

YAPI VE KREDİ BANKASI A.Ş.

# 2024 CDP Corporate Questionnaire 2024

Word version

**Important: this export excludes unanswered questions**

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

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## C1. Introduction

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

#### (1.3.1) Type of financial institution

Select from:

☒ Bank

#### (1.3.2) Organization type

Select from:

☒ Publicly traded organization

#### (1.3.3) Description of organization

Yapı ve Kredi Bankası A.Ş. (hereinafter: the Bank or Yapı Kredi), established in 1944 as Türkiye's first retail-focused private bank with a nationwide presence, is one of the top Tier-I banks of Türkiye with a total consolidated assets worth TRY 1.9 trillion as of 2023 YE. The Bank has a strong shareholding structure which ensures sustainable and profitable growth. 20.22% of the Bank's shares are directly owned by Koç Holding A.Ş. while 40.95% are owned by Koç Financial Services, which is 100% owned by Koç Group. The remaining 38.83% is publicly traded on Borsa Istanbul. Playing a pioneer role in the banking sector through a customer-centric approach and focus on innovation, the Bank serves its customers with its 781 branches covering all regions of Türkiye and 16,162 employees. Total cash and non-cash loans of the Bank on a consolidated basis were up by 54% and reached TRY 1,308 billion in 2023 while total deposit base reached TRY 1,109 billion with a growth of 57% in 2023. Yapı Kredi delivers its products and services via its 5,185 ATMs, innovative internet banking, leading mobile banking, call center and approximately 1.2 million POS terminals. In 2023, 98% of the Bank's transactions were carried out through non-branch channels. Yapı Kredi serves its customers through retail, SME, corporate and commercial banking as well as private banking, supported by its subsidiaries which operate in asset management, brokerage, leasing and factoring as well as international banking operations in the Netherlands and Azerbaijan. Yapı Kredi ensures its net-zero commitment drives the green transition and puts impact creation front and centre of its sustainability strategy. With the aim of being a leader in driving that transition, Yapı Kredi has taken many important steps to finance the green investments of the real sector up to now. To this end, Yapı Kredi has committed to many leading international initiatives and proved its determination to the transition to net zero. As a first step, the Bank became one of the founding signatories of the UN PRB in 2019 and one of the supporters of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021. Then, in line with the climate risks action plan provided for under the Paris Climate Agreement, the Bank has made a commitment to the Science Based Targets Initiative (SBTi) in 2021 to reduce its emissions. Moreover, Yapı Kredi became the first and only institution in Türkiye to commit to setting emission reduction targets within the framework of the "Business Ambition for 1.5C". To strengthen its role in the transition to a net zero economy, the Bank took another step and became a member of the NZBA in 2023. The Bank also became the first finance company from Türkiye to become a member of Finance for Biodiversity Foundation. In order to fulfill the commitments it has made, Yapı Kredi has launched a new project

within the Carbon Transformation Program in 2021 which was initiated by its main shareholder Koç Holding. Within the scope of the project, the measurement and analysis of financed emissions, which constitute almost all of the banking sector's greenhouse gas emissions, has been completed by PCAF methodology for the first time in 2022. In 2023, a modeling study of the interim net-zero emission reduction targets was carried out within the framework of SBTi guidance. In the same year, a financial feasibility study was conducted to achieve the targets set. During this study, decarbonisation strategies were developed for prioritized sectors and action sets were determined to achieve these strategies. In 2023, the Bank provided two syndicated loans: with a total of USD 1,335 million, complying with sustainability criteria in line with the Bank's goal of creating long-term sustainable value for all of its stakeholders. In this regard, Yapı Kredi aims to continue its determined efforts to reduce its financed emissions and to guide its customers in their journey to net zero not only as a financier but also as an advisor and partner. In addition, as part of its Carbon Transformation Programme, the Bank neutralized Scope 1 and 2 emissions in 2023 by purchasing Gold Standard Carbon Neutral Certificate and IREC (International Renewable Energy Certificate). Being the constituent of BIST Sustainability Index since its launch, the Bank maintained its strong presence through international ESG ratings and reporting. In 2023, the Bank received 'A' score both in CDP Climate Change and Water Security Programmes, thus becoming the first financial institution from Türkiye to enter the Global A-List in both programs. The Bank maintained its AA (Leader) rating in MSCI ESG rating in 2023 and has been listed among the top-performing companies in the international banking sector for three times in the S&P Sustainability Yearbook. It became the only Tier-I bank in Türkiye to be included in Sustainalytics' Top-Rated Companies 2024 List with a "Strong" performance in ESG risk management.

[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.**

**(1.4.1) End date of reporting year**

12/31/2023

**(1.4.2) Alignment of this reporting period with your financial reporting period**

Select from:

☒ Yes

**(1.4.3) Indicate if you are providing emissions data for past reporting years**

Select from:

☒ Yes

**(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for**

Select from:



☒ 2 years

#### (1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☒ 2 years

#### (1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☒ 2 years

[Fixed row]

#### (1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> 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:

☒ Yes

(1.6.2) Provide your unique identifier

TRAYKBNK91N6

## 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

YKBNK

## 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

B85ZYWEZ5IZCZ2WNIO12

## 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]

**(1.10) 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

1863373400000

### (1.10.5) % of revenue

100

### (1.10.6) Type of clients

Select all that apply

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

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

Select all that apply

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail    | <input checked="" type="checkbox"/> Fossil Fuels     |
| <input checked="" type="checkbox"/> Apparel   | <input checked="" type="checkbox"/> Manufacturing    |
| <input checked="" type="checkbox"/> Services  | <input checked="" type="checkbox"/> Infrastructure   |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |

☒ Hospitality

☒ Transportation services

☒ Food, beverage & agriculture

☒ Biotech, health care & pharma

☒ International bodies

## Investing (Asset manager)

### (1.10.1) Activity undertaken

Select from:

☒ No

## Investing (Asset owner)

### (1.10.1) Activity undertaken

Select from:

☒ No

## Insurance underwriting (Insurance company)

### (1.10.1) Activity undertaken

Select from:

☒ No

[Fixed row]

## (1.24) Has your organization mapped its value chain?

### (1.24.1) Value chain mapped

Select from:

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

#### (1.24.2) Value chain stages covered in mapping

Select all that apply

- ☒ Upstream value chain  
☒ Portfolio

#### (1.24.3) Highest supplier tier mapped

Select from:

- ☒ Tier 1 suppliers

#### (1.24.4) Highest supplier tier known but not mapped

Select from:

- ☒ Tier 2 suppliers

#### (1.24.5) Portfolios covered in mapping

Select all that apply

- ☒ Banking (Bank)

#### (1.24.7) Description of mapping process and coverage

*Before engaging in a business relationship, all suppliers of the Bank are requested to fill out a Supplier Information form where information about various topics is asked. The requested information includes a range of data from suppliers' certificates to whether the supplier is included in the National Prohibition List. This process covers 100% Tier 1 suppliers. In addition to the management of the environmental impact of its operational activities, Yapı Kredi monitors the environmental impact of its customers and suppliers. With the Responsible Procurement Policy launched in 2016, the Bank gives priority, in its procurement processes, to suppliers that prefer efficient production methods that reduce GHG emissions, support the transition to a low-carbon economy, and reduce the use of natural resources and waste generation. Yapı Kredi also encourages all its suppliers to comply with the Bank's environmental, social and human rights criteria.*

*[Fixed row]*

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

	Plastics mapping	Portfolios covered in mapping
	Select from: <input checked="" type="checkbox"/> Yes, we have mapped or are currently in the process of mapping plastics in our value chain	Select all that apply <input checked="" type="checkbox"/> Banking (Bank)

[Fixed row]

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

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

### Short-term

**(2.1.1) From (years)**

0

**(2.1.3) To (years)**

1

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

*The short-term time horizon is determined considering the Bank's short-term environmental targets, from 0 to 1 years.*

### Medium-term

**(2.1.1) From (years)**

2

**(2.1.3) To (years)**

5

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

*The medium-term time horizon is determined based on the current regulative environment at national and international levels, from 1 to 5 years.*



## Long-term

### (2.1.1) From (years)

6

### (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

The long-term time horizon is driven by the Bank's reduction targets for its Scope 1 and Scope 2 absolute emissions arising from its operational activities and the Bank's portfolio emissions targets from 5 years.

[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: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> 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?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Both risks and opportunities	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

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

### Row 1

#### (2.2.2.1) Environmental issue

*Select all that apply*

- ☒ Climate change
- ☒ Water

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

*Select all that apply*

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

#### (2.2.2.3) Value chain stages covered

*Select all that apply*

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ End of life management

#### **(2.2.2.4) Coverage**

*Select from:*

- ☒ Full

#### **(2.2.2.5) Supplier tiers covered**

*Select all that apply*

- ☒ Tier 1 suppliers

#### **(2.2.2.7) Type of assessment**

*Select from:*

- ☒ Qualitative and quantitative

#### **(2.2.2.8) Frequency of assessment**

*Select from:*

- ☒ More than once a year

#### **(2.2.2.9) Time horizons covered**

*Select all that apply*

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

#### **(2.2.2.10) Integration of risk management process**

Select from:

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

### (2.2.2.11) Location-specificity used

Select all that apply

- ☒ Local
- ☒ Sub-national
- ☒ National
- ☒ Not location specific

### (2.2.2.12) Tools and methods used

#### Commercially/publicly available tools

- ☒ WRI Aqueduct

#### International methodologies and standards

- ☒ ISO 14001 Environmental Management Standard
- ☒ ISO 14046 Environmental Management – Water Footprint

#### Other

- ☒ Internal company methods
- ☒ Materiality assessment
- ☒ Scenario analysis

### (2.2.2.13) Risk types and criteria considered

#### Acute physical

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Drought   | <input checked="" type="checkbox"/> Flood (coastal, fluvial, pluvial, ground water)   |
| <input checked="" type="checkbox"/> Landslide | <input checked="" type="checkbox"/> Storm (including blizzards, dust, and sandstorms) |
| <input checked="" type="checkbox"/> Wildfires |   |

- ☑ Heat waves
- ☑ Heavy precipitation (rain, hail, snow/ice)

### **Chronic physical**

- ☑ Heat stress
- ☑ Soil erosion
- ☑ Water stress
- ☑ Temperature variability
- ☑ Precipitation or hydrological variability
- ☑ Increased severity of extreme weather events
- ☑ Water availability at a basin/catchment level
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)

### **Policy**

- ☑ Carbon pricing mechanisms
- ☑ Changes to international law and bilateral agreements
- ☑ Changes to national legislation
- ☑ Limited or lack of river basin management
- ☑ Uncertainty and/or conflicts involving land tenure rights and water rights

### **Market**

- ☑ Inadequate access to water, sanitation, and hygiene services (WASH)
- ☑ Uncertainty in the market signals

### **Reputation**

- ☑ Impact on human health
- ☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ☑ Investing that could create or contribute to systemic risk for the economy
- ☑ Lending that could create or contribute to systemic risk for the economy
- ☑ 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**

- ☑ Transition to lower emissions technology and products

- ☒ Transition to water intensive, low carbon energy sources

#### Liability

- ☒ Exposure to litigation
- ☒ Non-compliance with regulations
- ☒ Regulation and supervision of environmental risk in the financial sector

#### (2.2.2.14) Partners and stakeholders considered

Select all that apply

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> NGOs      | <input checked="" type="checkbox"/> Regulators                                     |
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities                              |
| <input checked="" type="checkbox"/> Employees | <input checked="" type="checkbox"/> Water utilities at a local level               |
| <input checked="" type="checkbox"/> Investors | <input checked="" type="checkbox"/> Other water users at the basin/catchment level |
| <input checked="" type="checkbox"/> Suppliers |  |

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

Select from:

- ☒ No

#### (2.2.2.16) Further details of process

Yapı Kredi considers environmental risk management as one of its top priorities and evaluates these risks under operational risk, reputation risk, credit risk, and environmental risk areas. The Bank has more than a hundred risk experts in its risk management unit, which functions under the Risk Committee. Based on international and national regulatory frameworks and methods, the unit is responsible for measuring, monitoring, reporting, and controlling potential risks that Yapı Kredi may be exposed to. In 2023, the Risk Committee convened 6 times with the required majority and quorum satisfied. The Committee directly reports to the Board of Directors. Also, the management of climate-related risks is discussed in parallel with the Sustainability Committee. Moreover, in order to bring dynamism to its work in the field of sustainable banking, the Bank established the working groups of "Sustainable Credits Management", "Sustainable Products and Services", "Corporate Governance & Risk Management", "Sustainable Products and Services" and "Cultural Transformation of Employees", which directly report to the Sustainability Committee. The Bank classifies climate-related risks and opportunities as physical and transitional. Accordingly, the Bank defines the following as climate-related risks and opportunities: extreme weather events, extreme temperatures, national and international regulations related to climate change, stakeholder expectations for Yapı Kredi and the agenda on changing market expectations with the transition to a low-carbon economy, and emerging new technologies. The impact of these risks

and opportunities on climate change are determined by taking into account national and international regulations, initiatives and trends under the joint work of different units within the Bank. To this end, Yapı Kredi continues to support many international initiatives developed for the financial sector to manage and reduce its emissions from both its own operations and loans. In line with the climate risks action plan provided for under the Paris Climate Agreement, the Bank has made a commitment to the Science Based Targets Initiative (SBTi) in 2021 to reduce its emissions. In 2023, Yapı Kredi joined the Net-Zero Banking Alliance, established by the banks committed to reaching net zero by 2050 under the leadership of the UN Environment Programme Finance Initiative (UNEP FI), and reiterated its commitment to net-zero emissions. Accordingly, the Bank continues to implement targets, strategies and action plans aimed at reducing GHG in all its operational activities. Moreover, the Bank works proactively to evaluate the operational risks that may be caused by extreme weather events (heavy rain, flood, drought, hail, tornado, etc.) due to climate change in the short, medium and long term, and to create action plans accordingly.

[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: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> 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)	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Both risks and opportunities	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

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

### Banking (Bank)

#### (2.2.6.1) Environmental issue

*Select all that apply*

- ☒ Climate change
- ☒ Water
- ☒ Plastics
- ☒ Biodiversity

#### (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



#### (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

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Retail                        | <input checked="" type="checkbox"/> Fossil Fuels         |
| <input checked="" type="checkbox"/> Apparel                       | <input checked="" type="checkbox"/> Manufacturing        |
| <input checked="" type="checkbox"/> Services                      | <input checked="" type="checkbox"/> Infrastructure       |
| <input checked="" type="checkbox"/> Materials                     | <input checked="" type="checkbox"/> Power generation     |
| <input checked="" type="checkbox"/> Hospitality                   | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Transportation services       |  |
| <input checked="" type="checkbox"/> Food, beverage & agriculture  |  |
| <input checked="" type="checkbox"/> Biotech, health care & pharma |  |

#### (2.2.6.6) Frequency of assessment

Select from:

- ☒ More than once a year

#### (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

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

### (2.2.6.10) Tools and methods used

Select all that apply

- ☒ Risk models
- ☒ WRI Aqueduct
- ☒ Scenario analysis
- ☒ External consultants
- ☒ Internal tools/methods
- ☒ Portfolio temperature alignment
- ☒ UNEP FI Portfolio Impact Analysis Tool for Banks

### (2.2.6.11) Risk type and criteria considered

#### Acute physical

- ☒ Drought
- ☒ Landslide
- ☒ Wildfires
- ☒ Heat waves
- ☒ Cyclones, hurricanes, typhoons
- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Storm (including blizzards, dust, and sandstorms)

#### Chronic physical

- ☒ Heat stress
- ☒ Soil erosion
- ☒ Declining ecosystem services
- ☒ Precipitation or hydrological variability

- ☒ Water stress
- ☒ Groundwater depletion
- ☒ Temperature variability
- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)

- ☒ Increased severity of extreme weather events
- ☒ Water availability at a basin/catchment level
- ☒ Changing temperature (air, freshwater, marine water)

### **Policy**

- ☒ Carbon pricing mechanisms
- ☒ Changes to international law and bilateral agreements
- ☒ Changes to national legislation

### **Market**

- ☒ Changing customer behavior
- ☒ Inadequate access to water, sanitation, and hygiene services (WASH)

### **Reputation**

- ☒ Impact on human health
- ☒ Increased partner and stakeholder concern and partner and stakeholder negative feedback
- ☒ Lending that could create or contribute to systemic risk for the economy
- ☒ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

### **Liability**

- ☒ Exposure to litigation
- ☒ Non-compliance with regulations
- ☒ Regulation and supervision of environmental risk in the financial sector

