost to Realize Opportunity, amounting to TRY 1.020.000, 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 has adopted increasing access to international resources for financing the green transition as a strategic priority. In this context, sectors with a high need for transformation are prioritized; in cooperation with the relevant business units, efforts are carried out to develop sustainable financing products tailored to these sectors, and financing sources are diversified. In addition, through syndicated loans, collaborations are developed at both the national and international levels, thereby achieving significant gains not only in terms of financial resources but also in terms of environmental sustainability. Innovative financing solutions strengthen the Bank's asset quality while also making meaningful contributions to sectoral transformation processes and sustainable development.

[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:

☒ Revenue

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

17680000000

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

Select from:

☒ 41-50%

(3.6.2.4) Explanation of financial figures

In 2024, VakıfBank generated TRY 17.680.000,000 in revenue from sustainable lending 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.

Forests

(3.6.2.1) Financial metric

Select from:

☒ Revenue

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

17680000000

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

Select from:

☒ 41-50%

(3.6.2.4) Explanation of financial figures

In 2024, VakıfBank generated TRY 17.680.000,000 in revenue from sustainable lending 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.

Water

(3.6.2.1) Financial metric

Select from:

☒ Revenue

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

17680000000

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

Select from:

☒ 41-50%

(3.6.2.4) Explanation of financial figures

In 2024, VakıfBank generated TRY 17.680.000,000 in revenue from sustainable lending 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.

[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 fair treatment in recruitment, performance evaluations, promotions, training, work-life balance, transparent career development, prevention of gender-based discrimination and harassment, and ensuring equal pay. The policies are overseen by the Corporate Governance Committee, Human Resources Department, and Corporate Development & Academy Department, with final approval by the Board. The Board highly values diversity, believing it brings varied perspectives and unbiased decision-making, reinforcing VakıfBank's commitment to equality and inclusion.

(4.1.6) Attach the policy (optional)

(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
Forests	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
☒ Board-level committee

(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

☒ Approving and/or overseeing employee incentives

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

☒ Overseeing and guiding major capital expenditures

☒ Monitoring the implementation of the business strategy

☒ Monitoring the implementation of a climate transition plan

☒ Overseeing and guiding the development of a business strategy

☒ Overseeing and guiding the development of a climate transition plan

(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 highest governing body responsible for oversight of environmental and climate-related issues at VakıfBank is the Board of Directors. The Board is accountable for approving the Bank's sustainability strategy, overseeing the integration of climate-related risks and opportunities into corporate strategy and risk management, and

ensuring that climate-related performance aligns with VakıfBank's long-term business objectives. To support the Board in executing these responsibilities, a cross-functional Sustainability Committee, composed of Assistant General Managers and chaired by the CEO, provides strategic guidance and coordination on sustainability and climate issues. The committee plays a critical role in operationalizing the Bank's climate-related commitments and regularly reports its findings and recommendations to the Board. The committee convenes at least quarterly and oversees several dedicated working groups, including the Climate Risk Working Group, the Green Asset Ratio Working Group, and the Science-Based Targets Working Group. These groups provide data-driven insights and progress updates on topics such as emissions reduction, portfolio alignment, transition planning, and regulatory developments. Key governance mechanisms into which climate issues are integrated include the review and approval of corporate targets, monitoring of environmental KPIs (e.g., 2% annual GHG reduction target), guidance on transition plan implementation, and oversight of climate-related scenario analysis. Internal audit and risk units also contribute to monitoring through regular assessments of climate-related data quality, compliance, and methodology integrity. The roles and responsibilities related to climate governance are formally described in publicly available policies, including the Sustainability Policy, Environmental Policy, and Environmental and Social Impact Management in Lending Policy

Forests

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

Select all that apply

☒ Board-level committee

(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
- ☒ Approving and/or overseeing employee incentives
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Overseeing and guiding major capital expenditures
- ☒ Monitoring the implementation of the business strategy
- ☒ Monitoring the implementation of a climate transition plan
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Overseeing and guiding the development of a climate transition plan

(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

At VakıfBank, the highest governing body responsible for overseeing environmental and climate-related matters is the Board of Directors. The Board is responsible for approving the Bank's sustainability strategy, overseeing the integration of climate-related risks and opportunities into corporate strategy and risk management, and ensuring that climate-related performance aligns with VakıfBank's long-term business objectives. To support the Board in fulfilling these responsibilities, an interdepartmental Sustainability Committee, composed of Executive Vice Presidents and chaired by the CEO, provides strategic guidance and coordination on climate and water issues. The Committee receives input on the Bank's environmental performance—including water-related metrics—from working groups and relevant departments. Under the Environmental Policy and the Policy on the Management of Environmental and Social Impacts in Lending Processes, VakıfBank does not finance activities that may lead to the degradation of biodiversity-critical areas such as RAMSAR sites, nor investments linked to the production or trade of products derived from unsustainably managed forests. Responsibilities related to forest sustainability and biodiversity are detailed in publicly disclosed policies such as the Environmental Policy and the Environmental and Social Impact Management in Lending Policy..

Water

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

Select all that apply

- ☒ Board-level committee

(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 major capital expenditures |
| ☒ Overseeing and guiding scenario analysis | ☒ Monitoring the implementation of the business strategy |
| ☒ Overseeing the setting of corporate targets | ☒ Monitoring the implementation of a climate transition plan |
| ☒ Monitoring progress towards corporate targets | ☒ Overseeing and guiding the development of a business strategy |
| ☒ Approving and/or overseeing employee incentives | ☒ Overseeing and guiding the development of a climate transition plan |
| ☒ 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

At VakıfBank, the highest governing body responsible for overseeing environmental and climate-related matters is the Board of Directors. The Board is responsible for approving the Bank's sustainability strategy, overseeing the integration of climate-related risks and opportunities into corporate strategy and risk management, and ensuring that climate-related performance aligns with VakıfBank's long-term business objectives. To support the Board in fulfilling these responsibilities, an interdepartmental Sustainability Committee, composed of Executive Vice Presidents and chaired by the CEO, provides strategic guidance and coordination on climate and water issues. The Committee receives input on the Bank's environmental performance, including water-related metrics, from working groups and relevant departments. VakıfBank monitors water consumption data at its locations and sets annual reduction targets. Under the Environmental Policy, water efficiency measures and awareness initiatives are implemented. Additionally, physical water-related risks—particularly in regions vulnerable to climate impacts—are considered within the Bank's operational and risk management frameworks. The Board of Directors establishes and periodically monitors annual targets to reduce the environmental impacts of branch and unit operations, including electricity, natural gas, water, and paper consumption, as well as total carbon emissions. In this context, a 2% annual reduction target is set for per capita water and paper consumption. Responsibilities related to water governance are detailed in publicly disclosed policies such as the Sustainability Policy, Environmental Policy, and the Environmental and Social Impact Management in Lending Policy, all of which affirm the Bank's commitment to sustainable water use and risk-based decision-making.

[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

Additional training

☒ Training in an environmental subject by a certified organization, please specify :SBTi Training

Experience

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

Forests

(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

Additional training

☒ Training in an environmental subject by a certified organization, please specify :SBTi Training

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

Additional training

- ☒ Training in an environmental subject by a certified organization, please specify :SBTi Training

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	Primary reason for no management-level responsibility for environmental issues	Explain why your organization does not have management-level responsibility for environmental issues
Climate change	Select from: ☒ Yes	Select from:	Rich text input [must be under 2500 characters]
Forests	Select from: ☒ Yes	Select from:	Rich text input [must be under 2500 characters]
Water	Select from: ☒ Yes	Select from:	Rich text input [must be under 2500 characters]
Biodiversity	Select from: ☒ No, and we do not plan to within the next two years	Select from: ☒ No standardized procedure	N/A

[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

☒ Chief Executive Officer (CEO)

(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

Policies, commitments, and targets

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Conducting environmental scenario analysis
- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Implementing the business strategy 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 Chief Executive Officer (CEO) is the most senior executive responsible for environmental and sustainability issues at VakıfBank. The CEO chairs the Sustainability Committee, which is the Bank's top body for directing ESG and climate strategy. The CEO leads the integration of environmental and water-related priorities into the Bank's strategic planning, lending policies, and operational decisions. Under the CEO's leadership, the Committee monitors progress against targets, evaluates environmental risks, and reports to the Board. Internal audit and ESG working groups also support reporting and oversight responsibilities

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(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

Policies, commitments, and targets

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Conducting environmental scenario analysis
- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Implementing the business strategy 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 Chief Executive Officer (CEO) is the most senior executive responsible for environmental and sustainability issues at VakıfBank. The CEO chairs the Sustainability Committee, which is the Bank's top body for directing ESG and water strategy. The CEO leads the integration of environmental and water-related priorities into the Bank's strategic planning, lending policies, and operational decisions. Under the CEO's leadership, the Committee monitors progress against targets, evaluates environmental risks, and reports to the Board. Internal audit and ESG working groups also support reporting and oversight responsibilities

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(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

Policies, commitments, and targets

- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental targets

Strategy and financial planning

- ☒ Conducting environmental scenario analysis
- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Implementing the business strategy 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 Chief Executive Officer (CEO) is the most senior executive responsible for environmental and sustainability issues at VakıfBank. The CEO chairs the Sustainability Committee, which is the Bank's top body for directing ESG and water strategy. The CEO leads the integration of environmental and water-related priorities into the Bank's strategic planning, lending policies, and operational decisions. Under the CEO's leadership, the Committee monitors progress against targets, evaluates environmental risks, and reports to the Board. Internal audit and ESG working groups also support reporting and oversight responsibilities
[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

0

(4.5.3) Please explain

Although performance indicators directly related to environmental management have not yet been defined for senior executives, regional and branch managers are evaluated based on performance indicators in areas related to sustainability, such as expense management, resource efficiency, and customer satisfaction, and these indicators are integrated into the remuneration/bonus system. The performance criteria for Branch and Regional Managers include Operational Efficiency metrics such as reducing electricity, water, natural gas, fuel, and paper consumption, promoting digital banking, and minimizing carbon emissions resulting from customer branch visits. The Parent Bank is also working on integrating climate-related performance indicators into the remuneration system at the senior management level and is establishing the necessary infrastructure to ensure the proper functioning of this process..

Forests

(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

0

(4.5.3) Please explain

Although performance indicators directly related to environmental management have not yet been defined for senior executives, regional and branch managers are evaluated based on performance indicators in areas related to sustainability, such as expense management, resource efficiency, and customer satisfaction, and these indicators are integrated into the remuneration/bonus system. The performance criteria for Branch and Regional Managers include Operational Efficiency metrics such as reducing electricity, water, natural gas, fuel, and paper consumption, promoting digital banking, and minimizing carbon emissions resulting from customer branch visits. The Parent Bank is also working on integrating climate-related performance indicators into the remuneration system at the senior management level and is establishing the necessary infrastructure to ensure the proper functioning of this process..

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

0

(4.5.3) Please explain

Although performance indicators directly related to environmental management have not yet been defined for senior executives, regional and branch managers are evaluated based on performance indicators in areas related to sustainability, such as expense management, resource efficiency, and customer satisfaction, and these indicators are integrated into the remuneration/bonus system. The performance criteria for Branch and Regional Managers include Operational Efficiency

metrics such as reducing electricity, water, natural gas, fuel, and paper consumption, promoting digital banking, and minimizing carbon emissions resulting from customer branch visits. The Parent Bank is also working on integrating climate-related performance indicators into the remuneration system at the senior management level and is establishing the necessary infrastructure to ensure the proper functioning of this process..

[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

Senior-mid management

☒ Management group

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☒ Progress towards environmental targets

Strategy and financial planning

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

Emission reduction

☒ Reduction in emissions intensity

☒ Increased share of renewable energy in total energy consumption

☒ Reduction in absolute emissions

Resource use and efficiency

- ☒ Reduction of water withdrawals – direct operations
- ☒ Reduction in water consumption volumes – direct operations
- ☒ Improvements in water efficiency – direct operations
- ☒ Energy efficiency improvement
- ☒ Reduction in total energy consumption

(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

Although performance indicators directly related to environmental management have not yet been defined for senior executives, regional and branch managers are evaluated based on performance indicators in areas related to sustainability, such as expense management, resource efficiency, and customer satisfaction, and these indicators are integrated into the remuneration/bonus system. The performance criteria for Branch and Regional Managers include Operational Efficiency metrics such as reducing electricity, water, natural gas, fuel, and paper consumption, promoting digital banking, and minimizing carbon emissions resulting from customer branch visits.

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

The integration of sustainability-related performance indicators into the incentive structures of branch and regional managers directly supports the bank's environmental and climate transition goals. By incentivizing reductions in resource consumption and emissions, and encouraging digital alternatives, the incentive mechanism helps operationalize environmental commitments at the local level. This approach fosters behavioral change and aligns day-to-day management decisions with broader sustainability objectives.

Forests

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- ☒ Management group

(4.5.1.2) Incentives

Select all that apply

- ☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ☒ Progress towards environmental targets

Strategy and financial planning

- ☒ Increased proportion of revenue from low environmental impact products or services

Emission reduction

- ☒ Reduction in emissions intensity
- ☒ Increased share of renewable energy in total energy consumption
- ☒ Reduction in absolute emissions

Resource use and efficiency

- ☒ Reduction of water withdrawals – direct operations
- ☒ Reduction in water consumption volumes – direct operations
- ☒ Improvements in water efficiency – direct operations
- ☒ Energy efficiency improvement
- ☒ Reduction in total energy consumption

(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

Although performance indicators directly related to environmental management have not yet been defined for senior executives, regional and branch managers are evaluated based on performance indicators in areas related to sustainability, such as expense management, resource efficiency, and customer satisfaction, and these indicators are integrated into the remuneration/bonus system. The performance criteria for Branch and Regional Managers include Operational Efficiency metrics such as reducing electricity, water, natural gas, fuel, and paper consumption, promoting digital banking, and minimizing carbon emissions resulting from customer branch visits.

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

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Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☒ Management group

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☒ Progress towards environmental targets

Strategy and financial planning

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

Emission reduction

- ☒ Reduction in emissions intensity
- ☒ Increased share of renewable energy in total energy consumption
- ☒ Reduction in absolute emissions

Resource use and efficiency

- ☒ Reduction of water withdrawals – direct operations
- ☒ Reduction in water consumption volumes – direct operations
- ☒ Improvements in water efficiency – direct operations
- ☒ Energy efficiency improvement
- ☒ Reduction in total energy consumption

(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

Although performance indicators directly related to environmental management have not yet been defined for senior executives, regional and branch managers are evaluated based on performance indicators in areas related to sustainability, such as expense management, resource efficiency, and customer satisfaction, and these indicators are integrated into the remuneration/bonus system. The performance criteria for Branch and Regional Managers include Operational Efficiency metrics such as reducing electricity, water, natural gas, fuel, and paper consumption, promoting digital banking, and minimizing carbon emissions resulting from customer branch visits.

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

The integration of sustainability-related performance indicators into the incentive structures of branch and regional managers directly supports the bank's environmental and climate transition goals. By incentivizing reductions in resource consumption and emissions, and encouraging digital alternatives, the incentive mechanism helps operationalize environmental commitments at the local level. This approach fosters behavioral change and aligns day-to-day management decisions with broader sustainability objectives.

[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
- ☒ Forests
- ☒ 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 defines a structured and principle-based approach to environmental sustainability across all business areas and operational levels. The policy encompasses the Bank's direct operations, subsidiaries, employees, and supply chain, and is designed to ensure compliance with applicable environmental laws, regulations, and internationally recognized standards. It guides the integration of environmental considerations into business strategy, risk management, and lending processes. This includes the management of environmental risks, the promotion of resource efficiency, and the support of sustainable finance practices. The policy reflects VakıfBank's commitment to preventing environmental degradation, protecting biodiversity, and fostering a low-carbon economy. Environmental awareness among employees and stakeholders is reinforced through internal communication and training. The policy encourages responsible consumption, waste reduction, and environmentally conscious procurement. It also commits to transparency and accountability through regular reviews and public disclosure. The Environmental Policy is implemented under the oversight of the Sustainability Committee and is regularly updated to reflect regulatory developments, best practices, and evolving environmental priorities

(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

Forests-specific commitments

- ☑ Commitment to no-conversion of natural ecosystems by target date, please specify
- ☑ Commitment to the use of the High Conservation Value (HCV) approach

Water-specific commitments

- ☑ Commitment to reduce water consumption volumes
- ☑ Commitment to reduce water withdrawal volumes
- ☑ Commitment to control/reduce/eliminate water pollution
- ☑ Commitment to water stewardship and/or collective action

- ☒ Commitment to safely managed WASH in local communities
- ☒ Commitment to the conservation of freshwater ecosystems

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to promote gender equality and women's empowerment
- ☒ Commitment to respect internationally recognized human rights

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 the Kunming-Montreal Global Biodiversity Framework
- ☒ 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

2---cevre-politikas-(en)-.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)	<i>Select from:</i> ☒ 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
- ☒ Forests
- ☒ 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

(4.7.1.3) Public availability

Select from:

- ☒ Publicly available

(4.7.1.4) Attach the policy

environmental-and-social-impacts-management-policy-in-lending-processes.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 | ☒ Fossil Fuels |
| ☒ Apparel | ☒ Manufacturing |
| ☒ Services | ☒ Infrastructure |
| ☒ Materials | ☒ Power generation |
| ☒ Hospitality | ☒ International bodies |
| ☒ Transportation services | |
| ☒ Food, beverage & agriculture | |
| ☒ Biotech, health care & pharma | |

(4.7.1.7) Commodities covered by the policy

Select all that apply

- ☒ All agricultural commodities
- ☒ Timber products

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- ☒ Production

☒ Trading

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

1

(4.7.1.10) Basis of exceptions to policy

Select all that apply

☒ Transaction size

☒ Other, please specify :Asset Class

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

VakıfBank evaluates the environmental and social impacts of the loans it finances under the Environmental and Social Management System (ESMS) and effectively manages environmental and social risks in lending processes. The Bank does not, under any circumstances, finance projects that are not compliant with environmental and social legislation or that fall under the VakıfBank Excluded Activities List as assessed within the scope of the ESMS. Within the ESMS framework, VakıfBank evaluates and manages environmental, social, governance, occupational health and safety, and other non-financial risks and their potential impacts for loans of USD 20 million and above. If the financing in question is not included in the Excluded Activities List, falls within the scope of project finance, and the loan amount is USD 20 million or above, an environmental and social risk assessment is conducted for the relevant client and project using the Environmental and Social Assessment Tool. Based on this assessment, the project is classified into one of four risk categories: A (High), B+ (Medium-High), B- (Medium-Low), and C (Low). As of the end of 2023, all stages of the environmental and social risk assessment process have been integrated into the Bank's information system. Additionally, the Bank aims to expand its ESMS-covered credit portfolio by lowering the ESMS assessment threshold from USD 20 million to USD 10 million in 2025. Independently from the ESMS, VakıfBank also applies a dedicated environmental and social risk assessment process for working capital loans provided to firms operating in the retail, SME, commercial, and corporate segments under the Emergency Firm Support Project (EFSP), signed with the World Bank in 2020 with a funding amount of USD 250 million. In the initial stages of the process, assessments were conducted using project finance methodologies with the support of a consulting firm due to limited internal capacity. However, as of the end of 2023, the Environmental and Social Assessment Tool designed by VakıfBank's Environmental and Social Impact Analysis Department has been integrated into the Bank's system, enabling the full implementation of the process in-house.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☒ Commitment to no trade of CITES listed species
environmental issues

☒ Commitment to respect legally designated protected areas

☒ Commitment to comply with regulations and mandatory standards

☒ Commitment to stakeholder engagement and capacity building on

- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to avoidance of negative impacts on threatened and protected species

Climate-specific commitments

- ☒ Commitment to net-zero emissions
- ☒ Commitment to 100% renewable energy regulations
- ☒ Commitment to disclose Scope 1 emissions
- ☒ Commitment to disclose Scope 2 emissions
- ☒ Commitment to disclose Scope 3 emissions
- ☒ Commitment to set a science-based emissions reduction target
- ☒ Commitment to not funding climate-denial or lobbying against climate

Forests-specific commitments

- ☒ Commitment to no-conversion of natural ecosystems by target date, please specify :No Target Date
- ☒ Commitment to the use of the High Conservation Value (HCV) approach

Water-specific commitments

- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to reduce water consumption volumes
- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to safely managed WASH in local communities
- ☒ Commitment to the conservation of freshwater ecosystems

Social commitments

- ☒ Adoption of the UN International Labour Organization principles
- ☒ Commitment to promote gender equality and women's empowerment
- ☒ Commitment to respect internationally recognized human rights

(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

2

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

14

(4.7.1.16) Target year for 100% compliance

Select from:

☒ Within the next 2 years

[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

(4.7.2.5) Year of complete phaseout

2023

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

- ☒ Turkey

(4.7.2.7) Description

VakıfBank established its first Sustainable Finance Framework in 2020 and updated it in 2023. This Framework enables the issuance of Green, Social, and Sustainability Bonds and Loans (collectively, “Sustainable Finance Instruments”). In line with the exclusion policy that applies to all fossil fuels, projects and operations related to coal, oil, and natural gas are ineligible to receive financing under VakıfBank’s sustainable finance activities.

[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
- ☒ Forests
- ☒ 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

1.1

(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 İstanbul. 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.