## **(2.2.6.12) Partners and stakeholders considered**

*Select all that apply*

- ☒ Customers
- ☒ Local communities

- ☒ NGOs
- ☒ Regulators
- ☒ Suppliers

### (2.2.6.13) Further details of process

*To identify, prevent, or minimize the environmental and social risks of investments financed by Yapı Kredi, the Bank implements the ESRA System, based on national legislation and IFC Environmental and Social Performance Standards. Under the ESRA, all loan requests submitted to the Bank are evaluated in line with loan policies and the Exclusion List provided in Yapı Kredi's Environmental and Social Risk Management Policy. Activities that do not comply with these policies or are on the Exclusion List are not financed under any circumstances. The effectiveness of the ESRA System is closely monitored through internal audits and regular training given to all teams responsible for the implementation, especially portfolio managers. Improvements were made in the reporting steps of the ESRA System to the credit and sustainability committees, increasing senior management's control over the system. Since 2019, the ESRA system has evaluated all new investment and project finances with an investment amount of USD 10 million and more, provided with resources and services under corporate and commercial business lines. To align the scope of the ESRA System with the Equator Principles, improvements were made in 2021 with reference to national legislation and the International Finance Corporation Performance Standards (IFC PSs) as well as Equator Principles practices. Under the ESRA System, investments are examined in line with national Environmental and OHS legislation and various international standards on issues such as key sensitive areas, cultural heritage, resettlement of affected people, natural resource use, stakeholder engagement, environmental and social management systems, community health and safety, media, and community objection. According to the assessment results performed with the question sets defined specifically for the sector, the relevant risk category of the investment is determined, and action and monitoring plans suitable for this classification are created in cooperation with the customer. If the investment is found to be high risk, these actions are monitored in cooperation with independent consultants. Yapı Kredi clearly defines the criteria and control definitions for the selection of independent consultants for investments and includes these in the implementation processes of the ESRA System.*

[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

*Yapı Kredi addresses the risks associated with failing to achieve net-zero targets by considering both physical and transition risks and recognizing the interconnectedness of climate and water risks. Physical risks, such as sea level rise and extreme weather events (heavy rain, floods, droughts, hail, tornadoes, etc.), are seen as threats to the Bank's operations and its customers' financial resilience. To mitigate these risks, the Bank proactively implements targets, strategies, and*

action plans to reduce energy and resource consumption across all operational activities. Yapı Kredi's lending activities, predominantly located in Türkiye within the Mediterranean Basin, are particularly vulnerable to rising average temperatures. This could potentially impact the capacity of financed hydroelectric power plant projects, increasing their credit risk and affecting the Bank's corporate and commercial banking activities. Issues related to risky areas and sensitive sectors (such as environmentally unfriendly establishments, nuclear energy, mining and thermal power plant industries, water infrastructure, and dam industries) are managed in line with general principles of reputation risk management and evaluated under the Environmental and Social Risk Assessment (ESRA) system. The Bank emphasizes the importance of real sector companies being aware of physical risks and encourages the adoption of lower emission technologies and investments. Enhancing customers' resilience against physical risks and promoting compliance with net-zero targets necessitates the development of innovative loan products within the banking sector. To support this transformation, Yapı Kredi offers financial solutions for sustainable development through various products and services, including sustainability-linked loans, renewable energy and energy efficiency loans, nature-friendly mortgages and nature-friendly auto loans. By facilitating the net-zero transformation of its customers through these financial services, the Bank aims to mitigate market and competition risks in achieving net-zero targets within its loan portfolio. Yapı Kredi's strategic approach to reducing emissions from its loan portfolio is integrated into its Reputational Risk Policy and Credit Policies, approved by the Board of Directors. Reflecting on its updated policies in 2021, Yapı Kredi declared it will not finance greenfield coal-fired thermal power plants or new coal mining projects. This commitment underscores the Bank's proactive stance in addressing climate and water risks while supporting the transition to a sustainable future.

[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: <input checked="" type="checkbox"/> 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
- ☒ Water

### (2.2.9.2) Type of environmental information considered

*Select all that apply*

- ☒ Emissions data
- ☒ Energy usage data
- ☒ Climate transition plans
- ☒ Emissions reduction targets
- ☒ Science-Based Net-Zero Targets
- ☒ Access to WASH in the workplace
- ☒ Breaches to local water regulations
- ☒ Water withdrawn from water stressed areas
- ☒ Impingements on the human right to water in communities

### (2.2.9.3) Process through which information is obtained

*Select all that apply*

- ☒ Directly from the client/investee
- ☒ Data provider
- ☒ Public data sources

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

*Select all that apply*

- ☒ Retail
- ☒ Apparel
- ☒ Services
- ☒ Materials
- ☒ Hospitality
- ☒ Transportation services
- ☒ Fossil Fuels
- ☒ Manufacturing
- ☒ Infrastructure
- ☒ Power generation
- ☒ International bodies

- ☒ Food, beverage & agriculture
- ☒ Biotech, health care & pharma

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

100

#### (2.2.9.6) Total portfolio value covered by the process

1863373400000  
[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:

- ☒ Revenue

#### (2.4.3) Change to indicator

Select from:

- ☒ Absolute decrease

#### (2.4.5) Absolute increase/ decrease figure

#### (2.4.6) Metrics considered in definition

Select all that apply

- ☒ Frequency of effect occurring
- ☒ Likelihood of effect occurring

#### (2.4.7) Application of definition

*Yapı Kredi defines substantive financial or strategic impact as; 1) Financially, quantifiable risk indicators are: - The possibility of a financial loss of more than TRY 150 million is a “very high” risk level, - The possibility of a financial loss between TRY 25-150 million is a “high” risk level, - The possibility of a financial loss between TRY 250,000-25 million is a “moderate” risk level, - The possibility of a financial loss up to TRY 250,000 is a “low” risk level. The severity of substantive financial impacts is measured with their associated monetary financial impact in TRY (currency). This monetary financial impact is calculated with scenarios that result in a loss for risks and a gain for opportunities. All in all, risks with the possibility of financial loss greater than TRY 250,000 and opportunities with the possibility of financial gain greater than TRY 250,000 are considered substantive. 2) Reputationally; significant loss of reputation among all stakeholders such as customers, employees, suppliers, and strategic partners, leading to massive public reactions or media/social media crisis, 3) Operationally; system disruptions, service interruptions or failure to sustain operations due to the significant increase in the workload driven by social or environmental hazards, 4) Legally; disruptive consequences such as suspension of operations, license revocation or senior management condemnation driven by the breach of laws and legislation. Any project/investment that falls under the substantive financial or strategic impact definition (defined above) would be considered a climate or water-related substantive financial or strategic impact.*

### Opportunities

#### (2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

- ☒ Revenue

#### (2.4.3) Change to indicator



Select from:

☒ Absolute increase

#### (2.4.5) Absolute increase/ decrease figure

250000

#### (2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Likelihood of effect occurring

#### (2.4.7) Application of definition

Yapı Kredi defines substantive financial or strategic impact as; 1) Financially, quantifiable risk indicators are: - The possibility of a financial loss of more than TRY 150 million is a “very high” risk level, - The possibility of a financial loss between TRY 25-150 million is a “high” risk level, - The possibility of a financial loss between TRY 250,000-25 million is a “moderate” risk level, - The possibility of financial loss up to TRY 250,000 is a “low” risk level. The severity of substantive financial impacts is measured with their associated monetary financial impact in TRY (currency). This monetary financial impact is calculated with scenarios that result in a loss for risks and a gain for opportunities. All in all, risks with the possibility of financial loss greater than TRY 250,000 and opportunities with the possibility of financial gain greater than TRY 250,000 are considered substantive. 2) Reputationally; significant loss of reputation among all stakeholders such as customers, employees, suppliers, and strategic partners, leading to massive public reactions or media/social media crisis, 3) Operationally; system disruptions, service interruptions or failure to sustain operations due to the significant increase in the workload driven by social or environmental hazards, 4) Legally; disruptive consequences such as suspension of operations, license revocation or senior management condemnation driven by the breach of laws and legislation. Any project/investment that falls under the substantive financial or strategic impact definition (defined above) would be considered a climate or water-related substantive financial or strategic impact.

[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?**

#### Climate change

##### (3.1.1) Environmental risks identified

*Select from:*

☒ Yes, both within our direct operations or upstream value chain, and within our portfolio

#### Forests

##### (3.1.1) Environmental risks identified

*Select from:*

☒ No

##### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

*Select from:*

☒ Evaluation in progress

##### (3.1.3) Please explain

*Forests-related risks are still being assessed.*

#### Water

### (3.1.1) Environmental risks identified

Select from:

☒ Yes, both within our direct operations or upstream value chain, and within our portfolio

### Plastics

### (3.1.1) Environmental risks identified

Select from:

☒ No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☒ Evaluation in progress

### (3.1.3) Please explain

*Plastics-related risks are still being assessed.  
[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

- ☒ Changes to regulation of existing products and services

### (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 has led to significant shifts in regulations and market conditions worldwide, with governments enacting stricter rules on greenhouse gas emissions and promoting renewable energy. These regulations, including carbon pricing and emissions standards, push industries to adopt cleaner technologies and reduce their carbon footprint. Market dynamics are also changing, with increasing demand for sustainable products and services. Investors are now prioritizing climate risks, redirecting capital toward companies with strong environmental performance. For Yapı Kredi, these changes may present climate-related risks. The Bank's profitability, particularly in lending to carbon-intensive sectors, could be affected by evolving regulations and market shifts. In order to mitigate those possible risks, following GFANZ and NZBA guidelines, Yapı Kredi identified priority sectors within its lending portfolio, including iron & steel, electricity generation, real estate, oil & gas, and road transportation. These sectors represent 29% of the Bank's loan exposure and account for 65% of its financed emissions.

### (3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- ☒ 21-30%

### (3.1.1.11) Primary financial effect of the risk

Select from:

☒ Reduced profitability of investment portfolios

### (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:

☒ Unlikely

### (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

Yapı Kredi, one of the key players in the Turkish banking sector, ensures that its net-zero commitment drives the green transition and puts the impact creation front and centre of its sustainability strategy. With the aim of playing a leading role in this transition, Yapı Kredi continues to monitor climate-related indicators that are likely to affect the greening of its loan portfolio and its customers. In view of all these possible effects, Yapı Kredi has so far taken many important steps towards the financing of green investments in the real sector. In 2023, a modeling study of the interim net-zero emission reduction targets was completed within the framework of SBTi guidance. In the same year, a financial feasibility study was conducted to achieve the targets set. During this study, decarbonisation strategies were developed for prioritized sectors and a set of actions were determined to achieve these strategies. The targets modeled on the said feasibility and strategy study were submitted to the SBTi for verification and the Bank has recently received verification for the submitted targets. Thus, Yapı Kredi achieved to be the first private Tier-I bank in Türkiye to receive SBTi verification. Additionally, the Bank has become the most comprehensive coverage of loan portfolio targets in the Turkish banking sector and the only Turkish bank to set targets for its entire portfolio of mandatory targets. In addition, at the beginning of 2024, the work initiated to improve the data quality and methodology for calculating financed emissions, which is of paramount importance for the implementation of the strategy, was successfully completed. In this regard, Yapı Kredi aims to continue its determined efforts to reduce its financed emissions and to guide its customers in their journey to net zero, not only as a financier but also as an advisor and partner. With these actions under the net-zero transformation strategy, the Bank proactively reduces the likelihood of climate-related portfolio

risks actualizing in the future and sees any negative effect as “unlikely”. Although unlikely, policy risk due to changes in climate-related regulations on carbon-intensive sectors could reduce revenues from loans to said sectors by 0 to TRY 10 billion.

#### (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)

0

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

10000000000

#### (3.1.1.25) Explanation of financial effect figure

In 2023, Yapı Kredi developed its decarbonisation plan in order to achieve its emission reduction targets verified by SBTi. Under this plan, certain sectors have been prioritised, baselining & financial impact in those sectors were assessed, sectoral decarbonisation strategies and action sets were identified and the net-zero roadmap of the Bank was defined. During this feasibility study, the net income expected to be obtained from these sectors until 2050 within the scope of existing loans and new lending in the portfolio has been projected. While making the projections, Sectoral growth metrics and macroeconomic indicators published by the TCMB as well as global scenarios were taken into account. According to these projections, Yapı Kredi expects to generate revenues of 11,787 million TL from these sectors (electricity generation, oil & gas, real estate, iron & steel, and road transportation). While it is possible to transform all priority sectors, fossil fuel combustion accounts for the vast majority of global greenhouse gas emissions. For this reason, SBTi has developed a standard that will ensure that oil and gas companies set science-based targets that are consistent with the latest climate science. If oil and gas companies in Yapı Kredi's portfolio do not set any reduction targets, or if any regulations or restrictions are introduced in this sector, the net income expected from these sectors until 2050 could be negatively impacted, and Yapı Kredi may have to waive this amount in order to meet SBTi's targets. According to Yapı Kredi's decarbonization plan, the net income expected from the oil and gas sector until 2050, in other words, the amount that will be affected is around TL 10,000 million.

#### (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

20000000

### (3.1.1.28) Explanation of cost calculation

*Yapı Kredi has allocated a budget of TRY 20 million for actions under its decarbonization strategy. Of this budget, 75% is designated for external expenses, with the remaining portion allocated to internal expenses.*

### (3.1.1.29) Description of response

*In 2023, Yapı Kredi, aligning with its climate change strategy, developed decarbonization strategies for prioritized carbon-intensive sectors to meet targets set according to SBTi guidelines. Action plans were established to implement these strategies, focusing on supporting the transformation needs of its customers. The core of Yapı Kredi's transformation strategy is to provide financing for essential transformation actions within these sectors, forming the basis of the sector lending strategy. To address increasing demand, Yapı Kredi offers loans for technologies that reduce emission intensities for capacity expansion investments. The strategy also includes financing the transformation of existing capacities in line with companies' commitments to reduce their emission intensity. For high-energy-consuming sectors, Yapı Kredi supports investments in renewable energy production and offers financing for purchasing green electricity certificates when integrated facility investments are not feasible. Additionally, the Bank provides loans for integrating carbon capture and storage technologies in line with industry needs. Beyond investment loans, Yapı Kredi plans to apply its strategy and targets to working capital loans. According to SBTi targets, the Bank intends to reshape its lending policies based on sectoral transformation plans developed in 2023. Furthermore, under its NZBA commitment, Yapı Kredi has set 2022 as the baseline year for priority sectors and will publish reduction targets by the end of 2024.*

## 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 :Mediterranean Basin

#### (3.1.1.9) Organization-specific description of risk

*Türkiye is among the countries experiencing high and extremely high water stress. According to the IPCC, the Mediterranean Basin, in which Türkiye is located, is considered one of the most water-sensitive regions. Moreover, the data from the Meteorological Service of the country proves that the amount of precipitation continues to decline every year due to climate change. As a result of this, drought has emerged as a growing concern considering its adverse impacts on basin water levels. The Sixth Assessment Report of IPPC also underlines the drought risk and claims hydrological droughts in the Mediterranean Basin will intensify. Such water-related risks may pose credit risk to the Bank considering its lending exposure to hydroelectric power plants in Türkiye which was approximately TRY 12 billion in 2023. That's why, water-related outcomes caused by water stress such as floods and drought are taken into account while analyzing the water-related risks in the lending activities of the Bank. Water scarcity may cause deterioration in the financials of the customers, thus may lead a reduction in the asset quality of the related 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:

- ☒ Reduced profitability of investment portfolios

### (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:

- ☒ Unlikely

### (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

Yapı Kredi addresses the risks it may face in the event that the net-zero target is not achieved, within the scope of physical and transition risks. Physical risks are considered as the risks that sea level rise and extreme weather events (heavy rain, flood, drought, hail, tornado, etc.) may impose on the Bank's operations. These physical risks may also have devastating effects on the Bank's customers' operations and thus their financial resilience. Yapı Kredi's lending activities are located in Türkiye, located in the Mediterranean Basin, which will be greatly affected by rising average temperatures. It is anticipated that the potential capacity drops of the financed hydroelectric power plant projects may increase the credit risk of these projects and affect Yapı Kredi's corporate and commercial banking activities. Issues related to risky areas and sensitive sectors (environmentally unfriendly establishments, nuclear energy, mining and thermal power plant industry, water infrastructure and dam industry, etc.) are defined in line with the general principles of reputation risk management and are also evaluated under the Environmental and Social Risk Assessment (ESRA) system. Although unlikely, risk due to increased water scarcity in Türkiye could reduce revenues from loans to said sectors by a maximum of TRY 12 billion.

### (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)

0

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

120000000000

#### (3.1.1.25) Explanation of financial effect figure

*The total lending portfolio of Yapı Kredi to the hydropower projects stands at roughly TL 12,000 million as of 2023 YE. Considering that physical climate change effects such as drought may affect hydroelectric power plants and precipitation figures, this may limit the production capacity of the plants and cause disruptions in our customers' financials and ability to pay their loans. Therefore, in the worst-case scenario, Yapı Kredi, like other banks in the sector, may face the risk of not making the scheduled payments for a specific period once the borrower is in default. In this case, the total outstanding risk on the Yapı Kredi's balance sheet for these customers may go to NPL (non-performing loans).*

#### (3.1.1.26) Primary response to risk

##### Policies and plans

☒ More ambitious environmental commitments and policies

#### (3.1.1.27) Cost of response to risk

0

#### (3.1.1.28) Explanation of cost calculation

*Yapı Kredi manages climate-related risks arising from lending activities under the ESRA (Environmental and Social Risk Assessment) system, applied by the Bank to corporate and commercial loan requests. The ESRA system leads to predetermining risks related to both climate and water and evaluates the respective project according to its impact on water resources. In 2023, there were no additional paid education programs conducted that are associated with the ESRA system. For the highest-risk projects assessed under the ESRA system, additional risk consulting services are purchased. However, the costs associated with these consulting*

services are paid by our clients. The ESRA system is operated by the Bank's specialist employees. As risk management for lending activities is one of Yapı Kredi's primary actions throughout its operations, there is no additional cost associated to manage this risk. Due to this, the cost of response is given as zero.