Forests

(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

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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

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[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
- ☒ Kunming-Montreal Global Biodiversity Framework
- ☒ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

integrated-annual-report-2024.pdf

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

Select from:

- ☒ No

(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 feedback 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
- ☒ Forests
- ☒ Water

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

Other

- ☒ Climate transition plans
- ☒ Other, please specify :Sustainable Finance

(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

☒ Turkey

(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

☒ Kunming-Montreal Global Biodiversity Framework

☒ 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

Europe

☒ Other trade association in Europe, 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
- ☒ Forests
- ☒ 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

☒ Kunming-Montreal Global Biodiversity Framework

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(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

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Forests

☒ 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 1 21 Governance: pages 135-153 Public policy engagement: pages 94-95 Dependencies & Impacts: pages 166-171 Risks & Opportunities: pages 162-167 Strategy: pages 54-59 Value chain engagement: pages 94-95 Emissions figures: page 503 Emission targets: page 121 Water accounting figures: page 503

(4.12.1.7) Attach the relevant publication

integrated-annual-report-2024.pdf

(4.12.1.8) Comment

Our 2024 Integrated Annual Report is available on our website.

Row 2

(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

☒ IFRS

☒ Other, please specify :TSRS/IFRS

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Forests

☒ Water

(4.12.1.4) Status of the publication

Select from:

☒ Complete

(4.12.1.5) Content elements

Select all that apply

☒ Governance

☒ Risks & Opportunities

- ☑ Strategy
- ☑ Emissions figures
- ☑ Emission targets

(4.12.1.6) Page/section reference

Governance: pages 9-14 Risks & Opportunities: pages 15-19 Strategy: pages 20-31 Emissions figures: pages 33-34 Emission targets: page 32

(4.12.1.7) Attach the relevant publication

t.-vakiflar-bankasi-t.a.o-tsrs-uyumlu-surdurulebilirlik-raporu-2024.pdf

(4.12.1.8) Comment

Our TSRS S2 report which can be said that IFRS S2 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:

☒ Annually

Forests

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

Water

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ Annually

[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

The NGFS Net Zero 2050 scenario assumes a highly ambitious and immediate global climate policy response aimed at limiting temperature rise to 1.5°C. It incorporates stringent carbon pricing schemes, early phasing out of fossil fuels, and a rapid scale-up of low-carbon technologies and electrification. Sectoral transition assumptions include large-scale renewable energy deployment, electrification of transport and buildings, and decarbonization of heavy industries. The scenario embeds macroeconomic pathways, such as increased green investments, declining fossil fuel demand, and shifts in labor markets. Uncertainties include the uneven pace of climate policy adoption across jurisdictions, volatility in carbon pricing markets, and the degree of behavioral change in both consumers and industries. Further uncertainty arises from how quickly financial markets and institutions can reallocate capital towards low-carbon technologies. From a financial modeling perspective, one key constraint is the limited granularity in projecting firm-level impacts, especially in emerging markets like Turkey. Additionally, the translation of macroeconomic assumptions into banking-specific risk metrics (e.g., credit default probabilities) requires conservative stress testing frameworks, which may not fully capture systemic interdependencies.

(5.1.1.11) Rationale for choice of scenario

The NGFS Net Zero 2050 scenario has been selected due to its alignment with the goals of the Paris Agreement and its relevance to financial institutions committed to science-based decarbonization pathways. It offers integrated assessment of both transition and physical risks, with detailed outputs on carbon pricing, GDP growth, sectoral impacts, and inflation—parameters critical for long-term financial planning. For VakıfBank, this scenario forms the backbone of its 2030 and 2050 climate strategy and underpins the bank's decarbonization targets validated by the Science Based Targets initiative (SBTi). Furthermore, the scenario is widely endorsed by central banks and financial supervisors, ensuring methodological credibility and enabling benchmarking against peer institutions. It helps VakıfBank assess portfolio resilience under aggressive climate action and supports integration of environmental criteria into lending and investment decisions.

Forests

(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:

☒ SSP5

(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

2020

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

(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
- ☑ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 8.5 scenario represents a high-emission, business-as-usual pathway in which global greenhouse gas emissions continue to rise throughout the 21st century. It assumes rapid population growth, limited climate policy intervention, heavy reliance on fossil fuels, and slow technological innovation in the energy sector. Atmospheric CO₂ concentrations are projected to exceed 1300 ppm by 2100, resulting in an increase in global mean temperature of 4.3–5.5°C above pre-industrial levels. Physical manifestations under this pathway include frequent and intense heatwaves, severe droughts, rising sea levels, and widespread precipitation variability. Key uncertainties include regional climate model downscaling accuracy, feedback loops in the Earth system (e.g., permafrost thaw), and the exact economic and infrastructural impacts in developing countries. For VakıfBank, constraints arise from the limited granularity and resolution of sub-national datasets, especially in translating temperature and rainfall variability into operational and financial risk metrics. The potential compounding of risks (e.g., heatwaves triggering power outages or water shortages) introduces systemic uncertainty in risk assessments.

(5.1.1.11) Rationale for choice of scenario

RCP 8.5 has been selected to explore worst-case physical climate risk exposure, especially in the absence of strong global mitigation efforts. It allows VakıfBank to stress test its physical infrastructure and branch-level operations against the most severe projected climate conditions. This scenario enables identification of highly vulnerable geographies where service continuity could be at risk due to chronic heat stress or extreme precipitation. It is particularly relevant for evaluating long-term climate resilience of fixed assets and client portfolios exposed to agricultural, energy, and water-intensive sectors. Additionally, by incorporating data from the Turkish State Meteorological Service and national climate risk studies, the bank ensures region-specific calibration of the scenario outputs to support robust adaptation and risk mitigation planning.

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:

- ☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2030
- ☒ 2040

(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

The WRI Aqueduct Water Risk Atlas utilizes hydrological modeling based on the PCR-GLOBWB 2 framework and integrates climate change projections from RCP 4.5 and RCP 8.5. It assesses baseline water stress, seasonal variability, inter-annual variability, flood occurrence, and drought severity across global watersheds. Assumptions include continued economic and population growth increasing water demand, compounded by climate-induced shifts in water availability. For Turkey, projections for the 2030- and 2040-time horizons are commonly used to identify future water stress zones. Uncertainties relate to how water governance, infrastructure investments, and regulatory enforcement evolve at local and national levels. Furthermore, projections are constrained by the limited temporal resolution of water availability data and limited granularity at sub-basin or municipal scale, which can hinder asset-level risk mapping. For financial institutions like VakıfBank, the integration of hydrological risk into loan underwriting or investment due diligence remains an emerging practice, and scenario translation into quantitative financial exposure metrics poses additional technical challenges. Nonetheless, VakıfBank combines WRI outputs with operational footprint data to bridge this gap.

(5.1.1.11) Rationale for choice of scenario

The WRI Aqueduct tool has been selected as a globally recognized and methodologically robust platform for assessing physical water risks across operational and client geographies. It is particularly valuable for identifying hotspots of water stress, drought, or flood risk that may disrupt VakıfBank's physical infrastructure or impair client performance in water-intensive sectors such as agriculture, energy, and manufacturing. By overlaying WRI outputs with internal geographic distribution of service points, VakıfBank can assess the likelihood of operational disruption or reputational risk due to water scarcity. Additionally, the tool supports integration of water-related risk assessments into the bank's broader ESG risk framework and credit evaluation process, aligning with sustainable lending practices and international reporting expectations.

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:

☒ SSP5

(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

2020

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040

(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

- ☒ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 8.5 scenario represents a high-emission, business-as-usual pathway in which global greenhouse gas emissions continue to rise throughout the 21st century. It assumes rapid population growth, limited climate policy intervention, heavy reliance on fossil fuels, and slow technological innovation in the energy sector. Atmospheric CO₂ concentrations are projected to exceed 1300 ppm by 2100, resulting in an increase in global mean temperature of 4.3–5.5°C above pre-industrial levels. Physical manifestations under this pathway include frequent and intense heatwaves, severe droughts, rising sea levels, and widespread precipitation variability. Key uncertainties include regional climate model downscaling accuracy, feedback loops in the Earth system (e.g., permafrost thaw), and the exact economic and infrastructural impacts in developing countries. For VakıfBank, constraints arise from the limited granularity and resolution of sub-national datasets, especially in translating temperature and rainfall variability into operational and financial risk metrics. The potential compounding of risks (e.g., heatwaves triggering power outages or water shortages) introduces systemic uncertainty in risk assessments.

(5.1.1.11) Rationale for choice of scenario

RCP 8.5 has been selected to explore worst-case physical climate risk exposure, especially in the absence of strong global mitigation efforts. It allows VakıfBank to stress test its physical infrastructure and branch-level operations against the most severe projected climate conditions. This scenario enables identification of highly vulnerable geographies where service continuity could be at risk due to chronic heat stress or extreme precipitation. It is particularly relevant for evaluating long-term climate resilience of fixed assets and client portfolios exposed to agricultural, energy, and water-intensive sectors. Additionally, by incorporating data from the Turkish State Meteorological Service and national climate risk studies, the bank ensures region-specific calibration of the scenario outputs to support robust adaptation and risk mitigation planning.

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:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

(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
- ☑ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 4.5 scenario is a stabilization pathway assuming global implementation of moderate climate policies. It projects greenhouse gas emissions to peak around 2040 and decline thereafter, resulting in a radiative forcing level of 4.5 W/m² by 2100. Atmospheric CO₂ concentrations stabilize near 650 ppm, and global average temperature increases are estimated to remain between 2.5°C and 3°C by the end of the century. This scenario includes assumptions about increasing energy efficiency, partial fuel switching, and regionally diverse mitigation efforts. Uncertainties stem from the variability in regional climate responses, especially in precipitation and drought patterns. In the Turkish context, constraints include the limited resolution of localized impact modeling and the inability to fully capture microclimate effects on urban banking infrastructure or rural economic activity. Moreover, socioeconomic projections (e.g., GDP growth, energy demand) under SSP2 may diverge from real-world trends, which may lead to an under- or overestimation of medium-term risk exposure. VakıfBank mitigates these uncertainties by complementing global climate models with national data from the Turkish State Meteorological Service and focusing on service point-specific assessments.

(5.1.1.11) Rationale for choice of scenario

RCP 4.5 is used as a more plausible, mid-range physical risk scenario that reflects moderate policy ambition and serves as a realistic reference point for long-term adaptation planning. It allows VakıfBank to evaluate how gradual changes in temperature and precipitation patterns could affect its operations and portfolio over multi-decadal timeframes. The scenario informs risk assessments related to chronic physical climate risks—such as water scarcity and heat stress—particularly in geographies where infrastructure resilience is critical. By integrating this scenario into the bank's climate strategy, VakıfBank ensures its physical risk evaluations are not only aligned with global scientific consensus but also grounded in domestic meteorological observations and impact data. This supports prudent capital allocation and service continuity planning.