### (3.1.1.29) Description of response

Yapı Kredi prioritizes environmental and social risk management, including water-related risks, through its ESRA system. By considering water-related risks, the Bank can effectively analyze changes in revenue, expenditures, and assets, improving financial planning. Water-related risks in operations are identified and incorporated into financial analysis and planning. Under the ESRA system, investments are assessed based on environmental and OHS legislation, international standards, and stakeholder engagement. In 2022, the total value of projects assessed under the ESRA system in 2023 was USD 937 million. As of December 31st, 2023, Yapı Kredi's eligible green loan portfolio comprises hydropower energy amounts to TRY 12 billion. With ESRA, Yapı Kredi aims to allocate credits to other renewable energy technologies like wind or solar, and hydropower plant projects located on basins with lower water stress.

[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:

☒ Revenue

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

100000000000

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

Select from:

☒ 1-10%

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

0

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

Select from:

☒ Less than 1%

#### (3.1.2.7) Explanation of financial figures

The figure provided in transition risks corresponds to the net income expected from the oil and gas sector until 2050, in other words, the amount that will be affected by transition risks is approximately TL 10,000 million. For the physical risks, the amount is given as zero. The amount for physical risks is already provided in water risks in the form of portfolio value.

### 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)

12000000000

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

Select from:

☒ 1-10%

### (3.1.2.7) Explanation of financial figures

The figure provided for physical risks represents the Bank's hydropower portfolio. A figure of zero was provided for transition risks due to a lack of substantive risk definition regarding transition risks related to water.

[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?**

### Climate change

#### (3.6.1) Environmental opportunities identified

Select from:

☒ Yes, we have identified opportunities, and some/all are being realized

### Forests

#### (3.6.1) Environmental opportunities identified

Select from:

☒ No

#### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Evaluation in progress

#### (3.6.3) Please explain

Evaluation of forests-related opportunities regarding our loan portfolio is still underway.

## Water

### (3.6.1) Environmental opportunities identified

Select from:

☒ No

### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☒ Opportunities exist, but none anticipated to have a substantive effect on organization

### (3.6.3) Please explain

There are no substantive water-related opportunities in 2023.

[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

### (3.6.1.2) Commodity

Select all that apply

☒ Not applicable

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

#### Capital flow and financing

☒ Access to sustainability linked loans

### (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

*In 2023, Yapı Kredi successfully executed a syndicated loan transaction as part of its commitment to sustainability and the creation of long-term value for its stakeholders. The transaction, completed in November, focused on increasing loan volumes for businesses managed or owned by women and advancing decarbonization strategies within its loan portfolio. The loan, with a maturity of 367 days, was structured in two tranches, totaling USD 359 million and EUR 372.5 million. Aligned with the Bank's selected sustainability criteria, the loan was secured to support foreign trade financing. It involved the participation of 39 banks from 22 countries, with a total cost of SOFR 3.25% and Euribor 3.25%. A key aspect of this transaction was the incorporation of the Bank's emission targets and strategy as a gating requirement, distinct from traditional KPIs. To qualify for interest rate reductions, it was essential to meet this requirement before addressing KPIs. If the gating requirement was unmet, the Bank would not benefit from interest rate reductions, even if all KPIs were achieved. Lender banks required Yapı Kredi to meet specific conditions for the gating requirement: • Presentation of interim emission reduction targets, • Disclosure of the share of targeted sectors within the total loan or asset portfolio, • Provision of reduction charts and decarbonization strategies.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced direct costs

### (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

*With gating criteria and KPIs set by the lender banks successfully completed, the Bank achieved an interest rate reduction for the syndicated loan. This reduction of interest rate reduced the cost of the loan.*

### (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)

2010749.91

### (3.6.1.23) Explanation of financial effect figures

*November Syndicated Loan: USD 359 million and EUR 372.5 million Used formula: Discount Amount Amount x (Number of Discounted Days / Tenor) x (Discount rate) November Loan - Saving from margin adjustment (saving from reduced interest rate): (USD 359 million (EUR 372.5 million x 1.1118 (EUR USD exchange rate)) x (94 days / 367 days (year)) x (0.03% (discount rate) USD 59,407.91 USD 59,407.91 \* (33.8465) TRY 2,010,749.84*

### (3.6.1.24) Cost to realize opportunity

0

### (3.6.1.25) Explanation of cost calculation



*This opportunity was achieved through regular activities of the Bank. There were no additional costs required to achieve it.*

#### **(3.6.1.26) Strategy to realize opportunity**

*In 2023, Yapı Kredi developed its decarbonisation plan in order to achieve its emission reduction targets verified by SBTi. Under this plan, certain sectors have been prioritised, baselining & financial impact in those sectors were assessed, sectoral decarbonisation strategies and action sets were identified and the net-zero roadmap of the Bank was defined.*

*[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)**

2010749.91

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

*Select from:*

☒ Less than 1%

##### **(3.6.2.4) Explanation of financial figures**

*In 2023, Yapı Kredi successfully executed a syndicated loan transaction as part of its commitment to sustainability and the creation of long-term value for its stakeholders. The transaction, completed in November, focused on increasing loan volumes for businesses managed or owned by women and advancing decarbonization strategies within its loan portfolio. With gating criteria and KPIs set by the lender banks successfully completed, the Bank achieved an interest rate*

*reduction for the syndicated loan. This reduction of interest rate reduced the cost of the loan. The amount given corresponds to the reduced costs due to the reduced interest rate.*

*[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

☒ Non-executive directors or equivalent

☒ Independent non-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

*In the belief that a rich and diverse working environment where differences are celebrated will be a successful one, Yapı Kredi adopts an approach that takes a firm stand against all kinds of discrimination, including, but not limited to, discrimination on the basis of language, religion, gender, ethnicity, faith, and sexual orientation. The 'Board of Directors Diversity Policy' was published to ensure diversity and inclusion in the Bank's senior management as well. In the frame of the Bank's vision and mission gaining long-term sustainable growth, creating value for every stakeholder; with the aim of being a first choice for customers and employees, having the*

principle of diversity and inclusion in the structure, promoting and sustaining a common company culture is one of the main goals of the Bank. Diversity in age, gender, ethnicity, and nationality is the strategic focus for the employee profile; it is also applied in the formation of the Board of Directors. Providing social gender equality, coping with gender biases, and empowering the position of women in business are the focus areas of the Bank. Particularly, inclusion and empowerment of women in business life are the concepts adopted by the Bank.

#### (4.1.6) Attach the policy (optional)

ykb\_board\_of\_directors\_diversity\_policy.pdf  
[Fixed row]

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

	Board-level oversight of this environmental issue	Primary reason for no board-level oversight of this environmental issue	Explain why your organization does not have board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes	Select from:	Rich text input [must be under 2500 characters]
Forests	Select from: <input checked="" type="checkbox"/> No, and we do not plan to within the next two years	Select from: <input checked="" type="checkbox"/> Not an immediate strategic priority	Forests related oversight mechanisms are still being assessed.
Water	Select from: <input checked="" type="checkbox"/> Yes	Select from:	Rich text input [must be under 2500 characters]
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes	Select from:	Rich text input [must be under 2500 characters]

[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

- ☒ Individual role descriptions

### (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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Overseeing and guiding scenario analysis   | <input checked="" type="checkbox"/> Approving and/or overseeing employee incentives                |
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets  | <input checked="" type="checkbox"/> Overseeing and guiding major capital expenditures              |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets  | <input checked="" type="checkbox"/> Monitoring the implementation of a climate transition plan     |
| <input checked="" type="checkbox"/> Overseeing and guiding public policy engagement  | <input checked="" type="checkbox"/> Overseeing and guiding the development of a business strategy  |
| <input checked="" type="checkbox"/> Overseeing and guiding public policy engagement  | <input checked="" type="checkbox"/> Overseeing and guiding acquisitions, mergers, and divestitures |
| <input checked="" type="checkbox"/> Overseeing and guiding the development of a climate transition plan                              |  |
| <input checked="" type="checkbox"/> 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
- ☒ Risks and opportunities to our investment activities
- ☒ The impact of our banking activities on the environment
- ☒ The impact of our investing activities on the environment

#### (4.1.2.7) Please explain

Yapı Kredi Sustainability Committee was established to create Yapı Kredi's sustainability strategy and policies in economic, social and environmental areas, integrate this strategy and these policies into the Bank's operations, and monitor its sustainability performance. Representing various management units, the Committee is chaired by an Independent Board Member. Climate-related topics, such as management of climate-related risks & opportunities linked to operational as well as lending activities and setting up strategies/defining targets with regards to the reduction of emissions, are part of the Sustainability Committee's responsibilities. The Committee reviews the results of climate-related risk and opportunity assessment for the Bank's own operations and banking activities, along with the climate-related impact assessment results of their own operations and investments. The Committee directly reports to the board on the issues below. The following risks and opportunities are assessed and monitored by the Committee on a regular basis: • Risks and opportunities related to operation (physical & legal) • Risks and opportunities related to financing activities (physical risk or opportunity of the investments/projects which might impact the environment & society, transition risk or opportunity of the investments/projects which might arise due to regulatory developments) The Committee meets quarterly to monitor and guide developments in relation to sustainability and periodically reports to the Executive Committee and to the Board of Directors. Based on the Sustainability Team's findings and suggestions, the Sustainability Committee establishes and guides a comprehensive management approach for Yapı Kredi, consisting of: • Sustainability strategy, • Plan of actions to be implemented, • Climate-related scenario analysis, • Risk management policies, • Sustainability expenditures, • Sustainability-related employee incentives, • Targets and objectives related to the sustainability performance of the Bank. Examples of the actions taken by the board's decision: • In 2023, the Bank became a signatory of the Net-Zero Banking Alliance (NZBA) established by the United Nations Environment Programme Finance Initiative (UNEP FI), committing to aligning its portfolio with net-zero emissions targets in line with the Paris Climate Agreement by 2050. • In 2023, in line with its climate change strategy, Yapı Kredi developed decarbonization strategies for the prioritised sectors in order to achieve its targets determined in line with the SBTi guidelines and determined action sets to realize these strategies. While developing the transformation plan, an interactive process was performed with the Steering Committee consisting of senior management and the Working Group members including the relevant teams and works were carried out in line with the Bank's loan policies and strategies.

### 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

☒ Individual role descriptions

#### (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

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

#### (4.1.2.6) Scope of board-level oversight

Select all that apply

- ☒ Risks and opportunities to our own operations
- ☒ Risks and opportunities to our banking activities
- ☒ The impact of our own operations on the environment
- ☒ Risks and opportunities to our investment activities
- ☒ The impact of our banking activities on the environment
- ☒ The impact of our investing activities on the environment

#### (4.1.2.7) Please explain

Yapı Kredi Sustainability Committee was established to create Yapı Kredi's sustainability strategy and policies in economic, social and environmental areas, integrate this strategy and these policies into the Bank's operations, and monitor its sustainability performance. Water-related topics such as management of water-related risks and opportunities linked to operational as well as lending activities and setting up strategies/defining water targets are part of the Sustainability Committee's responsibilities. The Committee reviews the results of water-related risk and opportunity assessment for the Bank's own operations and lending activities, along with the climate-related impact assessment results of their own operations and investments. The Committee meets quarterly to monitor and guide developments in relation to sustainability and periodically reports to the Executive Committee and to the Board of Directors. Based on the Sustainability Team's findings and suggestions, the Sustainability Committee establishes and guides a comprehensive management approach for Yapı Kredi, consisting of: • Sustainability strategy, • Plan of actions to be implemented, • Water-related scenario analysis, • Risk management policies, • Sustainability expenditures, • Sustainability-related employee incentives, • Targets and objectives related to the sustainability performance of the Bank.

### Biodiversity

#### (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



- ☒ Individual role descriptions

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

Select from:

- ☒ Sporadic – agenda item as important matters arise

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

Select all that apply

- ☒ Overseeing and guiding scenario analysis
- ☒ Monitoring progress towards corporate targets
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Approving and/or overseeing employee incentives

#### (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
- ☒ Risks and opportunities to our investment activities
- ☒ The impact of our banking activities on the environment
- ☒ The impact of our investing activities on the environment

#### (4.1.2.7) Please explain

*Sustainability-related activities (including biodiversity) in Yapı Kredi are managed under the supervision of the Sustainability Committee. The Committee is responsible for integrating sustainability into business processes and for monitoring, assessing and guiding the sustainability performance of Yapı Kredi. Sustainability-related risks & opportunities linked to operations as well as project finance and setting up strategies/defining targets are part of the Sustainability Committee's responsibilities. Risks related to operations and financing activities are assessed and monitored by the Committee on a regular basis. The Committee which is chaired by a Board Member meets quarterly to monitor and guide developments in relation to sustainability and periodically reports to the Executive Committee and the Board of Directors. Yapı Kredi monitors its biodiversity impacts resulting from its lending activities through Environmental and Social Action Plans, including biodiversity action plans, when deemed necessary for high-risk projects. With the integration of Equator Principles into the Environmental and Social Risk*

Assessment (ESRA) System of Yapı Kredi, assessment criteria for biodiversity have been supplemented to the ESRA system. Accordingly, biodiversity is also taken into consideration when determining the environmental and social risk categories of projects and investments. During the evaluation made within the scope of the ESRA system, sector-specific questions have been asked about flora and fauna, protected areas, migration routes etc. As an example of the actions taken by the board's decision, Yapı Kredi joined the signatories of the Finance for Biodiversity Pledge in 2023 and became the only signatory financial institution from Türkiye. In line with this commitment, the Bank will accelerate efforts on biodiversity and determine its targets in the coming period.

[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

### **Forests**

#### **(4.2.1) Board-level competency on this environmental issue**

Select from:

☒ Not assessed

### **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

[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: <input checked="" type="checkbox"/> Yes	Select from:	Rich text input [must be under 2500 characters]
Forests	Select from: <input checked="" type="checkbox"/> No, but we plan to within the next two years	Select from: <input checked="" type="checkbox"/> Not an immediate strategic priority	Forests related management mechanisms are still being assessed.
Water	Select from: <input checked="" type="checkbox"/> Yes	Select from:	Rich text input [must be under 2500 characters]
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes	Select from:	Rich text input [must be under 2500 characters]

[Fixed row]

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

## **Climate change**

### **(4.3.1.1) Position of individual or committee with responsibility**

#### **Executive level**

- ☒ Other C-Suite Officer, please specify :EVPs of the Sustainability Committee

### **(4.3.1.2) Environmental responsibilities of this position**

#### **Dependencies, impacts, risks and opportunities**

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

#### **Engagement**

- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing value chain engagement related to environmental issues

#### **Policies, commitments, and targets**

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

#### **Strategy and financial planning**

- ☒ Developing a climate transition plan
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ 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:

- ☒ Other, please specify :the Executive Committee, including the CEO

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

Select from:

- ☒ Annually

### (4.3.1.6) Please explain

*Sustainability-related activities in Yapı Kredi are managed under the supervision of the Sustainability Committee. The Committee is responsible for integrating sustainability into business processes and for monitoring, assessing and guiding the sustainability performance of Yapı Kredi. Sustainability-related risks & opportunities linked to operations as well as project finance and setting up strategies/defining targets are part of the Sustainability Committee's responsibilities. Risks related to operations and financing activities are assessed and monitored by the Committee on a regular basis. The Committee which is chaired by a Board Member meets quarterly to monitor and guide developments in relation to sustainability and periodically reports to the Executive Committee and the Board of Directors.*

## Water

### (4.3.1.1) Position of individual or committee with responsibility

## Executive level

- ☒ Other C-Suite Officer, please specify :EVPs of the Sustainability Committee

### (4.3.1.2) Environmental responsibilities of this position

#### Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

#### Engagement

- ☒ Managing public policy engagement related to environmental issues
- ☒ Managing value chain engagement related to environmental issues

#### Policies, commitments, and targets

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

#### Strategy and financial planning

- ☒ Conducting environmental scenario analysis
- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing 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

#### (4.3.1.4) Reporting line

Select from:

- ☒ Other, please specify :the Executive Committee, including the CEO

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

Select from:

- ☒ Annually

#### (4.3.1.6) Please explain

*Sustainability-related activities in Yapı Kredi are managed under the supervision of the Sustainability Committee. The Committee is responsible for integrating sustainability into business processes and for monitoring, assessing and guiding the sustainability performance of Yapı Kredi. Sustainability-related risks & opportunities linked to operations as well as project finance and setting up strategies/defining targets are part of the Sustainability Committee's responsibilities. Risks related to operations and financing activities are assessed and monitored by the Committee on a regular basis. The Committee which is chaired by a Board Member meets quarterly to monitor and guide developments in relation to sustainability and periodically reports to the Executive Committee and the Board of Directors.*

### Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

**Executive level**

- ☒ Other C-Suite Officer, please specify :EVPs of the Sustainability Committee

#### (4.3.1.2) Environmental responsibilities of this position

**Dependencies, impacts, risks and opportunities**

- ☒ Managing environmental dependencies, impacts, risks, and opportunities

**Strategy and financial planning**

- ☒ Conducting environmental scenario analysis
- ☒ Developing a business strategy which considers environmental issues

### (4.3.1.3) Coverage of responsibilities

Select all that apply

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

### (4.3.1.4) Reporting line

Select from:

☒ Other, please specify :the Executive Committee, including the CEO

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

Select from:

☒ Annually

### (4.3.1.6) Please explain

*Sustainability-related activities (including biodiversity) in Yapı Kredi are managed under the supervision of the Sustainability Committee. The Committee is responsible for integrating sustainability into business processes and for monitoring, assessing and guiding the sustainability performance of Yapı Kredi. Sustainability-related risks & opportunities linked to operations as well as project finance and setting up strategies/defining targets are part of the Sustainability Committee's responsibilities. Risks related to operations and financing activities are assessed and monitored by the Committee on a regular basis. The Committee which is chaired by a Board Member meets quarterly to monitor and guide developments in relation to sustainability and periodically reports to the Executive Committee and the Board of Directors. Yapı Kredi monitors its biodiversity impacts resulting from its lending activities through Environmental and Social Action Plans, including biodiversity action plans, when deemed necessary for high-risk projects. With the integration of Equator Principles into the Environmental and Social Risk Assessment (ESRA) System of Yapı Kredi, assessment criteria for biodiversity have been supplemented to the ESRA system. Accordingly, biodiversity is also taken into consideration when determining the environmental and social risk categories of projects and investments. During the evaluation made within the scope of the ESRA system, sector-specific questions have been asked about flora and fauna, protected areas, migration routes etc.*

[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 there is a monetary incentive for the CEO related to climate change performance, the exact share of this incentive in all incentives is confidential. Due to this, the value is given as zero.*

### Forests

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

Select from:

☒ No, and we do not plan to introduce them in the next two years

#### (4.5.3) Please explain

*There is no board-level monetary incentive linked to the management of forests-related issues.*

### 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

### (4.5.3) Please explain

*Although there is a monetary incentive for the Executive Vice President, Human Resources, Organization and Internal Services related to the water performance of the Bank, the exact share of this incentive in all incentives is confidential. Due to this, the value is given as zero.*

*[Fixed row]*

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

#### Climate change

#### (4.5.1.1) Position entitled to monetary incentive

##### Board or executive level

☒ Chief Executive Officer (CEO)

#### (4.5.1.2) Incentives

*Select all that apply*

☒ Bonus - % of salary

#### (4.5.1.3) Performance metrics

##### Strategy and financial planning

☒ Board approval of climate transition plan

☒ Achievement of climate transition plan

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

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

#### (4.5.1.5) Further details of incentives

*The CEO's short-term and long-term incentive plans include a monetary reward in the form of a bonus which will be paid to the CEO upon completion of activities required for the achievement of climate targets.*

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

*The success criteria of the incentive are designed to motivate the CEO's actions that support the implementation of the Bank's climate transition plan.*

### Water

#### (4.5.1.1) Position entitled to monetary incentive

##### Board or executive level

☒ Other C-Suite Officer, please specify :Executive Vice President (EVP) - Human Resources, Organization and Internal Services

#### (4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

#### (4.5.1.3) Performance metrics

##### Targets

☒ Organization performance against an environmental sustainability index

##### Resource use and efficiency

☒ Reduction of water withdrawals – direct operations

☒ Reduction in water consumption volumes – direct operations

- ☒ Improvements in water efficiency – direct operations

#### **Pollution**

- ☒ Improvements in wastewater quality – direct operations
- ☒ Reduction of water pollution incidents

#### **Policies and commitments**

- ☒ Increased access to workplace WASH – direct operations

### **(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**

*At Yapı Kredi, the incentives are designed to align the Executive Vice President (EVP) - Human Resources, Organization and Internal Services' actions with the Bank's water action plan and encourage the implementation of sustainable practices within the organization. The performance indicators encompass both short-term and long-term objectives. The EVP's performance is evaluated based on the implementation and success of water-related projects such as efficiency gains, increasing the number of locations with ISO 14046 certification, implementing a digital tracking system for fuel and water use across locations, access to WASH services and measures against water scarcity.*

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

*The success criteria of the incentive is designed to motivate the EVP's actions that support the implementation of the Bank's water action plan.*  
[Add row]

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

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (4.6.1) Provide details of your environmental policies.

##### Row 1

##### (4.6.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

##### (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

*Yapı Kredi's environmental policy contains the clause below: "Yapı Kredi carries out activities to ensure that its employees, customers, suppliers, subcontractors, and other operational stakeholders implement this policy". Additional policies regarding Yapı Kredi's climate change commitments can be reached from Yapı Kredi Annual Report 2023.*

#### (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 net-zero emissions
- ☒ Commitment to not funding climate-denial or lobbying against climate regulations

##### **Water-specific commitments**

- ☒ Commitment to control/reduce/eliminate water pollution
- ☒ Commitment to reduce water consumption volumes
- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to safely managed WASH in local communities

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

*Select all that apply*

- ☒ Yes, in line with the Paris Agreement
- ☒ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

#### (4.6.1.7) Public availability

Select from:

☒ Publicly available

#### (4.6.1.8) Attach the policy

yk\_environmental\_and\_social\_policy-2.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)	<p>Select from:</p> <p><input checked="" type="checkbox"/> Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies</p>

[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

☒ Water

☒ Biodiversity

#### (4.7.1.2) Type of policy

Select all that apply

☒ Credit/lending policy

#### (4.7.1.3) Public availability

Select from:

☒ Publicly available

#### (4.7.1.4) Attach the policy

*yk\_environmental\_and\_social\_policy-2.pdf*

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

Select from:

☒ Direct operations and upstream/downstream value chain

#### (4.7.1.6) Industry sectors covered by the policy

Select all that apply

☒ Retail

☒ Apparel

☒ Services

☒ Materials

☒ Hospitality

☒ Transportation services

☒ Food, beverage & agriculture

☒ Biotech, health care & pharma

☒ Fossil Fuels

☒ Manufacturing

☒ Infrastructure

☒ Power generation

☒ International bodies

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



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

*Within the scope of the Bank's current business processes, all loan requests, regardless of limit, are evaluated in line with the public Environmental and Social Policy in addition to internal lending policies and the Exclusion List included in the policy. The loans or projects which are included in the Exclusion List of the Bank are not financed under any circumstances. In addition to these policies, within the framework of the "Assessment of Environmental and Social Risks in Lending Activities" procedure, all new investment and project financing loans and project finance advisory services with an investment amount greater than or equal to USD 10 million are subject to the environmental and social assessment. To identify, prevent or minimize the environmental and social risks involved in projects and investments that will be financed, Yapı Kredi implements the Environmental and Social Risk Assessment (ESRA) that was launched in 2017 based on the national legislation and the International Finance Corporation's (IFC) Performance Standards. In order to align the scope of the ESRA System with the Equator Principles, improvements were made in 2021 with reference to the national legislation, the International Finance Corporation's Performance Standards (IFC PSs) and the Equator Principles. Based on the outcome of the ESRA system, the relevant investment's associated risk category is determined. If the project or investment is found to be in the high-risk category, action and monitoring plans as well as oversight of those plans are carried out under the supervision of an independent consultant through cooperation with the project customer. In 2022, system automation required for monitoring the ESRA System on the bid screens was completed and implemented. As a result of the system build and development works, the process documents used throughout the Bank were updated and made available to the relevant staff. After the automation process, the portfolio managers in the branches and all related teams received training on the purpose, scope, implementation and user guide of the ESRA System in order to renew the in-house ESRA training and raise corporate awareness.*

#### (4.7.1.12) Requirements for clients/investees

##### Climate-specific commitments

- ☒ Commitment to develop a climate transition plan
- ☒ Commitment to disclose Scope 1 emissions
- ☒ Commitment to disclose Scope 2 emissions

##### Additional references/Descriptions

- ☒ Other additional reference/description, please specify :Performance Standards of the International Finance Corporation (IFC)

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

Select from:

- ☒ Yes

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

100

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

100

#### (4.7.1.16) Target year for 100% compliance

Select from:

☒ Already met

[Add row]

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

#### **Banking (Bank)**

#### (4.7.2.1) Type of exclusion policy

Select from:

☒ All coal

#### (4.7.2.2) Fossil fuel value chain

Select all that apply

☒ Upstream

☒ Midstream

#### (4.7.2.3) Year of exclusion implementation

2021

#### (4.7.2.4) Phaseout pathway

Select all that apply

☒ New business/investment for new projects

#### (4.7.2.5) Year of complete phaseout

2021

#### (4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☒ Worldwide

#### (4.7.2.7) Description

Based on its new policies updated in 2021, Yapı Kredi declared that the Bank will not finance greenfield coal-fired thermal power plants and new projects engaged in coal mining. Although there is no specific timeframe publicly disclosed by Yapı Kredi, the Bank aims to exclude industries exposed/contributing to climate-related risks from lending activities in time under its net zero target by 2050. Complete phase-out from all new and existing coal-fired power plants and mining within the portfolio is under consideration.

[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: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

**Row 1**

**(4.8.1.1) Environmental issue**

*Select all that apply*

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

**(4.8.1.2) Types of covenants used**

*Select all that apply*

- ☒ Margin or pricing depends on sustainability criteria
- ☒ Covenants related to compliance with your environmental policies

**(4.8.1.3) Asset class/product types covered by covenants**

*Select all that apply*

- ☒ Corporate loans
- ☒ Retail loans
- ☒ Corporate real estate
- ☒ Retail mortgages
- ☒ Project finance

**(4.8.1.4) Criteria for how covenants are applied**

*Select from:*

- ☒ Depending on loan size

#### (4.8.1.5) % of clients covered by covenants

0

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

14.6

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

*Yapı Kredi embraces a sensitive attitude toward social and environmental issues while ensuring economic development and growth, and adopts this approach to create long-term value for each area and stakeholder. Accordingly, to ensure the transformation of the sector, Yapı Kredi offers sustainable finance solutions to sustainable development issues through numerous products and services such as sustainability-linked loans, renewable energy and energy efficiency loans, nature-friendly mortgages, nature-friendly auto loans, and clean energy funds. In the coming period, the Bank aims to expand and diversify its sustainable product portfolio in line with market and customer expectations. Thus, Yapı Kredi will support the net-zero transformation of its customers with its financial products. The percentage given corresponds to the sustainable products portfolio including green loans, social loans and sustainable loans for each segment "Corporate, Retail and SME".*  
[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 an investment option

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

*Yapı Kredi offers different options to its employees for determining their pension system. Employees can choose the funds under which the pension scheme operates. One of these options is called "APG – Allianz Sürdürülebilirlik Fon Sepeti" which includes ESG issues within its investment criteria by utilising Borsa Istanbul Sustainability Index which in return utilizes Refinitiv's ESG scoring system.*

## Forests

### (4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☒ Yes, as an investment option

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

Yapı Kredi offers different options to its employees for determining their pension system. Employees can choose the funds under which the pension scheme operates. One of these options is called “APG – Allianz Sürdürülebilirlik Fon Sepeti” which includes ESG issues within its investment criteria by utilising Borsa Istanbul Sustainability Index which in return utilizes Refinitiv’s ESG scoring system.

## Water

### (4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☒ Yes, as an investment option

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

Yapı Kredi offers different options to its employees for determining their pension system. Employees can choose the funds under which the pension scheme operates. One of these options is called “APG – Allianz Sürdürülebilirlik Fon Sepeti” which includes ESG issues within its investment criteria by utilising Borsa Istanbul Sustainability Index which in return utilizes Refinitiv’s ESG scoring system.

[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

- ☒ UNEP FI
- ☒ UN Global Compact
- ☒ Net Zero Banking Alliance
- ☒ UNEP FI Principles for Responsible Banking
- ☒ Task Force on Climate-related Financial Disclosures (TCFD)
- ☒ Science-Based Targets Initiative for Financial Institutions (SBTi-FI)

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

*Net-Zero Banking Alliance: In 2023, Yapı Kredi joined the Net-Zero Banking Alliance, established by the banks committed to reaching net zero by 2050 under the leadership of the UN Environment Programme Finance Initiative (UNEP FI), and reiterated its commitment to net-zero emissions. Science-Based Targets Initiative for Financial Institutions (SBTi-FI): The Bank committed to SBTi in 2021 and became the first bank which joined the "Business Ambition for 1.5C" platform of the SBTi to set its emissions reduction targets for limiting global warming to 1.5C. In accordance with this commitment, the Bank's efforts are ongoing to reduce its emissions arising from its own operations and the emissions associated with its lending activities to achieve the net zero target by 2050. TCFD: The Bank, which has been a TCFD supporter since 2021, carries out studies in line with TCFD recommendations, evaluating financial risks and opportunities related to climate change, integrating physical and transition risks arising from climate change into risk management processes and reporting them in a transparent manner. In this context, the Bank launched a project in 2022 to incorporate climate risks in all risk processes starting from the credit evaluation stage. Under the project titled "Integration of Climate Change Risks and Opportunities into Credit Processes", training and workshop series continue to build the knowledge capacity established within the Bank on this subject. With the completion of the said pieces of training, it is planned to accelerate the efforts to integrate climate risks and opportunities into credit evaluation mechanisms within the Bank. In addition, the "Establishment of a Sustainable Financing Infrastructure" project was launched in 2022 in order to comply with the EU Taxonomy and to establish a sustainability-related classification, monitoring and reporting system for loans and to systematically track emission information. These projects are expected to generate important inputs for the Bank's net-zero transformation strategy. UN Global Compact: Being a signatory of the UN Global Compact, the world's largest corporate sustainability initiative, Yapı Kredi follows up on Sustainable Finance, Inclusion and Diversity, Gender Equality and Environment Working Groups within Global Compact Türkiye. In 2017, within the scope of the activities of the Global Compact Türkiye Sustainable Finance Working Group, the Bank became the founding signatory of the Global Compact Türkiye's Declaration of Sustainable Finance in cooperation with the sector. The Bank contributes to updating the declaration in light of sustainable finance developments. UNEP-FI Principles for Responsible Banking: Since 2017, Yapı Kredi has been a member of the United Nations Environment Programme Finance Initiative (UNEP-FI), and is a founding signatory of the United Nations Principles for Responsible Banking (UN-PRB) established under the UNEP-FI. Actively participating in UN PRB's working groups, the Bank cooperates and shares experience in the field of sustainability with other banks at the international level. Moreover, the Bank became a founding signatory to the new initiative of the United Nations Principles for Responsible Banking in the field of "Financial Health and Inclusion" in 2021. In 2022, under this working group, together with other national and international banks, Yapı Kredi took an active role in the creation of target and indicator sets to increase financial health and inclusion in society. In light of these indicators, the Bank carries out target-setting activities*

to increase the financial literacy of disadvantaged groups and increase their access to financial products. Yapı Kredi regularly and transparently reports developments in this area every year.

[Fixed row]

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

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

Select all that apply

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

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

Select from:

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

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

Select all that apply

- ☒ Paris Agreement
- ☒ Sustainable Development Goal 6 on Clean Water and Sanitation

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

*integrated\_annual\_report\_2023.pdf*

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



Select from:

☒ Yes

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

Select all that apply

☒ Non-government register

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

*CDP: Yapı Kredi utilizes CDP, to report its environmental impact. Through CDP, Yapı Kredi transparently shares information on its greenhouse gas emissions, emission reduction targets, policies, performance measures, and related activities. Global Compact: Yapı Kredi has been a proud signatory of the UN Global Compact since 2021. The company is committed to integrating the principles of the Global Compact, which underpin the 17 SDGs, into all its business procedures, strategies, and operations.*

#### (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

*Yapı Kredi Sustainability Committee was established to create Yapı Kredi's sustainability strategy and policies in economic, social and environmental areas, integrate this strategy and these policies into Bank operations, and monitor its sustainability performance. Representing various management units, the Committee is chaired by the Independent Board Member. Meeting quarterly to monitor and guide developments in sustainability, the Sustainability Committee periodically reports to the Executive Committee and the Board of Directors every year. Sustainability Working Groups were formed with the participation of relevant departments of the Bank in order to implement the strategy determined by the Sustainability Committee and coordinate relevant efforts. Operating under Corporate Communications Management, the Sustainability and Corporate Social Responsibility Unit at Yapı Kredi is responsible for: - Coordinating the Sustainability Working Groups, - Monitoring progress and performance on sustainability goals, - Consolidating sustainability data, - Evaluating activities in line with sustainability objectives, - Managing internal and external sustainability communications. This unit also decides on commitments or pledges to external initiatives related to sustainability, ensuring a unified approach to external engagements. In addition, the Bank's Risk Department regularly monitors the Bank's engagements so that they are in line with the Bank's commitments.*

*[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

*BRSA Green Asset Ratio*

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

*Select all that apply*

☒ Climate change

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

**Financial mechanisms (e.g., taxes, subsidies, etc.)**

☒ 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

- ☒ Regular meetings
- ☒ 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 Bank is a member of the "Role of the Financial Sector in Sustainable Growth Working Group" of BAT and actively contributes to all studies carried out under sub-working groups focusing on Green Asset Ratio (GAR) and climate risks.*

**(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

[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 other intermediary organization or individual

#### (4.11.2.2) Type of organization or individual

Select from:

- ☒ Non-Governmental Organization (NGO) or charitable organization

#### (4.11.2.3) State the organization or position of individual

*Business Council for Sustainable Development Türkiye*

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

Select all that apply

- ☒ Climate change  
☒ Water

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

Select from:

- ☒ Consistent

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

Select from:

- ☒ Yes, we publicly promoted their current position

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

*Recognizing the value of continuous learning and the importance of fostering partnerships for sustainability, Yapı Kredi joined the Business Council for Sustainable Development Türkiye in 2023. Since then, Yapı Kredi has been dedicated to expanding its capabilities through collaborations, promoting cross-sector partnerships, and increasing awareness in support of the Sustainable Development Goals. The working groups that the Bank is active are: • Transition to Low Carbon Economy and Efficiency, • Sustainable Agriculture and Access to Food, • Sustainable Industry and Circular Economy Plastics, • Sustainable Finance and Risk Management, • Women's Employment and Equal Opportunity.*