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

2020

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

(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
- ☑ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 8.5 scenario represents a high-emission, business-as-usual pathway in which global greenhouse gas emissions continue to rise throughout the 21st century. It assumes rapid population growth, limited climate policy intervention, heavy reliance on fossil fuels, and slow technological innovation in the energy sector. Atmospheric CO₂ concentrations are projected to exceed 1300 ppm by 2100, resulting in an increase in global mean temperature of 4.3–5.5°C above pre-industrial levels. Physical manifestations under this pathway include frequent and intense heatwaves, severe droughts, rising sea levels, and widespread precipitation variability. Key uncertainties include regional climate model downscaling accuracy, feedback loops in the Earth system (e.g., permafrost thaw), and the exact economic and infrastructural impacts in developing countries. For VakıfBank, constraints arise from the limited granularity and resolution of sub-national datasets, especially in translating temperature and rainfall variability into operational and financial risk metrics. The potential compounding of risks (e.g., heatwaves triggering power outages or water shortages) introduces systemic uncertainty in risk assessments.

(5.1.1.11) Rationale for choice of scenario

RCP 8.5 has been selected to explore worst-case physical climate risk exposure, especially in the absence of strong global mitigation efforts. It allows VakıfBank to stress test its physical infrastructure and branch-level operations against the most severe projected climate conditions. This scenario enables identification of highly vulnerable geographies where service continuity could be at risk due to chronic heat stress or extreme precipitation. It is particularly relevant for evaluating long-term climate resilience of fixed assets and client portfolios exposed to agricultural, energy, and water-intensive sectors. Additionally, by incorporating data from the Turkish State Meteorological Service and national climate risk studies, the bank ensures region-specific calibration of the scenario outputs to support robust adaptation and risk mitigation planning.

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:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

(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
- ☑ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 4.5 scenario is a stabilization pathway assuming global implementation of moderate climate policies. It projects greenhouse gas emissions to peak around 2040 and decline thereafter, resulting in a radiative forcing level of 4.5 W/m² by 2100. Atmospheric CO₂ concentrations stabilize near 650 ppm, and global average temperature increases are estimated to remain between 2.5°C and 3°C by the end of the century. This scenario includes assumptions about increasing energy efficiency, partial fuel switching, and regionally diverse mitigation efforts. Uncertainties stem from the variability in regional climate responses, especially in precipitation and drought patterns. In the Turkish context, constraints include the limited resolution of localized impact modeling and the inability to fully capture microclimate effects on urban banking infrastructure or rural economic activity. Moreover, socioeconomic projections (e.g., GDP growth, energy demand) under SSP2 may diverge from real-world trends, which may lead to an under- or overestimation of medium-term risk exposure. VakıfBank mitigates these uncertainties by complementing global climate models with national data from the Turkish State Meteorological Service and focusing on service point-specific assessments.

(5.1.1.11) Rationale for choice of scenario

RCP 4.5 is used as a more plausible, mid-range physical risk scenario that reflects moderate policy ambition and serves as a realistic reference point for long-term adaptation planning. It allows VakıfBank to evaluate how gradual changes in temperature and precipitation patterns could affect its operations and portfolio over multi-decadal timeframes. The scenario informs risk assessments related to chronic physical climate risks—such as water scarcity and heat stress—particularly in geographies where infrastructure resilience is critical. By integrating this scenario into the bank's climate strategy, VakıfBank ensures its physical risk evaluations are not only aligned with global scientific consensus but also grounded in domestic meteorological observations and impact data. This supports prudent capital allocation and service continuity planning.

Forests

(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:

☒ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- ☑ 2025
- ☑ 2030
- ☑ 2040

(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
- ☑ Changes in ecosystem services provision

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 4.5 scenario is a stabilization pathway assuming global implementation of moderate climate policies. It projects greenhouse gas emissions to peak around 2040 and decline thereafter, resulting in a radiative forcing level of 4.5 W/m² by 2100. Atmospheric CO₂ concentrations stabilize near 650 ppm, and global average temperature increases are estimated to remain between 2.5°C and 3°C by the end of the century. This scenario includes assumptions about increasing energy efficiency, partial fuel switching, and regionally diverse mitigation efforts. Uncertainties stem from the variability in regional climate responses, especially in precipitation and drought patterns. In the Turkish context, constraints include the limited resolution of localized impact modeling and the inability to fully capture microclimate effects on urban banking infrastructure or rural economic activity. Moreover, socioeconomic projections (e.g., GDP growth, energy demand) under SSP2 may diverge from real-world trends, which may lead to an under- or overestimation of medium-term risk exposure. VakıfBank mitigates these uncertainties by complementing global climate models with national data from the Turkish State Meteorological Service and focusing on service point-specific assessments.

(5.1.1.11) Rationale for choice of scenario

RCP 4.5 is used as a more plausible, mid-range physical risk scenario that reflects moderate policy ambition and serves as a realistic reference point for long-term adaptation planning. It allows VakıfBank to evaluate how gradual changes in temperature and precipitation patterns could affect its operations and portfolio over multi-decadal timeframes. The scenario informs risk assessments related to chronic physical climate risks—such as water scarcity and heat stress—particularly in geographies where infrastructure resilience is critical. By integrating this scenario into the bank’s climate strategy, VakıfBank ensures its physical risk evaluations are not only aligned with global scientific consensus but also grounded in domestic meteorological observations and impact data. This supports prudent capital allocation and service continuity planning.

[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's scenario analyses on climate change, conducted using NGFS, RCP 4.5 and RCP 8.5 pathways, have directly informed multiple business processes including risk management, strategic planning, and transition implementation. The bank integrates scenario outputs into its strategic planning cycles, reviewing risk exposure and business resilience against both transition risks (e.g. carbon pricing, regulation) and physical climate risks (e.g. temperature rise, extreme weather) on an annual basis. Risk and opportunity identification has been reshaped by climate scenario outputs, enabling VakıfBank to prioritize sectors with high transition sensitivity (e.g. steel, cement, energy) and assess credit risk exposure under multiple carbon price trajectories. NGFS Net Zero scenarios were used to evaluate potential credit risk in emissions-intensive portfolios, prompting the development of internal carbon pricing assumptions for project evaluation. Strategy and financial planning were updated in line with scenario findings. The bank evaluated how different policy pathways (e.g. Net Zero 2050 vs. NDC-aligned) would impact borrower repayment capacity, especially in the context of the EU Carbon Border Adjustment Mechanism (CBAM). These insights were used to revise long-term sectoral risk appetites and develop the bank's Climate Transition Plan, aligned with SBTi targets. Resilience of business model and strategy was assessed using physical risk scenarios (RCP 8.5 and RCP 4.5). These informed business continuity planning by identifying provinces with increased heatwave or drought likelihoods. Consequently, operational sites in affected regions were flagged for adaptive investment. Target setting and transition planning processes were adjusted based on scenario stress testing. The results supported VakıfBank's decision to adopt 1.5°C-aligned emission reduction targets (validated by SBTi) and expand green financing targets for low-carbon sectors. Scenario outputs were also used to estimate financial impacts of delayed policy action, aiding prioritization of early intervention sectors. Capacity building efforts were strengthened through the integration of scenario logic into internal training for risk, credit, and strategy teams. Staff members were educated on transition risk propagation mechanisms and financial impact modeling under climate scenarios. In sum, the scenario analysis process has become a foundational input into VakıfBank's climate risk governance, informing lending decisions, risk screening tools, and transition alignment metrics. These developments have positioned the bank to strengthen resilience, align with the 2053 national net zero goal, and respond proactively to a rapidly evolving climate policy and regulatory environment

Forests

(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

(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 has begun integrating forest- and nature-related risk assessments into its risk identification and evaluation processes through its Environmental and Social Risk Management System (ESRMS). While a standalone deforestation scenario modeling has not yet been conducted, the Bank utilizes broader climate scenarios (e.g., NGFS, RCP 4.5/8.5) and national ecosystem risk assessments to identify geographic and sectoral exposure to biodiversity loss, land degradation, and deforestation. The tourism sector is classified as environmentally sensitive due to its reliance on pristine natural ecosystems, including forested and coastal areas, which are becoming increasingly vulnerable to climate-induced habitat loss and environmental degradation. Consequently, loans related to tourism projects in ecologically sensitive regions are subject to review under the ESG risk framework. For all project finance applications exceeding USD 20 million (this threshold was USD 20 million in 2024 but has been reduced to USD 10 million as of July 2025), VakıfBank incorporates nature-related risk criteria in alignment with the Turkish Environmental Impact Assessment (EIA) Law and the IFC Performance Standards. Scenario-based geographic prioritization enables the identification of areas with higher drought and soil erosion risk, guiding more informed credit allocation. These developments have improved the identification of nature-related risks that could affect portfolio performance, reputation, and compliance with upcoming global regulations, such as the EU Deforestation Regulation. VakıfBank is also preparing to align its risk management with nature-related frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD), with an emphasis on forests, biodiversity, and land use change.

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 has integrated water-related scenario analysis outcomes into its operational and strategic planning by using high-resolution climate and hydrological models, including data from the Turkish State Meteorological Service and the WRI Aqueduct Tool. These assessments, based on RCP 4.5 and RCP 8.5 scenarios, have identified regions in Turkey expected to face significant water stress, drought, and precipitation irregularities by 2030 and 2040. Risk and opportunity identification processes have been enhanced to include monthly and seasonal precipitation projections, enabling the bank to classify regional water risks at province and branch level. As a result, operational risks related to water availability, such as potential service disruptions in seven high-risk provinces, were mapped and factored into business continuity plans. Strategy and financial planning were adapted to account for physical water risks in lending and project evaluation processes, especially in sectors like agriculture, textiles, and energy. The bank's Environmental and Social Risk Management System (ÇSYS) began incorporating scenario-based water stress data as part of credit allocation due diligence. Resilience of business model and strategy has improved through scenario-informed asset mapping. The bank now considers long-term water scarcity trends when assessing the sustainability of branch locations and critical infrastructure. Scenario outputs helped inform infrastructure reinforcement plans and adaptive strategies for physical branches in water-stressed regions. Target setting and transition planning was influenced by water scenario results, particularly in defining green credit allocation criteria. VakıfBank aims to increase financing to projects with efficient water use technologies and wastewater reuse systems, aligning financial instruments with SDG 6 (Clean Water and Sanitation). Capacity building included training risk and credit analysts on the implications of climate-induced water risks, and integration of water stress metrics into project risk scoring models. Overall, the scenario analysis process has led VakıfBank to embed water risk into its environmental due diligence and lending policies. This has enhanced its ability to manage physical climate risk, ensure operational continuity, and promote financing in alignment with national adaptation priorities and sustainable resource use goals.

[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 2024, VakıfBank continued to utilize the proceeds from its sustainability-linked syndicated loans, which were aligned with its updated Sustainable Finance Framework in 2023, to finance environmental and social loan products within the scope of this framework. In this context, the total amount of VakıfBank's sustainability-linked syndicated loans reached USD 1.8 billion in 2024. In a comprehensive assessment conducted by Sustainalytics, one of the leading independent global firms providing investors with sustainable banking, environmental, social, and corporate governance (ESG) research and rating services, VakıfBank's ESG risk rating, which was determined as 18.4 (low risk) in 2023, was recorded as 18.6 in the evaluation carried out in May 2024. Thus, VakıfBank continued to be among the banks with a low-risk rating in the banking sector. The ISO 9001:2015 Quality Management System, which was established in 2017 to cover all Bank operations, has been maintained. The interim audits for ISO 14001:2015 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, both fully implemented since 2020, were successfully completed in 2024. The interim audits for the ISO 50001 Energy Management System certification, obtained in 2023 to manage and improve VakıfBank's energy performance, were also successfully completed, ensuring the continuation of the certification in 2024. VakıfBank continued its sustainability training activities in 2024 to enable its employees to more effectively embrace the sustainability vision. During this period, 10,135 employees participated in the online sustainability training program. In this context, VakıfBank provided a total of 90,394 hours of online sustainability-related training and 12,920 hours of online environmental training to its employees in 2024. Within the scope of the ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 14001 Environmental Management System, VakıfBank certified 2,020 employees as of the end of 2024, ensuring that there is at least one certified employee in each of its branches. In addition, during this period, VakıfBank assigned both digital and classroom ISO 14001 Environmental Management System training to all employees. A total of 8,783 employees benefited from the digital ISO 14001 training. Moreover, under the Zero Waste Project, 14,168 employees participated in the E-Zero Waste training program.

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

Vakıfbank Climate Transition Plan.docx

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

Select all that apply

- ☒ Forests
- ☒ Water
- ☒ Biodiversity

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

VakıfBank's Climate Transition Plan adopts a holistic approach by integrating key environmental issues such as water resources, biodiversity, and land use change, acknowledging their interconnectedness with climate-related risks and opportunities. These issues are considered across the bank's internal operations, financing activities, and environmental risk management frameworks. In the area of water management, VakıfBank has implemented practical measures that align with its climate transition goals. These include the installation of rainwater harvesting and graywater treatment systems at its LEED Gold-certified headquarters, achieving over 45% potable water savings. As of 2023, water purification systems were deployed across all branches, supporting clean water access and reducing plastic bottle consumption. Furthermore, the bank set a per capita water consumption reduction target of 2% annually, reflecting its commitment to resource efficiency and SDG 6. With growing recognition of nature and forest-related risks, the bank is also expanding its consideration of deforestation and biodiversity loss within its transition strategy. While not yet modeled through standalone nature scenarios, VakıfBank integrates ecosystem risk into its Environmental and Social Risk Management System (ÇSYS), particularly for project finance. As of 2022, all projects exceeding USD 20 million are subject to ESG evaluation, (While this amount was 20 million USD in 2024, this amount was reduced to 10 million USD as of July 2025.) including parameters related to land use, biodiversity protection, and ecosystem degradation. This is especially relevant for high-risk sectors such as agriculture, mining, infrastructure, and tourism, where forest loss or habitat fragmentation can intensify physical climate risk and reputational exposure. Through these integrated actions, VakıfBank ensures that its climate transition plan not only addresses decarbonization but also actively contributes to environmental integrity, ecosystem conservation, and responsible water and land stewardship. These components are essential in ensuring the resilience and credibility of the bank's long-term sustainability strategy and supporting national and global environmental commitments.

[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
- ☒ Forests
- ☒ Water

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

Environmental risks and opportunities have directly shaped VakıfBank's product and service strategy. Climate-related transition risks such as changing regulations, carbon pricing, and decarbonization requirements have influenced the development of new financial products that support renewable energy, energy efficiency, and low-carbon transformation. Physical risks, including droughts and extreme weather events, have led to increased attention on financing water infrastructure and resilient agriculture. Forests and biodiversity-related risks are increasingly considered within project finance processes through the Environmental and Social Risk Management System. This system supports the identification of projects with high nature-related risks—such as those causing deforestation or habitat degradation—

and informs credit decisions. The bank's strategy also includes integrating nature-positive principles into its sustainable finance offerings, supporting ecosystem protection and circular economy initiatives.

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
- ☒ Forests
- ☒ Water

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

Environmental risks have prompted VakıfBank to reassess value chain exposures, especially in lending to carbon-intensive sectors and nature-dependent industries. Downstream, clients operating in sectors facing increasing transition pressures—such as steel, cement, and energy—are evaluated with additional environmental criteria. These assessments consider their exposure to regulatory changes and their readiness to adapt to a low-carbon economy. In sectors like tourism and agriculture, the bank monitors exposure to water stress and land degradation, particularly in regions vulnerable to drought and deforestation. Upstream, ESG risks of suppliers are being evaluated more systematically, especially for categories with material environmental footprints such as IT infrastructure and facility management. This evolving approach supports long-term resilience in the bank's extended 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

- ☒ Climate change
- ☒ Forests
- ☒ Water

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

Environmental risks and sustainability expectations have guided VakıfBank to embed climate and nature considerations into its innovation and development agenda. The bank's transition strategy has prioritized the development of internal capabilities to assess climate-related risks and opportunities more effectively. This includes the use of scenario-based geographic analysis (e.g., heatmaps) and sectoral climate risk screening tools developed in collaboration with national and international stakeholders. While VakıfBank does not operate a conventional R&D department, it continuously improves its methodologies for evaluating non-financial risks, including nature loss and deforestation. These efforts are aligned with emerging frameworks such as TNFD and the EU Deforestation Regulation. The bank is exploring the inclusion of nature-related indicators in its environmental and social risk assessments, particularly for high-impact sectors such as agriculture, tourism, and infrastructure. In parallel, VakıfBank supports digital and data infrastructure projects that enhance its capacity to monitor, evaluate, and report on environmental risks across its operations and financed emissions. These developments position R&D not only as a technological driver, but also as a strategic enabler of long-term sustainability integration and ESG-aligned innovation.

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
- ☒ Forests
- ☒ Water

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

Environmental risks have influenced operational planning and infrastructure decisions. Scenario analyses highlighting regional vulnerabilities to temperature increases and precipitation irregularities have been used to evaluate risks to physical branches and data centers. In response, building design and location strategies incorporate climate resilience considerations such as water efficiency, energy optimization, and disaster preparedness. Water-related risks have prompted the implementation of water-saving technologies and purification systems in bank premises, supporting both resource conservation and operational continuity. While forest-related physical risks (e.g., wildfires) are not yet modelled in detail, the bank monitors high-risk regions for potential disruptions and includes nature-related physical considerations in location-level risk assessments.

[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 | ☒ Capital allocation |
| ☒ Revenues | ☒ Capital expenditures |
| ☒ Liabilities | |
| ☒ Direct costs | |
| ☒ Access to capital | |

(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
- ☒ Forests

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

Environmental risks and opportunities have had a significant impact on VakıfBank's financial planning processes, particularly in capital allocation, access to capital, and asset-liability strategies. As part of its commitment to climate and environmental sustainability, the bank has integrated climate-related transition and physical risks into its long-term funding strategy and financial structuring decisions. Transition risks such as evolving carbon regulations, international green finance criteria, and sustainable taxonomy frameworks have influenced the bank's approach to funding allocation. The bank prioritizes financing for renewable energy, energy efficiency, and sustainable infrastructure projects to manage exposure to high-emission sectors. This strategic alignment has also helped maintain access to sustainability-linked funding from global financial institutions. Physical risks—such as extreme weather events, water scarcity, and climate-induced damage—have prompted the bank to enhance its due diligence processes and to allocate capital more conservatively in environmentally sensitive regions. Investments in branch infrastructure and digitalization efforts are planned with consideration of climate and water-related resilience. Nature and forest-related risks are increasingly recognized in project finance evaluations. The Environmental and Social Risk Management System has been expanded to include criteria for ecosystem degradation, biodiversity loss, and deforestation, which influence decisions on capital deployment and risk pricing for loans. The bank also monitors exposure to regulatory and reputational risks related to land use and nature conservation obligations. Environmental opportunities, particularly those arising from global decarbonization and adaptation efforts, have informed product development and liability management strategies. The bank's funding mix increasingly reflects its sustainability focus, supported by cooperation with international institutions. These developments guide the bank's planning for long-term revenue diversification, green loan growth, and portfolio resilience.

[Add row]

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

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☒ No, but we plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☒ No standardized procedure

(5.10.4) Explain why your organization does not price environmental externalities

Due to a lack of infrastructure, internal carbon pricing studies have not yet been completed. These ongoing studies are expected to be completed in the coming period.

[Fixed row]

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

Clients

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Forests

☒ Water

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

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

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☒ No standardized procedure

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

No standardized procedure

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Forests

☒ Water

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☒ Yes

(5.11.2) Environmental issues covered

Select all that apply

☒ Climate change

☒ Forests

☒ 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

☒ Forests

☒ Water

(5.11.3.3) Type and details of engagement

Capacity building

☒ 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:

☒ Less than 1%

(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

VakıfBank expanded the scope of its client engagement strategy following the implementation of its ESMS in 2022, which has since evolved to systematically integrate environmental and social risks, including those related to forests and water. As part of this system, clients receiving large-scale project financing are required to undergo environmental due diligence and report key ESG metrics. This ensures that VakıfBank can monitor portfolio exposure to climate and nature-related risks, and provide appropriate support to clients to transition to more sustainable practices

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

VakıfBank communicates its environmental engagement strategy to its clients primarily through the implementation of its Environmental and Social Management System (ESMS), which is applied to project finance activities. Clients subject to the ESMS are informed of the bank's expectations regarding environmental risk assessments, GHG emissions reporting, and sustainability commitments during the credit evaluation process. This communication is delivered through formal channels such as loan agreements, annexed ESMS documentation, and direct correspondence. To the broader public, VakıfBank discloses its client engagement approach through its annual sustainability report and its publicly available Environmental Policy. These documents outline the principles and processes used to evaluate environmental risks and engage with clients on climate, water, and nature-related issues. VakıfBank's website serves as the main platform for sharing policy-level commitments and updates, enhancing transparency for external stakeholders.