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

3052

#### (4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*The funding is provided to ensure the BCSD can continue its activities for promoting sustainability of businesses in Türkiye.*

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

Select from:

☒ Yes, we have evaluated, and it is aligned

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

Select all that apply

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

### Row 2

#### (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 :The Banks Association of Turkey (BAT)

#### (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

#### (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:

☒ No, we did not attempt to influence their 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

*As a member of the Banks Association of Turkey (BAT), the Bank actively participates in all the activities of the association and is represented on the Board of Directors of the BAT. In addition, the Bank is a member of the "Role of the Financial Sector in Sustainable Growth Working Group", which is one of the continuous working groups of the BAT, and actively participates in all the studies carried out under this group.*

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

**(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

*Our funding is to support BAT's activities.*

**(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

*[Add row]*

**(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.****Row 1****(4.12.1.1) Publication**

*Select from:*

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

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

*Select all that apply*

☒ GRI

☒ TCFD

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

#### (4.12.1.4) Status of the publication

Select from:

☒ Complete

#### (4.12.1.5) Content elements

Select all that apply

☒ Strategy

☒ Governance

☒ Emission targets

☒ Emissions figures

☒ Risks & Opportunities

☒ Water accounting figures

☒ Content of environmental policies

#### (4.12.1.6) Page/section reference

Content of environmental policies: 123 Governance: 74-77 Risks & opportunities: 104-117 Strategy: 80-93 Emission figures: 558 Emission targets: 135 Water accounting figures: 559

#### (4.12.1.7) Attach the relevant publication

integrated\_annual\_report\_2023.pdf

#### (4.12.1.8) Comment



*In order to report its non-financials (ESG) and financials performance in an integrated manner, since 2019, Yapı Kredi has published its Integrated Annual Report. Pursuant to the Corporate Governance Principles by the Capital Markets Board of Turkey (CMB), annual reports should be announced to the shareholders three weeks prior to the Annual General Meetings (AGMs). Hence, the Bank publishes its integrated annual report at the beginning of March every year and includes environmental performance data in these reports.*

*[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:

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

##### (5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☒ Insufficient data

##### (5.1.4) Explain why your organization has not used scenario analysis

*Forests-related scenario analyses are still being assessed.*

## 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 :Republic of Türkiye Nationally Determined Contribution

### (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

##### **Finance and insurance**

- ☒ Cost of capital

##### **Stakeholder and customer demands**

- ☒ Consumer attention to impact

## Regulators, legal and policy regimes

☑ Methodologies and expectations for science-based targets

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Türkiye's Intended Nationally Determined Contribution (INDC) is the main input to the scenario analysis of Yapı Kredi. In 2015, Türkiye submitted its INDC to the United Nations Framework on Climate Change Convention (UNFCCC). The methodology of INDC is based upon using the IPCC 2006 Guidelines and IPCC 2013 KP Supplement. In 2023, Türkiye submitted its Nationally Determined Contribution Statement, including greenhouse gas emission reduction targets and road maps, to the United Nations Secretariat in April, within the scope of combating climate change. Thus, Türkiye declared its aim to reduce its greenhouse gas emissions by 41% by 2030 compared to the reference scenario, and to reach an emission peak in 2038 at the latest. In addition to the country's NDC, Yapı Kredi relies on the IPCC Sixth Assessment Report and the IPCC Special Report on Global Warming of 1.5C and considers the Network for Greening the Financial System (NGFS) scenarios Framework to make scenario analysis in line with its target to achieve net zero by 2050. Therefore, the Bank targets to reduce the carbon intensity of its portfolio by gradually reducing lending to fossil fuel or climate-vulnerable borrowers/clients/projects. In fact, the Bank declared that it will not finance any greenfield coal-fired thermal power plants and new projects engaged in coal mining. Moreover, Yapı Kredi carried out a climate change risk assessment on its loan portfolio based on the Turkish State Meteorological Services (MGM) Base and High Case Scenario. Through this assessment, two main dimensions physical and transitional risk were analyzed. The methodology utilized for this purpose involved both qualitative and quantitative tools. While calculating the transition risks, risks associated with reputation, technology, policy & legal and market were considered.*

### (5.1.1.11) Rationale for choice of scenario

*Yapı Kredi relies on the IPCC Sixth Assessment Report and the IPCC Special Report on Global Warming of 1.5C. The Bank also incorporates the Network for Greening the Financial System (NGFS) scenarios framework for its scenario analysis. This approach aligns with the Bank's goal of achieving net zero by 2050. Given that the NGFS has developed a comprehensive set of scenarios and guidance specifically for banks, Yapı Kredi has chosen to utilize these scenarios.*

## 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:

☒ SSP5

### (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

☒ Market

### (5.1.1.6) Temperature alignment of scenario

Select from:

☒ 4.0°C and above

### (5.1.1.7) Reference year

2021

### (5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2070

☒ 2080

- ☑ 2040
- ☑ 2050
- ☑ 2060

- ☑ 2090
- ☑ 2100

#### (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

- ☑ Sensitivity of capital (to nature impacts and dependencies)

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*An academic study conducted by the Turkish State Meteorological Service, that used RCP 4.6 and RCP 8.5 scenarios, indicates that these scenarios would lead to average temperature increases ranging from 1 to 2 degrees Celsius between 2016 and 2040, and 1.5 to 4 degrees Celsius between 2071 and 2099. These temperature rises would result in altered precipitation patterns, including increased rainfall during winter and decreased rainfall during spring, summer, and autumn across most of Türkiye. Yapı Kredi utilized this study to inform its risk assessment processes. Yapı Kredi addresses the risks it may face in the event that the net-zero target is not achieved, within the scope of physical and transition risks. Physical risks are considered as the risks that sea level rise and extreme weather events (heavy rain, flood, drought, hail, tornado, etc.) may impose on the Bank's operations. Accordingly, with a proactive approach, the Bank continues to implement targets, strategies and action plans aimed at reducing energy and resource consumption in all its operational activities. These physical risks may also have devastating effects on the Bank's customers' operations and thus their financial resilience. Yapı Kredi's lending activities are located in Türkiye, located in the Mediterranean Basin, which will be greatly affected by rising average temperatures. It is anticipated that the potential capacity drops of the financed hydroelectric power plant projects may increase the credit risk of these projects and affect Yapı Kredi's corporate and commercial banking activities. Issues related to risky areas and sensitive sectors (environmentally unfriendly establishments, nuclear energy, mining and thermal power plant industry, water infrastructure and dam industry, etc.) are defined in line with the general principles of reputation risk management and are also evaluated under the Environmental and Social Risk Assessment (ESRA) system.*

#### (5.1.1.11) Rationale for choice of scenario

*Local academic studies on the RCP 8.5 Scenario have guided the Bank to incorporate heightened water risks into its risk assessment system.*

##### 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:*

☒ 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

☒ Market

### (5.1.1.6) Temperature alignment of scenario

*Select from:*

☒ 4.0°C and above

### (5.1.1.7) Reference year



### (5.1.1.8) Timeframes covered

Select all that apply

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> 2025 | <input checked="" type="checkbox"/> 2070 |
| <input checked="" type="checkbox"/> 2030 | <input checked="" type="checkbox"/> 2080 |
| <input checked="" type="checkbox"/> 2040 | <input checked="" type="checkbox"/> 2090 |
| <input checked="" type="checkbox"/> 2050 | <input checked="" type="checkbox"/> 2100 |
| <input checked="" type="checkbox"/> 2060 |  |

### (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

- ☒ Sensitivity of capital (to nature impacts and dependencies)

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

An academic study conducted by the Turkish State Meteorological Service that used RCP 4.6 and RCP 8.5 scenarios, indicates that these scenarios would lead to average temperature increases ranging from 1 to 2 degrees Celsius between 2016 and 2040, and 1.5 to 4 degrees Celsius between 2071 and 2099. These temperature rises would result in altered precipitation patterns, including increased rainfall during winter and decreased rainfall during spring, summer, and autumn across most of Türkiye. Yapı Kredi utilized this study to inform its risk assessment processes. Yapı Kredi addresses the risks it may face in the event that the net-zero target is not achieved, within the scope of physical and transition risks. Physical risks are considered as the risks that sea level rise and extreme weather events (heavy rain, flood, drought, hail, tornado, etc.) may impose on the Bank's operations. Accordingly, with a proactive approach, the Bank continues to implement targets, strategies and action plans aimed at reducing energy and resource consumption in all its operational activities. These physical risks may also have devastating effects on the Bank's customers' operations and thus their financial resilience. Yapı Kredi's lending activities are located in Türkiye, located in the Mediterranean Basin, which will be greatly affected by rising average temperatures. It is anticipated that the potential capacity drops of the financed hydroelectric power plant projects may increase the credit risk of these projects and affect Yapı Kredi's corporate and commercial banking activities. Issues related to risky areas and sensitive sectors (environmentally unfriendly establishments, nuclear energy, mining and thermal power plant industry, water infrastructure and dam industry,

etc.) are defined in line with the general principles of reputation risk management and are also evaluated under the Environmental and Social Risk Assessment (ESRA) system.

#### (5.1.1.11) Rationale for choice of scenario

Local academic studies on the RCP 8.5 Scenario have guided the Bank to incorporate heightened water risks into its risk assessment system.  
[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

*Decision or action in relation to capacity building: The scenario analysis results indicated that Yapı Kredi needs to measure and effectively manage its portfolio emissions to align with both national and international regulatory developments that envision a Net Zero world. Action was taken to develop the capacity to calculate portfolio-related emissions internally. For the first time in 2022, the Bank calculated the 2021 emissions arising from the loan portfolio corresponding to Scope 3 Category 15, using the PCAF (Partnership for Carbon Accounting Financials) methodology as a reference. In 2022, the Bank launched a project to incorporate climate risks into all risk processes, starting from the credit evaluation stage. As part of this initiative, a training and workshop series titled "Integration of Climate*

*Change Risks and Opportunities into Credit Processes” was organized to enhance the Bank's knowledge and capacity on this subject. Decision or action in relation to target setting and transition planning: After measuring its emissions from its loan portfolio, Yapı Kredi determined science-based reduction targets for emissions from its loan portfolio, including its operations, in line with its SBTi commitment. To this end, in line with the guide published by SBTi for the financial sector, the Bank has taken the 2021 activity period as the target baseline year and modeled the interim targets for 2026 and 2030 according to the selected target methodology while submitting its targets to SBTi verification to confirm that the methodologies used are based on the latest scientific research. Decision or action in relation to risk and opportunities identification, assessment and management: Yapı Kredi addresses the risks it may face in the event that the net-zero target is not achieved, within the scope of physical and transition risks. Physical risks are considered as the risks that sea level rise and extreme weather events (heavy rain, flood, drought, hail, tornado, etc.) may impose on the Bank's operations. Accordingly, with a proactive approach, the Bank continues to implement targets, strategies and action plans aimed at reducing energy and resource consumption in all its operational activities. These physical risks may also have devastating effects on the Bank's customers' operations and thus their financial resilience. Yapı Kredi's lending activities are located in Türkiye, located in the Mediterranean Basin, which will be greatly affected by rising average temperatures. It is anticipated that the potential capacity drops of the financed hydroelectric power plant projects may increase the credit risk of these projects and affect Yapı Kredi's corporate and commercial banking activities. Issues related to risky areas and sensitive sectors (environmentally unfriendly establishments, nuclear energy, mining and thermal power plant industry, water infrastructure and dam industry, etc.) are defined in line with the general principles of reputation risk management and are also evaluated under the Environmental and Social Risk Assessment (ESRA) system. To this end, all new investment and project finance loan requests and project advisory services, covered by corporate and commercial banking and have an investment amount of USD 10 million and above, are subject to the ESRA System. Decision or action in relation to strategy and financial planning: Driven by potential consequences revealed by the scenario analysis, Yapı Kredi embraces a sensitive attitude toward social and environmental issues while ensuring economic development and growth, and adopts this approach to create long-term value for each area and stakeholder. Accordingly, to ensure the transformation of the sector, Yapı Kredi offers sustainable finance solutions to sustainable development issues through numerous products and services such as sustainability-linked loans, renewable energy and energy efficiency loans, nature-friendly mortgages, nature-friendly auto loans, and clean energy funds. In the coming period, the Bank aims to expand and diversify its sustainable product portfolio in line with market and customer expectations. Thus, Yapı Kredi will support the net-zero transformation of its customers with its financial products. Decision or action in relation to resilience of business strategy: In 2023, Yapı Kredi joined the Net-Zero Banking Alliance (NZBA), an initiative led by the UN Environment Programme Finance Initiative (UNEP-FI) for banks committed to achieving net zero emissions by 2050. By joining, Yapı Kredi reaffirmed its commitment to net-zero emissions. The NZBA provides a framework, guidance, and peer learning opportunities that help members set and achieve credible, science-based net zero targets for 2030 or sooner. This enhances the Bank's business strategy resilience regarding climate change and its impact on the loan portfolio, delivering value to investors, clients, and customers.*

## 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:

- ☒ Organization-wide

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

*Decision and action in relation to risk and opportunities identification, assessment and management: Aware of the transformative power of financing on the real sector, Yapı Kredi manages all of its environmental impact including climate change and water risks stemming from its lending activities under the Environmental and Social Risk Assessment (ESRA) System. To this end, all new investment and project finance loan requests and project advisory services, covered by corporate and commercial banking and have an investment amount of USD 10 million and above, are subject to the ESRA System. Yapı Kredi's lending activities are located in Türkiye, located in the Mediterranean Basin, which will be greatly affected by rising average temperatures. It is anticipated that the potential capacity drops of the financed hydroelectric power plant projects may increase the credit risk of these projects and affect Yapı Kredi's corporate and commercial banking activities.*

*Decision or action in relation to capacity building: Yapı Kredi is dedicated to adhering to the requirements of its ISO 14001-certified Environmental Management System throughout all stages of its banking activities. The Bank aims to keep employees informed about the latest legal developments and to raise awareness on energy efficiency, climate change, water management, and waste management. To achieve this, Yapı Kredi conducts annual training sessions to promote environmentally friendly behavior both within the Bank and in the wider community. In 2023, Yapı Kredi provided a total of 9,956 hours of environmental training to 6,908 employees and approximately 31 hours to 41 subcontractor employees. The training covered various topics, including the ISO 14001 Environmental Management System, climate change, and water stress.*

*Decision or action in relation to target setting and transition planning: Yapı Kredi's corporate strategy incorporates effective water management to enhance its ability to address water-related risks such as droughts and floods. Within this framework, Yapı Kredi aims to achieve a 56% reduction in the water intensity of municipal water across all its locations by 2030.*

*Decision or action in relation to strategy and financial planning: Yapı Kredi Leasing allocated approximately 60% of the USD 395 million in foreign-sourced funds to investments in renewable energy, energy efficiency, water efficiency, and sustainable soil management. This includes a landmark USD 120 million blue loan from the International Finance Corporation (IFC), the first of its kind in Türkiye. With this loan, Yapı Kredi Leasing finances sustainable water and energy projects across various sectors, including clean water, water efficiency, wastewater management, green energy, energy-efficient equipment, electric vehicles and charging infrastructure, energy efficiency improvements in buildings and facilities, and renewable energy solutions.*

*Decision or action in relation to resilience of business strategy: Yapı Kredi actively monitors water consumption and implements various reduction projects. In 2019, it became the first financial institution in Türkiye to receive the ISO 14046 Direct Water Footprint Certificate for its Head Office and service buildings. This certification was expanded in 2022 to include regional directorate and branch buildings in the Istanbul region, and in 2023 to regional service buildings and Bank branches in the Marmara Region, Ankara, Izmir, Eskişehir, Kırıkkale, Kütahya, and Muğla provinces. As a result, the Bank's effective management system for the efficient use of water resources and reduction of wastewater is now certified to international standards. These efforts and the associated certification enhance Yapı Kredi's resilience to water stress in its direct operations.*

[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

*In July 2021, Yapı Kredi joined the Business Ambition for 1.5C platform of the Science Based Targets Initiative (SBTi) and committed to setting emissions reduction targets to limit global warming to 1.5C. The Bank aims to reduce its Scope 1 and Scope 2 absolute carbon emissions by 42% and 50.4% by 2030 and 2032, respectively, compared to the 2021 base year. In line with its SBTi commitment, Yapı Kredi completed the process of determining science-based emission reduction targets on its own operations and submitted them to SBTi for verification. In 2023, in line with its net-zero strategy, Yapı Kredi developed decarbonization strategies for the prioritised sectors in order to achieve its portfolio emissions targets determined in line with the SBTi guidelines and determined action sets to realize these strategies. To this end, in line with the guide published by SBTi for the financial sector, the Bank has taken the 2021 activity period as the target baseline year and modeled the interim targets for 2026 and 2030 according to the selected target methodology while submitting its portfolio emissions targets to SBTi verification to confirm that the methodologies used are based on the latest scientific research. Yapı Kredi's target for Corporate Loans: Electricity generation is to reduce emissions intensity by 41.7% by 2030. For Project Finance: Electricity generation, the goal is to achieve a 73.7% reduction in emissions intensity by 2030. In the real estate segment, the Bank aims to lower carbon intensity by 67.4% per square meter by 2030. For Corporate Loans: Other long-term borrowing, Yapı Kredi targets a temperature rating of 2.64C by 2026. Aligned with its SBTi targets, Yapı Kredi intends to reshape its lending policies based on sectoral transformation plans developed in 2023. Additionally, in accordance with its NZBA commitment, the Bank has set 2022 as the baseline year for priority sectors and will publish reduction targets by the end of 2024.*

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

The Bank has completely neutralized its scope 2 emissions over the past two years using I-REC certificates. In terms of portfolio emissions, there has been a 33% reduction in 2023 compared to the base year of 2021.

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

*The Net Zero Approach.pdf*

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

*Select all that apply*

☒ No other environmental issue considered

*[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

☒ Opportunities

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

Select all that apply

☒ Climate change

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

Yapı Kredi is deeply committed to sustainability across its operations, recognizing the transformative potential of the finance sector in addressing global challenges. In 2023, in line with its climate change strategy, Yapı Kredi developed decarbonization strategies for the prioritised sectors in order to achieve its targets determined in line with the SBTi guidelines and determined action sets to realize these strategies. The Bank mainly focuses on supporting its customers in their transition to carbon-neutral operations, managing climate risks and making commitments for initiatives that prevent global climate change. To this end, Yapı Kredi maintains its commitment to reducing the emissions from both its own operations and those of the initiatives financed by the Bank and to support the transition to a net zero economy, with the aim of guiding its customers on their journey to net zero not only as a financier but also as an advisor and partner. The Bank prioritizes financing green and sustainable projects, aligning its activities with the real sector's environmental needs. Central to its approach are innovative financial solutions aimed at sustainable development. These include sustainability-linked loans, renewable energy financing, and specialized products like nature-friendly mortgages and nature-friendly auto loans, which offer incentives for energy-efficient homes and hybrid/electric vehicles, respectively. The Bank also pioneered rooftop solar energy systems leasing in collaboration with Arçelik Solar Energy, enabling easy access to green energy solutions without upfront costs. Beyond product offerings, the Bank educates and engages customers through diverse communication channels, fostering awareness and understanding of sustainability issues. In asset management, Yapı Kredi offers a suite of sustainability-focused funds. The Clean Energy Variable Fund supports companies in renewable and low-carbon energy sectors, while the BIST Sustainability Index Stock Fund, which incorporates a wide range of ESG criteria including climate change and water issues, invests in firms aligned with sustainability criteria. The Electric Vehicles Variable Fund and Climate Change Solutions Variable Fund target investments in electric vehicle technologies and climate change solutions, respectively, aiming to drive positive environmental impacts while generating returns for investors. Overall, Yapı Kredi exemplifies its commitment to creating sustainable value through innovative products, strategic investments, and proactive engagement in environmental and social initiatives.

## Upstream/downstream value chain

### (5.3.1.1) Effect type

Select all that apply

☒ Opportunities



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

Select all that apply

☒ Climate change

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

*In addition to managing the environmental impact of its own operations, Yapı Kredi actively monitors the environmental footprint of its entire value chain, including customers and suppliers. Since launching its Responsible Procurement Policy in 2016, the Bank has prioritized suppliers who adopt efficient production methods to minimize greenhouse gas emissions, facilitate the shift to a low-carbon economy, and decrease natural resource use and waste generation. Yapı Kredi also encourages all suppliers to align with its environmental, social, and human rights standards. Yapı Kredi launched Step, the Sustainable Preference Program, in 2023, to create a sustainability ecosystem built on solid foundations, parallel to the needs of society and individuals. With Yapı Kredi Step, the Bank helps its customers prefer sustainable options and shares its belief in the importance of the small steps taken by individuals. In addition to providing guidance and information on more sustainable choices through the Step program, Yapı Kredi carries out various activities to motivate all its stakeholders. Users can prefer sustainable options such as e-receipt, e-statement, investing in ESG investment funds, donating to NGOs, using public transportation and shopping from Step brands, thus earning Step points through Yapı Kredi Mobile. Then, users can use these points to make donations to Step-specific projects launched by NGOs under the Step program via Yapı Kredi Mobile. Thus, individuals contribute to social benefits with the results of their sustainable preferences. In this sense, Step represents a large ecosystem. Yapı Kredi customers can become members of Step, which focuses entirely on social benefits, free of charge via Yapı Kredi Mobile. With this pioneering transformation program designed to improve sustainability awareness and culture, Yapı Kredi makes a permanent, solution-oriented and sustainable contribution to Türkiye. With the number of members exceeding 450,000 by the end of 2023, Step creates long-term value for all stakeholders of Yapı Kredi and the world.*

## Investment in R&D

### (5.3.1.1) Effect type

Select all that apply

☒ Opportunities

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

Select all that apply

☒ Climate change

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



All teams in direct contact with customers at Yapı Kredi have continued to transition physical document requests to digital channels such as E-receipts and Corporate Internet Banking. In addition, a project was successfully implemented to minimize the use of plastic money bags in branches and during cash transfers by adopting cloth bags instead. This initiative, aimed at eliminating the annual use of 600,000 plastic bags, not only reduces significant costs but also makes a positive impact on sustainability. Furthermore, the introduction of a digital receipt application in 2023 allows customers to opt for digital receipts instead of printed ones, thereby lowering paper consumption. These efforts not only contribute to sustainability by reducing embodied emissions and water use associated with physical transactions but also align with Yapı Kredi's commitment to environmental stewardship. A corridor closure project was implemented to reduce the energy spent on cooling in the system rooms in the Banking Base data center, which resulted in 1,576 GJ of electrical energy savings. In addition, an integrated energy tracking system has been established, automating the recording of energy consumption across branches that were previously tracked manually by different providers. This new system enables the correction of incorrect bills, identifies which branches consume more energy, and consolidates data from multiple institutions in one place.

## Operations

### (5.3.1.1) Effect type

Select all that apply

☒ Opportunities

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

Select all that apply

☒ Climate change

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

Yapı Kredi has developed decarbonization strategies for prioritized sectors, integrating these with its long-term lending strategy. This approach considers sectoral dynamics over the long term to achieve targets set in accordance with SBTi guidelines and outlines specific actions to realize these strategies. The core of Yapı Kredi's transformation strategy is to support the transformation needs of its customers. It focuses on addressing the financing requirements for key transformation actions within each sector, particularly through investment loans. This strategy also includes meeting the financing needs for transforming existing capacities in line with companies' commitments to reducing their emission intensity. To contribute to Türkiye's green transition, Yapı Kredi continues to secure sustainability-linked funds from capital markets, channeling these resources into transformative lending. In 2023, Yapı Kredi secured USD 580 million and USD 755 million in syndicated loans, both meeting sustainability criteria for long-term value creation. In addition, Yapı Kredi successfully completed its first Sustainable Eurobond issuance with a total nominal amount of USD 800 million. The proceeds from these sustainability-linked funds enable the Bank to offer more competitive financing options to its customers, a critical factor in reaching net-zero emissions and providing mutual value. Yapı Kredi is committed to sustainability through comprehensive initiatives aimed at reducing its environmental footprint in energy and water management. Integrating renewable energy and efficiency projects into annual financial planning, the Bank significantly influenced CAPEX and operational costs in 2023. Key initiatives include installing rooftop solar power plants (SPPs) at its Banking Base Head Office and Bodrum Branch Buildings, a major step toward meeting energy needs sustainably. Plans for on-site SPPs across locations aim to generate 12% of

electricity from renewables, with ongoing evaluation for a land-based SPP. Energy-saving measures included LED conversions saving 304 GJ and corridor closures in data centers saving 1,576 GJ. Combined with SPPs, Yapı Kredi reduced purchased electricity by 4,684 GJ in 2023. In water management, Yapı Kredi leads Türkiye's financial sector, receiving ISO 14046 for its Head Office and expanding to regional sites. Projects like drinking water treatment units ensure a high-quality supply. Rainwater harvesting at various sites provided 7.76 thousand cubic meters for garden irrigation, reducing reliance on well water.  
[Add row]

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

#### **Row 1**

##### **(5.3.2.1) Financial planning elements that have been affected**

Select all that apply

- ☒ Assets
- ☒ Revenues
- ☒ Direct costs
- ☒ Access to capital
- ☒ Capital allocation
- ☒ Capital expenditures

##### **(5.3.2.2) Effect type**

Select all that apply

- ☒ Opportunities

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

Select all that apply

- ☒ Climate change

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

Yapı Kredi has developed decarbonization strategies for prioritized sectors, integrating these with its long-term lending strategy. This approach considers sectoral dynamics over the long term to achieve targets set in accordance with SBTi guidelines and outlines specific actions to realize these strategies. The core of Yapı

*Kredi's transformation strategy is to support the transformation needs of its customers. It focuses on addressing the financing requirements for key transformation actions within each sector, particularly through investment loans. This strategy also includes meeting the financing needs for transforming existing capacities in line with companies' commitments to reducing their emission intensity. To contribute to Türkiye's green transition, Yapı Kredi continues to secure sustainability-linked funds from capital markets, channeling these resources into transformative lending. In 2023, Yapı Kredi secured USD 580 million and USD 755 million in syndicated loans, both meeting sustainability criteria for long-term value creation. The proceeds from these sustainability-linked funds enable the Bank to offer more competitive financing options to its customers, a critical factor in reaching net-zero emissions and providing mutual value. Yapı Kredi is committed to sustainability through comprehensive initiatives aimed at reducing its environmental footprint in energy and water management. Integrating renewable energy and efficiency projects into annual financial planning, the Bank significantly influenced CAPEX and operational costs in 2023. Key initiatives include installing rooftop solar power plants (SPPs) at its Banking Base Head Office and Bodrum Branch Buildings, a major step toward meeting energy needs sustainably. Plans for on-site SPPs across locations aim to generate 12% of electricity from renewables, with ongoing evaluation for a land-based SPP. Energy-saving measures included LED conversions saving 304 GJ and corridor closures in data centers saving 1,576 GJ. Combined with SPPs, Yapı Kredi reduced purchased electricity by 4,684 GJ in 2023. In water management, Yapı Kredi leads Türkiye's financial sector, receiving ISO 14046 for its Head Office and expanding to regional sites. Projects like drinking water treatment units ensure a high-quality supply. Rainwater harvesting at various sites provided 7.76 thousand cubic meters for garden irrigation, reducing reliance on well water.*

[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:

☒ Not an immediate strategic priority

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

*According to the Bank's Net Zero transition plan and targets, carbon pricing is an important step. Yapı Kredi will commence working on carbon pricing within the coming period.*

[Fixed row]

## **(5.10.1) Provide details of your organization's internal price on carbon.**

## Row 1

### (5.10.1.1) Type of pricing scheme

Select from:

- ☒ Shadow price

### (5.10.1.2) Objectives for implementing internal price

Select all that apply

- ☒ Navigate regulations
- ☒ Drive energy efficiency
- ☒ Drive low-carbon investment
- ☒ Identify and seize low-carbon opportunities
- ☒ Identify and evaluate financing opportunities
- ☒ Incentivize consideration of climate-related issues in decision making
- ☒ Incentivize consideration of climate-related issues in risk assessment

### (5.10.1.3) Factors considered when determining the price

Select all that apply

- ☒ Alignment to international standards
- ☒ Price/cost of voluntary carbon offset credits
- ☒ Scenario analysis

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

*In the next three years, we anticipate being regulated under the upcoming national Emissions Trading System (ETS) in Türkiye. Following the ratification of the Paris Agreement in 2021, Türkiye has set a goal to achieve net-zero emissions by 2053. The Agreement emphasizes the use of economic instruments like carbon markets and pricing to reduce greenhouse gas emissions. Turkish authorities tend to harmonize their regulations on environmental issues with the European Union (EU). In the EU Emissions Trading System, carbon permit prices ranged between 69 to 104 Euros per ton of CO2 eq. in 2023. (Exchange Rate as of December 31st, 2023, 1 EUR 31.53 TRY)*

### (5.10.1.5) Scopes covered

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

#### (5.10.1.6) Pricing approach used – spatial variance

Select from:

- ☒ Uniform

#### (5.10.1.8) Pricing approach used – temporal variance

Select from:

- ☒ Static

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

2176

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

3279

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

Select all that apply

- ☒ Operations
- ☒ Procurement
- ☒ Product and R&D
- ☒ Risk management
- ☒ Opportunity management
- ☒ Value chain engagement

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

Select from:

☒ Yes, for some decision-making processes, please specify :Used for internal assessment of GHG reduction initiatives.

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

100

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

Select from:

☒ Yes

[Add row]

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

#### Row 1

#### (5.10.2.1) Type of pricing scheme

Select from:

☒ Shadow price

#### (5.10.2.2) Objectives for implementing internal price

Select all that apply

☒ Drive water efficiency

☒ Incentivize consideration of water-related issues in decision making

☒ Incentivize consideration of water-related issues in risk assessment

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

Select from:

☒ No

[Add 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

☒ 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:*

☒ Judged to be unimportant or not relevant

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

*Smallholders are not relevant to Yapı Kredi's business.*

### 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

☒ 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

☒ Water

*[Fixed row]*



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

#### **Row 1**

##### **(5.11.3.1) Type of clients**

*Select from:*

☒ Clients of Banks

##### **(5.11.3.2) Environmental issues covered by the engagement strategy**

*Select all that apply*

☒ Climate change

☒ Water

##### **(5.11.3.3) Type and details of engagement**

###### **Financial incentives**

☒ Provide financial incentives for environmental performance

☒ Provide financial incentives for environmental performance

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

*Select from:*

☒ 100%

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

*Select from:*

☒ 100%

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

*Within the scope of the Bank's current business processes, all credit requests, regardless of limit, are evaluated in line with the Environmental and Social Policy, which forms a part of the Sustainability Management System (SMS), in addition to the Bank's Credit Policies. All credit requests are evaluated against the Exclusion List, which is included in the Environmental and Social Policy. Under no circumstances shall Yapı Kredi grant loans for activities included in the Exclusion List. In addition to these policies, within the framework of the "Assessment of Environmental and Social Risks in Lending Activities" procedure which was developed as part of the Sustainability Management System, all new investment and project financing loans and project finance advisory services with an investment amount greater than or equal to USD 10 million are subject to environmental and social assessment.*

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

*Yapı Kredi's Environmental and Social Policy is publicly available. Under the ESRA (Environmental and Social Risk Assessment) System, investments are examined in line with the Environmental and Social Policy, the national Environmental and OHS legislation as well as within the scope of various international standards on issues such as key sensitive areas, cultural heritage, resettlement of affected people, natural resource use, stakeholder engagement, environmental and social management systems, community health and safety, media, and community objection. According to the results of the assessment performed with the question sets defined specifically for the sector, the relevant risk category of the investment in question is determined and action and monitoring plans suitable for this classification are created in cooperation with the customer. In case the investment is found to be high risk, these actions are monitored in cooperation with independent consultants. Yapı Kredi clearly defines the criteria and control definitions for the selection of independent consultants for investments and includes these in the implementation processes of the ESRA System.*

#### **(5.11.3.8) Attach your engagement strategy**

*yk\_environmental\_and\_social\_policy-2.pdf*

#### **(5.11.3.9) Staff in your organization carrying out the engagement**

*Select all that apply*

- ☒ Specialized in-house engagement teams
- ☒ Equity/credit analysts
- ☒ Senior-level roles
- ☒ Other, please specify :3rd party consultants when needed

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

*Select all that apply*

- ☒ Other, please specify :CFO

### (5.11.3.11) Effect of engagement, including measures of success

*Measure of success: Under ESRA (Environmental and Social Risk Assessment), for projects under high or moderate-risk groups, action plans are prepared and follow-up site visits and activities are conducted at least once a year by an external and independent environmental and social consultant/expert. The Bank utilizes the completion of action plans as a measure of success. Any completion of environmental action plans set by the Bank is seen as a measure of success. Impact of engagement: During 2023, 16 investments were assessed within the scope of the ESRA System; these investments were allocated a total credit line of USD 568 million. Action plans were provided to 3 companies to improve their environmental and social performance.*

### (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

*For projects that fail to meet the ESRA (Environmental and Social Risk Assessment) criteria, Yapı Kredi works with clients to address the deficiencies. This may involve revising the project plans, implementing additional risk mitigation measures, or, in some cases, ceasing financial support for the project if it cannot be brought into compliance with the Bank's standards.*

[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:

☒ Emissions reduction

### (5.11.7.3) Type and details of engagement

#### Financial incentives

☒ Provide financial incentives for environmental performance

#### (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:

☒ 100%

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

Select from:

☒ 100%

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

*As part of its procurement processes, Yapı Kredi signs contracts with suppliers that include instructions and requirements for the efficient use of natural resources, the prevention of emissions, and the avoidance of environmental pollution (air, water, soil). These prerequisites, listed in the contracts and referencing Yapı Kredi's Responsible Procurement Policy, ensure that suppliers' actions align with the Bank's standards and procedures. Yapı Kredi does not work with suppliers that fail to meet these standards. Compliant suppliers have the privilege of being part of the Bank's supply chain. Since the introduction of the Responsible Procurement Policy on December 21, 2016, the Bank has prioritized suppliers who adopt efficient production methods to reduce GHG emissions, support the transition to a low-carbon economy, and minimize resource consumption and waste generation. The measure of success for supplier engagements is compliance with the requirements and prerequisites listed in supplier contracts for all Tier 1 suppliers and the threshold for success is 100% compliance. The contracts are renewed annually and the suppliers that have been working with the Bank are required to continue to comply with the requirements. The success of the Bank's suppliers' climate change performance is measured internally based on the suppliers' compliance with Yapı Kredi's Responsible Procurement Policy. In cases of non-compliance, the Bank asks the concerned suppliers to take corrective actions. In case of failure of these necessary corrections within the specified period, the Bank may terminate the commercial relations with suppliers. In addition to the requirements, the suppliers should also decrease either its resource use in operations or GHG emissions from operations, after the first year. Yapı Kredi's water-related impact of engagement is to incentivize all its suppliers to comply with the Bank's environmental criteria as well as good climate-conscious practices. With the supplier contract and the Responsible Procurement Policy, the Bank encourages all its suppliers to reduce their GHG emissions, support low-carbon transition, and choose efficient manufacturing methods that reduce natural resource consumption and waste generation.*