(5.11.3.8) Attach your engagement strategy

2---cevre-politikas-(en)-.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

VakıfBank's environmental engagement efforts with its clients are primarily structured around the Environmental and Social Management System (ESMS), which was implemented to integrate environmental risk considerations—particularly related to climate change, water, and nature—into the lending process. The engagement has

led to greater awareness among clients regarding the importance of environmental performance and emissions transparency. A key measure of success is the increasing number of clients that acknowledge and respond to the bank's environmental expectations under the ESMS framework. Clients subject to ESMS are required to report their Scope 1 and 2 greenhouse gas emissions, and their ability to meet this requirement serves as a critical indicator of engagement effectiveness. The bank considers improved quality and consistency in client disclosures as a sign of progress, as it enables more robust environmental risk assessment at the portfolio level. Additionally, VakıfBank monitors how engagement translates into better alignment with climate and environmental goals. This includes observing whether clients adopt environmental targets, enhance their risk mitigation measures, or improve their operational practices in line with sustainable finance principles. Progress is also reflected in the integration of environmental criteria into more sectors, beyond high-risk industries. The bank continues to provide technical guidance to clients through the ESMS process and views enhanced environmental transparency and risk responsiveness as central outcomes of its engagement efforts. The long-term objective is to strengthen environmental risk management across the client base while fostering a shared responsibility for climate resilience, water stewardship, and ecosystem protection.

(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:

☒ Unknown

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

VakıfBank manages supplier engagement on climate-related issues through its Supplier Selection and Compliance Policy, which includes environmental compliance criteria such as adherence to national climate regulations. Although the bank's Scope 3 emissions from procurement are relatively limited, it applies expectations on climate responsibility to all Tier 1 suppliers. Suppliers are expected to comply with Turkish environmental legislation, including waste and emission control, and must avoid violations that could expose the bank to reputational risk. These requirements are embedded in tender and contract documentation. While the bank does not yet require suppliers to disclose GHG emissions or climate targets, they are encouraged to improve their practices, especially those providing infrastructure, facility, or IT services to the bank. This engagement indirectly supports climate adaptation by promoting responsible practices and legal compliance. The bank monitors supplier eligibility and continuity in line with these expectations and is planning to enhance its ESG due diligence in future procurement cycles.

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

Select from:

☒ Yes

Forests

(5.11.7.1) Commodity

Select from:

☒ Timber products

(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%

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

VakıfBank's engagement with its suppliers on nature-related issues is guided by its Supplier Selection and Compliance Policy. This policy includes environmental compliance expectations aligned with national laws and international sustainability standards. While VakıfBank does not operate in sectors directly linked to deforestation, it maintains an exclusion list which prohibits financing and supplier relationships involving activities that threaten biodiversity, such as illegal logging or destruction of protected areas. Suppliers are expected to comply with Turkish environmental legislation, including waste management and conservation standards, and are encouraged to develop their own commitments related to environmental protection. VakıfBank incorporates nature-related risk considerations such as ecosystem impact and land use sensitivity into project-level assessments under its Environmental and Social Risk Management System (ESMS), and expects Tier 1 suppliers involved in physical project delivery (construction, procurement, etc.) to align with these standards. The engagement strategy promotes supplier awareness

of forest and biodiversity risks, and encourages continuous improvement through compliance monitoring. Through this approach, VakıfBank strengthens environmental integrity across its upstream relationships, particularly where nature and land use dependencies may be material.

(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:

☒ 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%

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

VakıfBank requires all suppliers to comply with national water and sanitation regulations as part of its Supplier Selection and Compliance Policy. While the bank itself operates in a low-water-impact sector, it expects all Tier 1 suppliers to ensure safe and hygienic working conditions, including access to clean water and sanitation for

their employees. The bank encourages suppliers to adopt environmental management systems such as ISO 14001, which include water efficiency components. These expectations are communicated during procurement and contract renewals, and compliance is considered a baseline for supplier retention. Although water-specific KPIs are not yet collected, suppliers are expected to avoid environmental violations, including those related to water pollution or discharge. This engagement helps reinforce water stewardship practices and promotes health and safety standards across the supplier base, particularly in facilities management, construction, and operational support services.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☒ No, this engagement is unrelated to meeting an environmental requirement

(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 investors on climate-related topics to demonstrate the alignment of its environmental strategy with global climate objectives and national sustainability targets. The bank shares updates on its climate actions, low-carbon credit policies, and green finance practices primarily through its Integrated Annual Report and Climate Transition Plan disclosures. These documents are made publicly available and include detailed information on the environmental footprint of financed activities, the share of sustainable loans, and the governance of environmental risks. This engagement ensures that investors have comprehensive information about the bank's environmental performance, climate risk management strategies, and contribution to Turkey's net-zero transition. By providing detailed information, VakıfBank enables its investors to make informed decisions while demonstrating its commitment to sustainable finance principles and long-term value creation.

(5.11.9.6) Effect of engagement and measures of success

Investor engagement on climate-related issues has supported VakıfBank's ability to secure and renew sustainability-linked loans and green finance facilities. These financing mechanisms are structured around environmental performance indicators and require the bank to regularly report on its green loan allocation and decarbonization progress. Effectiveness is assessed through: • Continued access to sustainability-themed syndicated loans, • Positive feedback from lenders on the bank's climate disclosures, • Strengthened eligibility for international green funding mechanisms, • Alignment of internal reporting with external stakeholder expectations on climate risk.

Forests

(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 investors to communicate its approach to nature-related risks, including biodiversity loss, land use change, and forest degradation, particularly in the context of project finance and sustainable lending. Through its Integrated Annual Report and Environmental and Social Risk Management System (ESMS) disclosures, the bank informs stakeholders about its exclusion list and the screening of high-risk sectors—such as agriculture, mining, tourism, and infrastructure—for their potential impacts on ecosystems and natural resources. This engagement responds to increasing investor expectations for financial institutions to align with emerging global frameworks and the EU Deforestation Regulation. It also enables investors to evaluate how nature and land-related risks may affect the bank’s portfolio exposure and long-term sustainability alignment.

(5.11.9.6) Effect of engagement and measures of success

Engagement with investors on nature-related topics has strengthened VakıfBank’s credibility in sustainable finance and supported its continued access to international ESG-focused funding. While quantitative nature-related KPIs are still in development, VakıfBank’s communication around biodiversity-sensitive lending and its exclusion policies has positioned it as a proactive institution in nature risk governance. Effectiveness is evaluated through:

- *Positive recognition of nature-related policies in investor ESG reviews,*
- *Continued interest in VakıfBank’s sustainability-linked credit facilities,*
- *Readiness to respond to upcoming global reporting requirements on forests and ecosystems.*

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 institutional investors and development finance institutions to demonstrate its commitment to responsible water management, particularly in the context of project finance and sustainable lending practices. Through its Integrated Annual Report and Climate Transition Plan, the bank communicates the environmental screening procedures applied in loan allocation, including considerations for water scarcity and regional water stress. These disclosures provide investors with insights into how VakıfBank incorporates water-related risks into its lending criteria, particularly in high-impact sectors such as agriculture, energy, and tourism. This engagement ensures alignment with international funders’ sustainability frameworks, which increasingly require due diligence on water-related risks. It also supports investor evaluation of the bank’s exposure to long-term operational risks arising from drought, precipitation variability, and water access challenges across financed assets.

(5.11.9.6) Effect of engagement and measures of success

Through its engagement with investors on water-related issues, VakıfBank has maintained its eligibility for sustainability-linked credit lines and long-term international development finance. The bank's environmental reporting helps reassure investors that financed projects are evaluated for physical and regulatory water risks and that mitigation practices are considered in early-stage financing decisions. Effectiveness is measured by:

- *Positive alignment with investor water risk due diligence standards,*
- *Continued access to funding from water-focused financial partners,*
- *Demonstrated integration of water-related indicators in the bank's ESG screening process,*
- *Recognition of VakıfBank's water-related practices in integrated reports and sustainability disclosures.*

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 effectiveness of engagement is evidenced by the widespread adoption of sustainable practices across the bank's network. VakıfBank ensures that at least one employee per branch is trained and certified under the ISO 14001 Environmental Management System standard. This certification reflects a foundational understanding of environmental risk management, including topics such as water efficiency and biodiversity sensitivity. Success is also measured by:

- *The integration of sustainability responsibilities into operational roles,*
- *Employee participation in internal audits and reporting related to climate and environmental*

performance, • Broad-based environmental awareness contributing to energy and water use reductions, • Strengthened capacity to evaluate nature-related risks in project finance through trained ESG personnel. Overall, this structured engagement ensures that VakıfBank's environmental goals are embedded not only in policy but also in daily practice, with employees serving as both implementers and ambassadors of sustainable banking.

Climate change

(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

(5.11.9.4) % 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 effectiveness of engagement is evidenced by the widespread adoption of sustainable practices across the bank's network. VakıfBank ensures that at least one employee per branch is trained and certified under the ISO 14001 Environmental Management System standard. This certification reflects a foundational

understanding of environmental risk management, including topics such as water efficiency and biodiversity sensitivity. Success is also measured by: • The integration of sustainability responsibilities into operational roles, • Employee participation in internal audits and reporting related to climate and environmental performance, • Broad-based environmental awareness contributing to energy and water use reductions, • Strengthened capacity to evaluate nature-related risks in project finance through trained ESG personnel. Overall, this structured engagement ensures that VakıfBank's environmental goals are embedded not only in policy but also in daily practice, with employees serving as both implementers and ambassadors of sustainable banking.

Forests

(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 effectiveness of engagement is evidenced by the widespread adoption of sustainable practices across the bank's network. VakıfBank ensures that at least one employee per branch is trained and certified under the ISO 14001 Environmental Management System standard. This certification reflects a foundational understanding of environmental risk management, including topics such as water efficiency and biodiversity sensitivity. Success is also measured by: • The integration of sustainability responsibilities into operational roles, • Employee participation in internal audits and reporting related to climate and environmental performance, • Broad-based environmental awareness contributing to energy and water use reductions, • Strengthened capacity to evaluate nature-related risks in

project finance through trained ESG personnel. Overall, this structured engagement ensures that VakıfBank's environmental goals are embedded not only in policy but also in daily practice, with employees serving as both implementers and ambassadors of sustainable banking.

[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:

☒ Financial control

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

VakıfBank has chosen the financial control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency with our consolidated financial statements and alignment with international sustainability reporting standards. This approach allows us to report environmental data for all entities over which we have the ability to direct financial and operating policies, ensuring that the scope of our environmental disclosures mirrors the scope of our financial control. By aligning our environmental reporting boundary with our financial reporting boundary, we enhance data comparability, avoid double counting or omissions, and streamline verification processes. This method enables us to capture the environmental impact of all majority-owned subsidiaries and entities where we exert financial control, providing a comprehensive and accurate picture of VakıfBank's environmental footprint.

Forests

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

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

VakıfBank has chosen the financial control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency with our consolidated financial statements and alignment with international sustainability reporting standards. This approach allows us to report environmental data for all entities over which we have the ability to direct financial and operating policies, ensuring that the scope of our environmental disclosures mirrors the scope of our financial control. By aligning our environmental reporting boundary with our financial reporting boundary, we enhance data

comparability, avoid double counting or omissions, and streamline verification processes. This method enables us to capture the environmental impact of all majority-owned subsidiaries and entities where we exert financial control, providing a comprehensive and accurate picture of VakıfBank's environmental footprint.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

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

VakıfBank has chosen the financial control consolidation approach for reporting environmental performance data, including GHG emissions, water, and forest-related data, to ensure consistency with our consolidated financial statements and alignment with international sustainability reporting standards. This approach allows us to report environmental data for all entities over which we have the ability to direct financial and operating policies, ensuring that the scope of our environmental disclosures mirrors the scope of our financial control. By aligning our environmental reporting boundary with our financial reporting boundary, we enhance data comparability, avoid double counting or omissions, and streamline verification processes. This method enables us to capture the environmental impact of all majority-owned subsidiaries and entities where we exert financial control, providing a comprehensive and accurate picture of VakıfBank's environmental footprint.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(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 current reporting year, VakıfBank has expanded its reporting boundary within Scope 3 Category 12 (“End-of-life treatment of sold products”) to include the end-of-life emissions associated with payment cards sold to customers. This change reflects our commitment to more comprehensively account for downstream impacts and ensures that emissions from the disposal and treatment of these products at the end of their useful life are captured in our inventory. This expansion in scope represents a refinement rather than a restatement, improving the completeness and accuracy of our Scope 3 disclosures.
[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

The inclusion of end-of-life treatment emissions for sold payment cards (Scope 3 Category 12) in the current reporting year did not trigger a base year emissions recalculation, as the impact on total emissions was immaterial (0.101 tCO₂e), which is well below our significance threshold.

(7.1.3.4) Past years’ recalculation

Select from:

☒ No

[Fixed row]

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

Select all that apply

☒ ISO 14064-1

☒ IEA CO₂ Emissions from Fuel Combustion

- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
- ☒ 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- ☒ US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases
- ☒ Other, please specify :tappwater and European Mail Industry Platform and European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installation

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

	Scope 2, location-based	Scope 2, market-based	Comment
	<i>Select from:</i> ☒ We are reporting a Scope 2, location-based figure	<i>Select from:</i> ☒ We are reporting a Scope 2, market-based figure	N/A

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

- ☒ No

(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."

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

(7.5.1) Base year end

12/30/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Emissions from Scope 3 Category 12 are reported as zero, as this category was not included in the base year inventory. The addition of this category in 2024 did not trigger a recalculation of the base year, since the resulting emissions (0.101 tCO₂e) were well below our significance threshold.

[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)

(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)	Methodological details
Reporting year	33061.269	631.085	Scope 2 market based emissions are due to imported energy sourced from the grid. I-rec were purchased.

[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)

2214.52

(7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Supplier-specific method
- ☒ Average data 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)

497.989

(7.8.3) Emissions calculation methodology

Select all that apply

- ☒ Supplier-specific method
- ☒ Average data 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 emission factors are being 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)

5322.279

(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)

9.82

(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)

51.11

(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)

538.568

(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 Defra 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)

1186.538

(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:

☒ Relevant, calculated

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

4.683

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data 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 no 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 are providing deposit banking services, there is no emissions released due to use of sold products.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

0.101

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ 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

The end of life treatment of the plastic cards that Vakıfbank provided to its customers are calculated in this category.

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 Doğrulama Raporu eng_Vakıfbank_2024.pdf

(7.9.1.5) Page/section reference

Pages 9-10 Category 1- Direct Emissions / Doğrudan emisyonlar

(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 location-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 Doğrulama Raporu eng_Vakıfbank_2024.pdf

(7.9.2.6) Page/ section reference

Pages 9-10 Category 2- Emissions (Location Based) / (Lokasyon Bazlı)

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(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 Doğrulama Raporu eng_Vakıfbank_2024.pdf

(7.9.2.6) Page/ section reference

Pages 9-10 Category 2- Emissions (Market Based) / (Market Bazlı)

(7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

(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: Investments | ☒ Scope 3: Waste generated in operations |
| ☒ Scope 3: Capital goods | ☒ Scope 3: End-of-life treatment of sold products |
| ☒ Scope 3: Business travel | ☒ Scope 3: Upstream transportation and distribution |
| ☒ Scope 3: Employee commuting | ☒ Scope 3: Downstream transportation and distribution |
| ☒ Scope 3: Purchased goods and services | ☒ 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

(7.9.3.6) Page/section reference

Pages 9-10 ISO Cat.3 → S3.4 Upstream (9.822), S3.9 Downstream (4.683), S3.7 Commuting (1,186.538), S3.6 Business travel (538.568); ISO Cat.4 → S3.1 Purchased goods (2,213.111), S3.2 Capital goods (497.989), S3.5 Waste+WWT (51.112); ISO Cat.5 → S3.12 End-of-life (0.101), S3.15 Investments (29,607,392.513); ISO Cat.6 → S3.3 Fuel/Energy (5,322.279), S3.1 KEP (1.405).

(7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Increased

(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 emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)
Change in renewable energy consumption	618.47	Select from: ☒ Decreased	4.957
Other emissions reduction activities	0	Select from: ☒ No change	0
Change in output	1749.54	Select from: ☒ Increased	14.022

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☒ Market-based

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

Select from:

☒ No

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

Select from:

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

(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

50961.76

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

50961.76

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

73371.46

(7.30.1.3) MWh from non-renewable sources

256.56

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

73628.02

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

73371.46

(7.30.1.3) MWh from non-renewable sources

51218.32

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

124589.78

[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)

25.68

(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)

25.68

Iraq

(7.30.16.1) Consumption of purchased electricity (MWh)

37.49

(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)

37.49

Qatar

(7.30.16.1) Consumption of purchased electricity (MWh)

5.31

(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)

5.31

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

73371.46

(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)

73371.46

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

188.08

(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)

188.08

[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

3.37e-7

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

13608.23

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

40375301000

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

99.64

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Change in renewable energy consumption

☒ Change in output

☒ Change in revenue

(7.45.9) Please explain

Revenue is greater than the last year

[Add row]

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

Select all that apply

- ☒ Absolute target
- ☒ Portfolio target

(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

SBTi Submission.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 (CH ₄) | ☒ Sulphur hexafluoride (SF ₆) |
| ☒ Nitrous oxide (N ₂ O) | ☒ Nitrogen trifluoride (NF ₃) |
| ☒ Carbon dioxide (CO ₂) | |
| ☒ Perfluorocarbons (PFCs) | |
| ☒ 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

12/30/2021

(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

12/30/2032

(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)

12977.144

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

631.085

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

13608.229

(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

135.54

(7.53.1.80) Target status in reporting year

Select from:

☒ Achieved and maintained

(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 linear 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 SBTi approved emission reduction target is to achieve a 1,5C aligned 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

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

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

The most significant contributions to achieving the target came from operational improvements focused on the increased use of renewable energy, energy efficiency, and employee awareness programs. Majority of the scope 2 emissions were reduced by the IREC certificates.

Row 2

(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 1 or 2)
- ☒ Scope 3, Category 5 – Waste generated in operations
- ☒ Scope 3, Category 12 – End-of-life treatment of sold products
- ☒ 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

12/30/2021

(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

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

0

(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

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

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

12/30/2050

(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)

12977.144

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

631.085

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

2214.52

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

497.99

(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)

5322.28

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

9.82

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

51.11

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

538.57

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

1186.54

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

4.68

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

0.101

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

9825.611

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

23433.840

(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

78.16

(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

1.19

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

3.97

(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

3.84

(7.53.4.19) Total value of assets covered by the target

44273936707

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

12.28

(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

92.357

(7.53.4.30) % of target achieved relative to base year

167.16075

(7.53.4.31) Target status in reporting year

Select from:

☒ Achieved

(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:

☒ 1.5°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) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Net-zero targets

☒ Other climate-related targets

(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

12/30/2023

(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)

Net emissions target

☒ Net metric tons CO2e

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☒ square meter

(7.54.2.7) End date of base year

12/30/2023

(7.54.2.8) Figure or percentage in base year

0.034

(7.54.2.9) End date of target

12/30/2024

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

0.0333

(7.54.2.11) Figure or percentage in reporting year

0.0303

(7.54.2.12) % of target achieved relative to base year

528.5714285714

(7.54.2.13) Target status in reporting year

Select from:

☒ Achieved

(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

The target covers Scope 1, Scope 2 and all Scope 3 categories except Category 15 (financed emissions). It specifically applies to reducing GHG emission intensity per square meter of operational area.

(7.54.2.19) Target objective

The objective is to achieve a 2% annual reduction in GHG emissions per m², strengthening operational efficiency, lowering environmental impact, and supporting VakıfBank's climate strategy.

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

The most significant contributions to achieving the emission intensity reduction target came from operational improvements focused on energy efficiency, the increased use of renewable energy, and employee awareness programs. The combined effect of these actions enabled a 12% decrease in emissions per square meter, despite the expansion of operational space.

[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

12/30/2022

(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

12/30/2050

(7.54.3.6) 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

(7.54.3.8) 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 (CH ₄) | ☒ Sulphur hexafluoride (SF ₆) |
| ☒ Nitrous oxide (N ₂ O) | ☒ Nitrogen trifluoride (NF ₃) |
| ☒ Carbon dioxide (CO ₂) | |
| ☒ Perfluorocarbons (PFCs) | |
| ☒ Hydrofluorocarbons (HFCs) | |

(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 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 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

VakıfBank'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 VakıfBank'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
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	1	449.37
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)

449.37

(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 1.2)

18847035

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

736500000

(7.55.2.7) Payback period

Select from:

☒ >25 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 3-5 years

(7.55.2.9) Comment

As of 2024, VakıfBank introduced a total of 341 hybrid vehicles and 150 electric vehicles into use. The project contributed successfully to the reduction of CO2 emissions by providing a total reduction of 449.366 tons of CO2e. Although kWh energy saving 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 is aligned with our broader goals of reducing the carbon footprint across all operations.

[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:

☒ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

VakıfBank encourages investment in emission reduction activities by actively involving its employees through awareness programs, trainings, and incentive mechanisms that support participation in energy efficiency and low-carbon initiatives. At the same time, VakıfBank prefers to use high-efficiency products to reduce energy consumption. In this context, it utilizes central heating and cooling systems, high-efficiency servers, A-class inverter air conditioners, and energy-efficient products. LED systems are used for lighting, and computers and telephones are centrally switched off after designated hours.

Row 2

(7.55.3.1) Method

Select from:

☒ Employee engagement

(7.55.3.2) Comment

VakıfBank encourages investment in emission reduction activities by actively involving its employees through awareness programs, trainings, and incentive mechanisms that support participation in energy efficiency and low-carbon initiatives. At the same time, VakıfBank prefers to use high-efficiency products to reduce energy consumption. In this context, it utilizes central heating and cooling systems, high-efficiency servers, A-class inverter air conditioners, and energy-efficient products. LED systems are used for lighting, and computers and telephones are centrally switched off after designated hours.