#### (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:

☒ Waste and resource reduction and improved end-of-life management

### (5.11.7.3) Type and details of engagement

#### Financial incentives

☒ Provide financial incentives for environmental performance

### (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:

☒ 100%

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

Select from:

☒ 100%

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

As part of its procurement processes, Yapı Kredi signs contracts with suppliers that include instructions and requirements for the efficient use of natural resources, the prevention of emissions, and the avoidance of environmental pollution (air, water, soil). These prerequisites, listed in the contracts and referencing Yapı Kredi's Responsible Procurement Policy, ensure that suppliers' actions align with the Bank's standards and procedures. Yapı Kredi does not work with suppliers that fail to meet these standards. Compliant suppliers have the privilege of being part of the Bank's supply chain. Since the introduction of the Responsible Procurement Policy on December 21, 2016, the Bank has prioritized suppliers who adopt efficient production methods to reduce GHG emissions, support the transition to a low-carbon economy, and minimize resource consumption and waste generation. The measure of success for supplier engagements is compliance with the requirements and prerequisites listed in supplier contracts for all Tier 1 suppliers and the threshold for success is 100% compliance. The contracts are renewed annually and the suppliers that have been working with the Bank are required to continue to comply with the requirements. The success of the Bank's suppliers' climate change performance is measured internally based on the suppliers' compliance with Yapı Kredi's Responsible Procurement Policy. In cases of non-compliance, the Bank asks the concerned suppliers to take corrective actions. In case of failure of these necessary corrections within the specified period, the Bank may terminate the commercial relations with suppliers. In addition to the requirements, the suppliers should also decrease either its resource use in operations or in GHG emissions from operations, after the first year. Yapı Kredi's climate-related impact of engagement is to incentivize all its suppliers to comply with the Bank's environmental criteria as well as good climate-conscious practices. With the supplier contract and the Responsible Procurement Policy, the Bank encourages all its suppliers to reduce their GHG emissions, support low-carbon transition, and choose efficient manufacturing methods that reduce natural resource consumption and waste generation.

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

Select from:

☒ No

[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:

☒ Other value chain stakeholder, please specify :Client

##### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

- ☒ Share information about your products and relevant certification schemes
- ☒ Share information on environmental initiatives, progress and achievements

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

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

*Step Program, also known as the Yapı Kredi Sustainable Choice Program, is an initiative aimed at fostering a circular sustainability culture. Integrated into the Yapı Kredi Mobile app, it encourages Yapı Kredi customers to make more sustainable choices in their daily activities. By joining Step, customers earn Step Points by opting for sustainable options like using public transportation with city cards, choosing e-receipts instead of paper receipts for ATM transactions, and utilizing electric vehicle loans. These points can be converted into donations to non-governmental organizations, creating a sustainable ecosystem while inspiring a broader audience through the "Sürdürülebilir Tercihler" Instagram page. The rationale for selecting all Yapı Kredi customers for this engagement strategy lies in the potential for significant impact and the opportunity to foster a culture of sustainability on a large scale. By involving the entire customer base, the program seeks to maximize its impact on sustainability culture and behavior change. By engaging with all customers, Yapı Kredi recognized the tremendous potential to drive widespread and meaningful change in sustainable behavior. Engaging the entire customer base allowed the Bank to maximize the impact of the Step program and create a significant culture shift toward sustainability. By integrating Step into the Yapı Kredi Mobile app, the program can seamlessly become a part of the customers' daily lives, encouraging them to make sustainable choices in their everyday activities. The program has been effectively implemented, ensuring that every single Yapı Kredi customer is now aware of and has access to the Step initiative. As a prominent financial institution, Yapı Kredi possesses a vast customer base, making it a powerful influencer in promoting sustainable practices. Also, engaging all customers allows the Bank to leverage existing relationships and familiarity with the Yapı Kredi Mobile app, facilitating a smooth and seamless implementation of Step. This inclusivity demonstrates the Bank's commitment to sustainability and fosters a stronger sense of social responsibility, enhancing customer loyalty and trust.*

#### (5.11.9.6) Effect of engagement and measures of success

*The measure of success for this engagement involved successfully designing, delivering, and promoting the program to the Bank's customers. The Bank's threshold for success for this measure was 100%, meaning the aim was to enable Step program for all customers, which the Bank achieved in 2023. The primary goal is to ensure that every single Yapı Kredi customer is made aware of the Step initiative and actively participates in adopting sustainable choices. The program has been effectively implemented, ensuring that every single Yapı Kredi customer is now aware of and has access to the Step initiative. Customers can convert the earned points into donations to non-governmental organizations through the Step platform in Yapı Kredi Mobile. This showcases the positive additional impact of customer engagement on the environment and society, as their actions translate into tangible contributions to meaningful initiatives. Moreover, Yapı Kredi's podcast channel "Let's Talk Sustainability" shares sustainability tips from life with a dynamic and easy-to-understand style of narration. The Bank publishes various content on sustainability on all social media channels as well as on Yapı Kredi Blog. Overall, the impact of the climate-related customer engagement strategy through Step*

demonstrates the early success in raising awareness, fostering sustainable behavior, and driving positive change both within the Yapı Kredi customer community and among the general public.

## Water

### (5.11.9.1) Type of stakeholder

Select from:

☒ Other value chain stakeholder, please specify :Clients

### (5.11.9.2) Type and details of engagement

#### Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Share information about your products and relevant certification schemes
- ☒ Share information on environmental initiatives, progress and achievements

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

Step Program, also known as the Yapı Kredi Sustainable Choice Program, is an initiative aimed at fostering a circular sustainability culture. Integrated into the Yapı Kredi Mobile app, it encourages Yapı Kredi customers to make more sustainable choices in their daily activities. By joining Step, customers earn Step Points by opting for sustainable options like using public transportation with city cards, choosing e-receipts instead of paper receipts for ATM transactions, and utilizing electric vehicle loans. These points can be converted into donations to non-governmental organizations, creating a sustainable ecosystem while inspiring a broader audience through the "Sürdürülebilir Tercihler" Instagram page. The rationale for selecting all Yapı Kredi customers for this engagement strategy lies in the potential for significant impact and the opportunity to foster a culture of sustainability on a large scale. By involving the entire customer base, the program seeks to maximize its impact on sustainability culture and behavior change. By engaging with all customers, Yapı Kredi recognized the tremendous potential to drive widespread and meaningful change in sustainable behavior. Engaging the entire customer base allowed the Bank to maximize the impact of the Step program and create a significant culture shift toward sustainability. By integrating Step into the Yapı Kredi Mobile app, the program can seamlessly become a part of the customers' daily lives, encouraging them to make sustainable choices in their everyday activities. The program has been effectively implemented, ensuring that every single Yapı Kredi customer is now aware of and has access to the Step initiative. As a prominent financial institution, Yapı Kredi possesses a vast customer base, making it a powerful influencer in promoting sustainable practices. Also, engaging all customers allows the Bank to leverage existing relationships and familiarity with the Yapı Kredi Mobile app, facilitating a smooth and seamless implementation of Step. This inclusivity demonstrates the Bank's commitment to sustainability and fosters a stronger sense of social responsibility, enhancing customer loyalty and trust.



#### (5.11.9.6) Effect of engagement and measures of success

*The measure of success for this engagement involved successfully designing, delivering, and promoting the program to the Bank's customers. The Bank's threshold for success for this measure was 100%, meaning the aim was to enable Step program for all customers, which the Bank achieved in 2023. The primary goal is to ensure that every single Yapı Kredi customer is made aware of the Step initiative and actively participates in adopting sustainable choices. The program has been effectively implemented, ensuring that every single Yapı Kredi customer is now aware of and has access to the Step initiative. Customers can convert the earned points into donations to non-governmental organizations through the Step platform in Yapı Kredi Mobile. This showcases the positive additional impact of customer engagement on the environment and society, as their actions translate into tangible contributions to meaningful initiatives. Moreover, Yapı Kredi's podcast channel "Let's Talk Sustainability" shares sustainability tips from life with a dynamic and easy-to-understand style of narration. The Bank publishes various content on sustainability on all social media channels as well as on Yapı Kredi Blog. Overall, the impact of the climate-related customer engagement strategy through Step demonstrates the early success in raising awareness, fostering sustainable behavior, and driving positive change both within the Yapı Kredi customer community and among the general public.*

[Add row]

## C6. Environmental Performance - Consolidation Approach

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

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	Select from: <input checked="" type="checkbox"/> Operational control	Yapı Kredi uses the same consolidation approach for environmental performance data as used in the Bank's financial accounting.
Forests	Select from: <input checked="" type="checkbox"/> Operational control	Yapı Kredi uses the same consolidation approach for environmental performance data as used in the Bank's financial accounting.
Water	Select from: <input checked="" type="checkbox"/> Operational control	Yapı Kredi uses the same consolidation approach for environmental performance data as used in the Bank's financial accounting.
Plastics	Select from: <input checked="" type="checkbox"/> Operational control	Yapı Kredi uses the same consolidation approach for environmental performance data as used in the Bank's financial accounting.
Biodiversity	Select from: <input checked="" type="checkbox"/> Operational control	Yapı Kredi uses the same consolidation approach for environmental performance data as used in the Bank's financial accounting.

[Fixed row]

## C7. Environmental performance - Climate Change

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

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> 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)

The coverage of environmental performance indicators has been expanded with the inclusion of other subsidiaries, namely Yapı Kredi Culture Arts and Publishing (YKKSİY), Yapı Kredi Technology, Yapı Kredi Bank Nederland N.V. and Yapı Kredi Bank Azerbaijan, in addition to the Bank's Head Office and facility buildings, branches, and subsidiaries (Yapı Kredi Faktoring, Yapı Kredi Leasing, Yapı Kredi Asset Management, Yapı Kredi Invest).

[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:*

☒ Yes

#### **(7.1.3.2) Scope(s) recalculated**

*Select all that apply*

☒ Scope 1

☒ Scope 2, location-based

☒ Scope 2, market-based

☒ Scope 3

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

*Boundary changes trigger recalculation.*

#### **(7.1.3.4) Past years' recalculation**

*Select from:*

☒ No

*[Fixed row]*

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

	Scope 2, location-based	Scope 2, market-based	Comment
	<i>Select from:</i> <input checked="" type="checkbox"/> We are reporting a Scope 2, location-based figure	<i>Select from:</i> <input checked="" type="checkbox"/> We are reporting a Scope 2, market-based figure	<i>Yapı Kredi reports both location-based and market-based figures for its emission reporting.</i>

[Fixed row]

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

### Scope 1

#### (7.5.1) Base year end

12/31/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

15985

#### (7.5.3) Methodological details

Scope 1 emissions covers the natural gas and fuel oil consumption (GHG emission associated with stationary combustion), fuel (fuel oil and gas) consumption of vehicles owned by the Bank (GHG emission associated with mobile combustion) and refrigerant gases (HCF-134a, HCF-407c, HCF-410a, HCF-404a, HCF-227ea, Aerosol (Butane-Propane Blend) and CO2 ) (fugitive emissions). The calculation methodology is stated as the activity data multiplied by the emission factor. Emission factors are compiled from IPCC Guidelines for National Greenhouse Gas Inventories, 2006. Electricity emission factors are calculated in line with the IEA 2018 report. Emission factors and lower calorific values are taken from internationally accepted sources, and density values are taken from national legislation. The coverage for Scope 1 emissions includes the Bank's Head Office and facility buildings, branches, and its subsidiaries.

### Scope 2 (location-based)

#### (7.5.1) Base year end

12/31/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

38802

#### (7.5.3) Methodological details

*Scope 2 emission data covers the consumption of purchased electricity (indirect emissions from energy). The coverage for Scope 2 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*

#### Scope 2 (market-based)

#### (7.5.1) Base year end

12/31/2021

#### (7.5.2) Base year emissions (metric tons CO2e)

23635

#### (7.5.3) Methodological details

*In 2021, the Bank achieved emission reductions with I-REC certification.*

#### 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)

1244.05

#### (7.5.3) Methodological details

*Scope 3 purchased goods and services emission data for 2021 covers paper consumed across the Bank's Head Office and facility buildings, branches, and its subsidiaries.*

#### Scope 3 category 2: Capital goods

##### (7.5.1) Base year end

12/31/2021

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

0

#### (7.5.3) Methodological details

*There are no emissions associated with Capital Goods within the Bank's GHG inventory.*

#### 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 CO<sub>2</sub>e)

3314.28

#### (7.5.3) Methodological details

*These emissions are included in Scope 1.*

## Scope 3 category 4: Upstream transportation and distribution

### (7.5.1) Base year end

12/31/2021

### (7.5.3) Methodological details

*There are no emissions associated with Upstream transportation and distribution within the Bank's GHG inventory.*

## Scope 3 category 5: Waste generated in operations

### (7.5.1) Base year end

12/30/2021

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

72.89

### (7.5.3) Methodological details

*The quantity of waste collected to be sent to the recovery, recycling and landfill is included in the emission calculations in the reporting period. The emission data of waste for 2021 covers the Yapı Kredi Plaza Building D, Yapı Kredi Banking Base, Darıca Administrative and Archive facilities. However, the quantity of medical waste covers the data collected from Yapı Kredi Plaza Building D, Yapı Kredi Banking Base Healthcare Units. Medical waste is disposed of by methods requiring specific engineering such as physical/chemical treatment, off-site incineration etc. Moreover, paper waste generated at all locations of the Bank and collected at the Bank's archive is included in the emission calculations. The quantity of waste paper was calculated based on the quantities received from the Bank's contracted recycling company licensed by the Provincial Directorate of Environment, Urbanization and Climate Change. The following formula has been used in calculating the quantity of household waste. Quantity of household waste (tons/year) = Number of household waste containers in the facilities x container volume (m<sup>3</sup>) x fullness level of container (%) x household waste density (tons/m<sup>3</sup>) x annual number of days (number of days has been calculated after finding out how many days a week household waste is collected from the relevant municipalities). Conversion factors for waste in Scope 3 GHG emission calculations were based on "DEFRA 2021 Emission Factors."*

## Scope 3 category 6: Business travel



### (7.5.1) Base year end

12/31/2021

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

147.63

### (7.5.3) Methodological details

*Scope 3 business travel emission data for 2021 covers business travel of the Bank's Head Office and facility buildings, branches, and its subsidiaries (Yapı Kredi Factoring, Yapı Kredi Leasing, Yapı Kredi Asset Management, Yapı Kredi Invest, Yapı Kredi Bank Nederland N.V., Yapı Kredi Bank Azerbaijan, Yapı Kredi Technology Inc., Yapı Kredi Culture Arts and Publishing). The total flight distance of business travel of the Bank in 2021 corresponds to 1,433,981 km. Conversion factors for business flights in Scope 3 GHG emissions calculations were based on "DEFRA 2021 Emission Factors."*

## Scope 3 category 7: Employee commuting

### (7.5.1) Base year end

12/31/2021

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

3853.19

### (7.5.3) Methodological details

*Scope 3 emission data covers fuel consumption for employee commuting at the Bank's selected locations (Head Office and service buildings, regional offices and branch buildings). Emission reduction is approximately 41% compared to the previous year. The main reason for this change is the decrease in the number of employees working at the offices due to the transition to a hybrid work model which introduces remote working. In addition, with this hybrid work model, routes of services used for employee commuting were optimized and it decreased the fuel consumption. The limited assurance statement is received for fuel consumption data from an independent audit firm (PwC) every year. We used the "Lower Thermal Values of Energy Resources and Conversion to Oil Equivalents" table prepared by the Ministry of Energy and Natural Resources. The total emissions from employee commuting was calculated as 3,147 tCO<sub>2</sub>e. The conversion factor for employee commuting vehicles in Scope 3 GHG emissions was based on the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.*

## Scope 3 category 8: Upstream leased assets

#### (7.5.1) Base year end

12/31/2021

#### (7.5.3) Methodological details

*There are no emissions associated with Upstream leased assets within the Bank's GHG inventory.*

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

#### (7.5.1) Base year end

12/31/2021

#### (7.5.3) Methodological details

*There are no emissions associated with Downstream transportation and distribution within the Bank's GHG inventory.*

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

#### (7.5.1) Base year end

12/30/2021

#### (7.5.3) Methodological details

*There are no emissions associated with Processing of sold products within the Bank's GHG inventory.*

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

#### (7.5.1) Base year end

12/31/2021

#### (7.5.3) Methodological details

*There are no emissions associated with Use of sold products within the Bank's GHG inventory.*

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

#### **(7.5.1) Base year end**

12/31/2021

#### **(7.5.3) Methodological details**

*There are no emissions associated with End of life treatment of sold products within the Bank's GHG inventory.*