[Add row]

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

Select from:

☒ Yes

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

Row 1

(7.79.1.1) Project type

Select from:

☒ Afforestation

(7.79.1.2) Type of mitigation activity

Select from:

☒ Emissions reduction

(7.79.1.3) Project description

The Pacajai REDD+ Project is a significant sustainability initiative covering approximately 135,000 hectares of forest in the state of Pará, Brazil. The project aims to reduce carbon emissions through the preservation of the Amazon rainforest, protect biodiversity, and support the sustainable development of local communities. Activities include preventing illegal logging and deforestation, implementing community-based forest management, and creating alternative sources of income.

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

13700

(7.79.1.5) Purpose of retirement

Select from:

☒ Voluntary offsetting

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

Select from:

☒ Yes

(7.79.1.7) Vintage of credits at retirement

2024

(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:

☒ REDD+

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

Select all that apply

☒ Consideration of legal requirements

☒ Investment analysis

☒ Barrier analysis

(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 Pacajai REDD+ Project aims not only to reduce carbon emissions but also to protect biodiversity and support the sustainable development of local communities. By preventing deforestation, the project conserves existing forest stocks, promotes community education and capacity building, provides alternative livelihoods, and ensures that processes are monitored and verified in accordance with VCS and CCB standards. The core objective of the Pacajai Project is to avoid net emissions of 264,116 tCO₂e over a 40-year crediting period by preventing unplanned deforestation in native forests. This objective will be achieved through the management of the land as a "private conservation reserve," along with the development and implementation of a management plan. The plan includes a rigorous monitoring and auditing framework based on the experience of ongoing surveillance activities in the region since 2008. These expanded monitoring activities will be carried out actively with the participation of local settlers living within the project boundaries. The local population involved in this monitoring is provided with resources and training on forest management techniques and monitoring technologies.

(7.79.1.14) Please explain

The Pacajai REDD+ Project aims not only to reduce carbon emissions but also to protect biodiversity and support the sustainable development of local communities. By preventing deforestation, the project preserves existing forest stocks, promotes community education and capacity building, provides alternative livelihoods, and ensures that processes are monitored and verified in line with VCS and CCB standards. The core objective of the Pacajai Project is to prevent unplanned deforestation in native forests by avoiding net emissions of 264,116 tCO₂e over a 40-year crediting period. This objective will be achieved through the management of the land as a "private conservation reserve," along with the development and implementation of a management plan. The plan incorporates a rigorous monitoring and auditing framework based on the experience of surveillance activities carried out in the region since 2008. These expanded monitoring activities will be actively conducted with the participation of local settlers living within the project boundaries. The local population involved in this monitoring receives resources and training on forest management techniques and monitoring technologies.

[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)

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☒ Yes

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

Select from:

☒ Yes

[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

29607392.51

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

28.673

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

1153080593900.81

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

1.192

(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)

4.773

(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. 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:

☒ Weighted average carbon intensity (tCO₂e/Million revenue)

(12.1.3.3) Metric value in the reporting year

733.305

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

28.67

(12.1.3.5) Total value of assets included in the calculation

1153064307982.64

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

1.19

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

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

Forests

(12.1.3.1) Portfolio

Select from:

☒ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☒ Other metric for impact on forests, please specify :Total amount of lending to clients with forest protection commitments or certificates

(12.1.3.3) Metric value in the reporting year

8197756888.11

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

0.204

(12.1.3.5) Total value of assets included in the calculation

8197756888.11

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

0

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

This metric reflects the total lending provided to clients that are actively engaged in forest protection through recognized certifications and commitments. The portfolio includes clients with forest protection measures such as RSPO, FSC, and PEFC certifications, or CanopyStyle commitments. By focusing on clients with such certifications and pledges, VakıfBank ensures that the lending captured under this metric represents financing aligned with sustainable forest management and the prevention of deforestation.

Water

(12.1.3.1) Portfolio

Select from:

☒ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☒ Other metric for impact on water, please specify :Wastewater Treated

(12.1.3.3) Metric value in the reporting year

670025.66

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

0

(12.1.3.5) Total value of assets included in the calculation

3941327.42

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

0

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

The volume of treated wastewater (m³) from financed facilities is calculated by multiplying the financed amount (in TL) by 0.17. This coefficient was derived based on operating expenditures (OPEX) rather than project investment costs. An academic field study in Turkey on medium-scale urban wastewater treatment plants reported an average electricity consumption of 0.88 kWh/m³, with energy accounting for 42% of total operating costs (Altın et al., 2020). Using average industrial electricity price in Turkey for 2024 (2.84TL/kWh), the unit energy cost was calculated as 2.5 TL/m³. Considering the 42% share of energy in total costs, the total operating cost was estimated at 5.95 TL/m³. Finally, dividing 1 TL by this operating cost results in 0.17 m³ of treated water per TL financed. This approach reflects a realistic and conservative efficiency factor, as it incorporates current local energy prices and cost structures, making it better aligned with operating loan perspectives rather than project finance assumptions.

[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

12.28

(12.2.1.7) Value of assets covered in the calculation

44273936707

(12.2.1.8) Financed emissions or alternative metric

353053.74

(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. No exclusions have been made. This breakdown represents Electricity Generation Project Finance Emissions.

Row 2

(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

2.51

(12.2.1.7) Value of assets covered in the calculation

18643967564.91

(12.2.1.8) Financed emissions or alternative metric

213372.64

(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. No exclusions have been made. This breakdown represents Motor Vehicle Loans Emissions.

Row 3

(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

93.98

(12.2.1.7) Value of assets covered in the calculation

25764558332.35

(12.2.1.8) Financed emissions or alternative metric

3708612.55

(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. No exclusions have been made. This breakdown represents Sovereign Debt Emissions.

[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)

25320256234

(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

0.6

(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)

5719832989

(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

0.1

(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 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)

19537923245

(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

0.5

(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)

62500000

(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]

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Lending to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

9744680314

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

3159356840

(12.4.6) % value of the exposure in relation to your total portfolio value

0.2

Lending to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ No

Lending to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

727170068

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

1420365000

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

1753352089

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

1540852330

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

4434772102

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

4367681730

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

2267208781

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

1735615470

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☒ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☒ Production

☒ Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

528555160

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

519597310

(12.4.6) % value of the exposure in relation to your total portfolio value

0

[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
- ☒ Forests
- ☒ 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

- | | |
|--|---|
| ☒ WASH services | ☒ Green buildings and equipment |
| ☒ Renewable energy | ☒ Wastewater treatment infrastructure |
| ☒ Ecosystem protection | |
| ☒ Low-emission transport | |
| ☒ Energy efficiency measures | |

(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, VakıfBank 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

1

(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
Forests	<i>Select from:</i> ☒ Yes, we have set deforestation and conversion-free lending, investing and/or insuring targets
Water	<i>Select from:</i> ☒ 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.

Forests

(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 deforestation-free requirements

(12.7.1.3) Date target was set

12/30/2023

(12.7.1.4) Sectors covered by the target

Select all that apply

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

(12.7.1.5) Asset classes covered by the target

Select all that apply

- ☒ Project finance

(12.7.1.6) The target has been set with reference to

Select from:

- ☒ Kunming-Montreal Global Biodiversity Framework

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

100

(12.7.1.8) Target metric

Select from:

- ☒ % of your portfolio value

(12.7.1.9) Target value

1.1

(12.7.1.10) End date of target

12/30/2024

(12.7.1.11) End date of base year

12/30/2021

(12.7.1.12) Figure in base year

0

(12.7.1.13) Figure in reporting year

1.1

(12.7.1.14) % of target achieved

100.00

(12.7.1.15) Provide details of the target

VakıfBank integrates environmental and social considerations into its lending processes through the Environmental and Social Impact Management Policy and the List of Excluded Activities, both approved by the Board of Directors and publicly disclosed. In line with this framework, the Environmental and Social Impact Assessment Procedure was introduced in 2022, establishing the basis for systematic evaluation of financed projects. Under this procedure, projects exceeding USD 20 million (with the threshold revised to USD 10 million in 2025) that are not included in the Excluded Activities List are subject to detailed assessment using the Environmental and Social Assessment Tool. One of the key compliance requirements is that financed activities must exclude those with adverse impacts on natural resources, including activities that could undermine sustainable water management. The Bank has set a portfolio-level target to increase the number of clients subject to environmental and social assessment, thereby expanding the share of clients required to comply with water-related requirements. Since all projects under this process are already screened against the Excluded Activities List, which prohibits practices such as activities related to the unsustainable use of water resources, being part of this assessment process is considered evidence of compliance with water-related and broader environmental requirements. The year-on-year increase in the number of projects undergoing assessment has therefore become a critical metric to track progress in portfolio alignment. This approach ensures that VakıfBank not only prevents financing of non-compliant activities but also actively monitors and enhances the proportion of clients meeting its sustainability criteria. The target is fully aligned with VakıfBank's responsible banking approach, which prioritizes environmentally friendly investments, energy efficiency, and renewable energy projects (excluding certain restricted sectors). It also supports the Bank's long-term commitment to the Paris Agreement goals, the EU Green Deal, and its principle of "protecting natural resources and supporting biodiversity."

Water

(12.7.1.1) Portfolio

Select from:

- ☒ Banking (Bank)

(12.7.1.2) Targets set

Select from:

- ☒ Targets for water-secure lending

(12.7.1.3) Date target was set

12/30/2021

(12.7.1.4) Sectors covered by the target

Select all that apply

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

(12.7.1.5) Asset classes covered by the target

Select all that apply

- ☒ Loans

(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

0.017

(12.7.1.8) Target metric

Select from:

☒ Total value (unit currency – as specified in 1.2)

(12.7.1.9) Target value

12000000

(12.7.1.10) End date of target

12/30/2024

(12.7.1.11) End date of base year

12/30/2021

(12.7.1.12) Figure in base year

5817230.7

(12.7.1.13) Figure in reporting year

12000000

(12.7.1.14) % of target achieved

(12.7.1.15) Provide details of the target

In 2021, VakıfBank launched the SADEK loan program (SADEK-2 / Group 3), designed to finance expenditures and investments linked to sustainability, including carbon emission reduction, electricity and water consumption reduction, recycling, food efficiency, climate change, digitalization, automation, and energy efficiency. Within this scope, a portfolio target was set to increase the utilization of SADEK loans, with water-related measures included among the eligible categories. The target was to reach 12 million by the 2024 reporting year, and this was successfully achieved.

[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
- ☒ Forests
- ☒ Water

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

Environmental performance – Financial services

- ☒ Products and services footprint verification

(13.1.1.3) Verification/assurance standard

General standards

- ☒ ISAE 3000
- ☒ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

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

Limited Assurance IAR 2024 Page 176 (89 in pdf)

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

integrated-annual-report-2024.pdf
[Add row]

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

(13.3.1) Job title

CEO

(13.3.2) Corresponding job category

Select from:

- ☒ Chief Executive Officer (CEO)
- [Fixed row]*

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:



No