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

#### **(7.5.1) Base year end**

12/31/2021

#### **(7.5.3) Methodological details**

*There are no emissions associated with Downstream leased assets within the Bank's GHG inventory.*

### **Scope 3 category 14: Franchises**

#### **(7.5.1) Base year end**

12/31/2021

#### **(7.5.3) Methodological details**

*There are no emissions associated with Franchises within the Bank's GHG inventory.*

### **Scope 3: Other (upstream)**

#### **(7.5.1) Base year end**

12/30/2021

### (7.5.3) Methodological details

*There are no other emissions.*

### Scope 3: Other (downstream)

### (7.5.1) Base year end

12/30/2021

### (7.5.3) Methodological details

*There are no other emissions.*

[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)

18415

### (7.6.3) Methodological details

*Scope 1 GHG emission data covers the natural gas and fuel oil consumption (GHG emission associated with stationary combustion), fuel (fuel oil and gas) consumption of vehicles owned by the Bank (GHG emission associated with mobile combustion) and refrigerant gases HCF-134a, HCF-407c, HCF-410a, HCF-404a, HCF-227ea, Aerosol (Butane- Propane Blend) and CO2) (fugitive emissions). The coverage for Scope 1 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*

### Past year 1

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

14555

### (7.6.2) End date

12/30/2022

### (7.6.3) Methodological details

*Scope 1 GHG emission data covers the natural gas and fuel oil consumption (GHG emission associated with stationary combustion), fuel (fuel oil and gas) consumption of vehicles owned by the Bank (GHG emission associated with mobile combustion) and refrigerant gases HCF-134a, HCF-407c, HCF-410a, HCF-404a, HCF-227ea, Aerosol (Butane- Propane Blend) and CO2) (fugitive emissions). The coverage for Scope 1 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*

## Past year 2

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

15985

### (7.6.2) End date

12/30/2021

### (7.6.3) Methodological details

*Scope 1 GHG emission data covers the natural gas and fuel oil consumption (GHG emission associated with stationary combustion), fuel (fuel oil and gas) consumption of vehicles owned by the Bank (GHG emission associated with mobile combustion) and refrigerant gases HCF-134a, HCF-407c, HCF-410a, HCF-404a, HCF-227ea, Aerosol (Butane- Propane Blend) and CO2) (fugitive emissions). The coverage for Scope 1 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*  
[Fixed row]

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

## Reporting year

### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

35598

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

### (7.7.4) Methodological details

*Scope 2 emission data covers the consumption of purchased electricity (indirect emissions from energy). The coverage for Scope 2 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*

## Past year 1

### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

35862

### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

### (7.7.3) End date

12/30/2022

### (7.7.4) Methodological details

*Scope 2 emission data covers the consumption of purchased electricity (indirect emissions from energy). The coverage for Scope 2 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*

## Past year 2

#### (7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

38802

#### (7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

23635

#### (7.7.3) End date

12/30/2021

#### (7.7.4) Methodological details

*Scope 2 emission data covers the consumption of purchased electricity (indirect emissions from energy). The coverage for Scope 2 emissions includes the Bank's Head Office and facility buildings, branches, and subsidiaries.*

*[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)

1148

#### (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

100

#### (7.8.5) Please explain

*Scope 3 emission data for 2022 covers paper consumed across the Bank's head offices and its subsidiaries. Conversion factors for paper consumption in Scope 3 emissions calculations were based on the emission factors in the "DEFRA (Department for Environment, Food and Rural Affairs) 2021 Emission Factors. Emission factors in Scope 3 - Material Use". In addition, emissions associated with the manufacturing of credit cards were included.*

### Capital goods

#### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

2175

#### (7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-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 associated with capital goods purchases were included.*



## 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 CO<sub>2</sub>e)

2589

### (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

*Includes electricity losses and WTT emissions.*

## Upstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

Yapı Kredi does not have any emissions associated with upstream transportation and distribution services as the Bank does not sell physical goods that require upstream transportation.

## Waste generated in operations

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

161

### (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

100

### (7.8.5) Please explain

The quantity of waste collected to be sent to the recovery, recycling and landfill is included to the emission calculations within the reporting period. The emission data for waste covers the Bank's head offices and its subsidiaries. Moreover, paper waste generated at all locations of the Bank and collected at the Bank's archive is included in the emission calculations. The quantity of waste paper was calculated based on the quantities received from the Bank's contracted recycling company licensed by the Provincial Directorate of Environment, Urbanization and Climate Change. The following formula has been used in calculating the quantity of household waste. Quantity of household waste (tons/year) = Number of household waste containers in the facilities x container volume (m<sup>3</sup>) x fullness level of container (%) x household waste density (tons/m<sup>3</sup>) x annual number of days (number of days has been calculated after finding out how many days a week household waste is collected from the relevant municipalities). Conversion factors for waste in Scope 3 GHG emission calculations were based on DEFRA 2021 Emission Factors.

## Business travel

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

1417

### (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

*Data for 2022 covers business travel of the Bank and its subsidiaries. Emissions associated with air travel were included. Conversion factors for business flights in Scope 3 GHG emissions calculations were based on "DEFRA 2021 Emission Factors."*

## Employee commuting

### (7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

4598

### (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

100

#### (7.8.5) Please explain

*Data covers emissions related to fuel consumption for employee commuting at the Bank's selected locations (Head Office and service buildings, regional offices and branch buildings). The limited assurance statement is received for fuel consumption data from an independent audit firm (PwC) every year. We used the "Lower Thermal Values of Energy Resources and Conversion to Oil Equivalents" table prepared by the Ministry of Energy and Natural Resources. The total emissions from employee commuting was calculated as 95.6 tCO<sub>2</sub>e. The conversion factor for employee commuting vehicles in Scope 3 GHG emissions was based on the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.*

### Upstream leased assets

#### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

#### (7.8.5) Please explain

*There are no upstream leased assets of Yapı Kredi. The emissions under this category are not relevant.*

### Downstream transportation and distribution

#### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

#### (7.8.5) Please explain

*Yapı Kredi does not have any emissions associated with downstream transportation and distribution services as the Bank does not sell physical goods that require downstream transportation.*

## **Processing of sold products**

### **(7.8.1) Evaluation status**

*Select from:*

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*Yapı Kredi does not have any emissions associated processing of sold products as the Bank does not sell physical goods that require processing.*

## **Use of sold products**

### **(7.8.1) Evaluation status**

*Select from:*

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*The Bank does not sell any goods that cause emissions during their use. This category is not relevant to the Bank.*

## **End of life treatment of sold products**

### **(7.8.1) Evaluation status**

*Select from:*

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*The Bank does not sell any physical goods that can cause emissions at the end of their life. This category is not relevant for the Bank.*

## **Downstream leased assets**

### **(7.8.1) Evaluation status**

*Select from:*

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*There is no downstream leased assets of Yapı Kredi. This category is not relevant for the Bank.*

## **Franchises**

### **(7.8.1) Evaluation status**

*Select from:*

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*Yapı Kredi does not operate with a Franchise model. There are no franchisees of Yapı Kredi. This category is not relevant.*

## **Other (upstream)**

### **(7.8.1) Evaluation status**

*Select from:*

☒ Not relevant, explanation provided

### **(7.8.5) Please explain**

*There are no other emissions.*

## Other (downstream)

### (7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

### (7.8.5) Please explain

*There are no other emissions.*

*[Fixed row]*

## (7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

### Past year 1

#### (7.8.1.1) End date

12/30/2022

#### (7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

3433.03

#### (7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

2357.59

#### (7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

3377.82

#### (7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

113.09

**(7.8.1.7) Scope 3: Business travel (metric tons CO2e)**

528.767

**(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)**

4545.407

**(7.8.1.19) Comment**

*Emissions were recalculated due to previously unknown errors.*

**Past year 2**

**(7.8.1.1) End date**

12/30/2021

**(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)**

1244.05

**(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)**

0

**(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**

3314.28

**(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)**

72.89



#### (7.8.1.7) Scope 3: Business travel (metric tons CO2e)

147.63

#### (7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

3853.19

#### (7.8.1.19) Comment

Emissions were recalculated due to previously unknown errors.  
[Fixed row]

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

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> 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:

☒ Limited assurance

### (7.9.1.4) Attach the statement

Yapı Kredi.pdf

### (7.9.1.5) Page/section reference

Pages 1 to 18. The report includes verification for Yapı Kredi, Yapı Kredi Netherlands and Yapı Kredi Azerbaijan, meaning all emissions within the scope are verified.

### (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:

☒ Limited assurance

**(7.9.2.5) Attach the statement**

*Yapı Kredi.pdf*

**(7.9.2.6) Page/ section reference**

*Pages 1 to 18. The report includes verification for Yapı Kredi, Yapı Kredi Netherlands and Yapı Kredi Azerbaijan, meaning all emissions within the scope are verified.*

#### (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:

☒ Limited assurance

#### (7.9.2.5) Attach the statement

Yapı Kredi.pdf

#### (7.9.2.6) Page/ section reference

Pages 1 to 18. The report includes verification for Yapı Kredi, Yapı Kredi Netherlands and Yapı Kredi Azerbaijan, meaning all emissions within the scope are verified.

#### (7.9.2.7) Relevant standard

Select from:

☒ ISO14064-3

#### (7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

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

#### Row 1

#### (7.9.3.1) Scope 3 category

Select all that apply

☒ Scope 3: Investments

☒ Scope 3: Capital goods

☒ Scope 3: Business travel

☒ Scope 3: Employee commuting

☒ Scope 3: Purchased goods and services

☒ Scope 3: Waste generated in operations

☒ Scope 3: 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:

☒ Limited assurance

### (7.9.3.5) Attach the statement

*Yapı Kredi.pdf*

### (7.9.3.6) Page/section reference

*Pages 1 to 18. The report includes verification for Yapı Kredi, Yapı Kredi Netherlands and Yapı Kredi Azerbaijan, meaning all emissions within the scope are verified.*

### (7.9.3.7) Relevant standard

Select from:

☒ ISO14064-3

### (7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

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

**Change in renewable energy consumption**

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*In 2022, emission reductions achieved due to renewable electricity procurement was 35,862 ton CO2 eq. In 2023, this amount reached to 35,598 ton CO2 eq.*

#### Other emissions reduction activities

#### (7.10.1.1) Change in emissions (metric tons CO2e)

787.8

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

#### (7.10.1.3) Emissions value (percentage)

5.4

#### (7.10.1.4) Please explain calculation

Within the scope of energy saving works, the LED conversion project continued in 2023, thus saving 304 GJ of electrical energy. A corridor closure project was implemented to reduce the energy spent on cooling in the system rooms in the Banking Base data center, which resulted in 1,576 GJ of electrical energy savings. With the Banking Base and Bodrum SPP projects, Yapı Kredi generated 4,580 GJ of electricity in 2023, achieving savings in electricity purchased from the mains.

## Divestment

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

### (7.10.1.3) Emissions value (percentage)

0

### (7.10.1.4) Please explain calculation

No change.

## Acquisitions

### (7.10.1.1) Change in emissions (metric tons CO2e)

0

### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

### (7.10.1.3) Emissions value (percentage)



0

#### (7.10.1.4) Please explain calculation

No change.

### Mergers

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

No change.

### Change in output

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*No change.*

#### Change in methodology

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

*Select from:*

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

*No change.*

#### Change in boundary

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ No change

#### (7.10.1.3) Emissions value (percentage)

0

#### (7.10.1.4) Please explain calculation

No change.

### Change in physical operating conditions

#### (7.10.1.1) Change in emissions (metric tons CO2e)

4647.8

#### (7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

#### (7.10.1.3) Emissions value (percentage)

31.9

#### (7.10.1.4) Please explain calculation

Due to earthquakes in Türkiye, some branches' facilities, including A/C units were destroyed, releasing full load of refrigerants into atmosphere. This event increased Scope 1 emissions greatly.

### Unidentified

#### (7.10.1.1) Change in emissions (metric tons CO2e)

0

**(7.10.1.2) Direction of change in emissions**

Select from:

☒ No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

No change.

**Other**

**(7.10.1.1) Change in emissions (metric tons CO2e)**

0

**(7.10.1.2) Direction of change in emissions**

Select from:

☒ No change

**(7.10.1.3) Emissions value (percentage)**

0

**(7.10.1.4) Please explain calculation**

No change.

[Fixed row]

**(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.**

**Row 1**

**(7.23.1.1) Subsidiary name**

YAPI KREDİ BANK

**(7.23.1.2) Primary activity**

Select from:

☒ Banks

**(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary**

Select all that apply

☒ No unique identifier

[Add row]

**(7.30) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[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:

☒ HHV (higher heating value)

##### (7.30.1.2) MWh from renewable sources

0

##### (7.30.1.3) MWh from non-renewable sources

49648

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

49648

#### 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

82551

##### (7.30.1.3) MWh from non-renewable sources

0

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

82551

#### Consumption of self-generated non-fuel renewable energy

##### (7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

##### (7.30.1.2) MWh from renewable sources

1301

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

1301

**Total energy consumption**

**(7.30.1.1) Heating value**

Select from:

☒ Unable to confirm heating value

**(7.30.1.2) MWh from renewable sources**

83853

**(7.30.1.3) MWh from non-renewable sources**

49648

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

133500  
[Fixed row]

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

**Azerbaijan**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

1514

**(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)**

1514.00

**Netherlands**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

384

**(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)**

384.00

**Turkey**

**(7.30.16.1) Consumption of purchased electricity (MWh)**

80654

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

1301

**(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)**

81955.00  
[Fixed row]

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

**Row 1**

**(7.45.1) Intensity figure**

0.12

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

18415

### (7.45.3) Metric denominator

Select from:

☒ unit total revenue

### (7.45.4) Metric denominator: Unit total

158263

### (7.45.5) Scope 2 figure used

Select from:

☒ Market-based

### (7.45.6) % change from previous year

7

### (7.45.7) Direction of change

Select from:

☒ Decreased

### (7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

☒ Change in revenue

☒ Change in physical operating conditions

### (7.45.9) Please explain

*Due to earthquakes in Türkiye, some branches' facilities, including A/C units were destroyed, releasing full load of refrigerants into atmosphere. This event increased Scope 1 emissions greatly, however, the Bank's revenue increase was greater, resulting in reduced intensity. In addition the Bank carries out energy management*

activities that lead to emission reductions. One such project is the “Rooftop Solar Power Plant (SPP)” installed at the Banking Base Head Office Buildings last year. Another key initiative is the on-site SPP installation project, aimed at generating approximately 12% of the electricity needed from renewable energy sources across all locations. In 2023, the Bank applied for a land-based SPP, and the application is still under evaluation. As part of energy-saving efforts, the LED conversion project continued in 2023, resulting in savings of 304 GJ of electrical energy. Additionally, a corridor closure project was implemented to reduce cooling energy consumption in the system rooms at the Banking Base data center, saving 1,576 GJ of electrical energy. Through the Banking Base and Bodrum SPP projects, Yapı Kredi generated 4,580 GJ of electricity in 2023, reducing reliance on electricity purchased from the grid.

[Add row]

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

**Row 1**

**(7.52.1) Description**

Select from:

☒ Energy usage

**(7.52.2) Metric value**

133499

**(7.52.3) Metric numerator**

Total energy use

**(7.52.4) Metric denominator (intensity metric only)**

-

**(7.52.5) % change from previous year**

2

**(7.52.6) Direction of change**

Select from:

☒ Decreased

### (7.52.7) Please explain

The Banks total energy use decreased by 2%.

[Add row]

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

#### Row 1

#### (7.53.1.1) Target reference number

Select from:

☒ Abs 1

#### (7.53.1.2) Is this a science-based target?

Select from:

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

#### (7.53.1.3) Science Based Targets initiative official validation letter

Target Decision Letter\_Yapı ve Kredi Bankası A.Ş\_ (002).pdf

#### (7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

#### (7.53.1.5) Date target was set

10/31/2023

#### (7.53.1.6) Target coverage

Select from:

☒ Organization-wide

#### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

#### (7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

#### (7.53.1.9) Scope 2 accounting method

Select from:

☒ Location-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)

15985

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

38802

(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)

54787.000

(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

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

42

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

31776.460

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

18415

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

35598

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

54013.000

**(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**

3.36

**(7.53.1.80) Target status in reporting year**

Select from:

☒ New

**(7.53.1.82) Explain target coverage and identify any exclusions**

*Target covers all Scope 1 and Scope 2 emissions.*

**(7.53.1.83) Target objective**

*The objective is to reduce emissions within an ambition that fits into a 1.5 degree world.*

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



The Bank is planning solar power plant investments to reduce location-based Scope 2 emissions. These reduction will enable the Bank to achieve its targets. The Bank commits to increase active annual sourcing of renewable electricity from 39% in 2021 to 100% by 2022 and to continue the active sourcing of 100% renewable electricity through 2030.

(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

07/21/2024

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

Select from:

☒ Sector level

#### (7.53.4.7) Sector

Select from:

☒ Power generation

#### (7.53.4.8) Portfolios covered by the target

Select all that apply

☒ Banking (Bank)

#### (7.53.4.10) Asset classes covered by the target

Select all that apply

☒ Project finance

#### (7.53.4.12) Target type: Absolute or intensity

Select from:

☒ Intensity

#### (7.53.4.14) % of portfolio emissions covered by the target

82.74

#### (7.53.4.16) Metric (or target numerator if intensity)

Select from:

☒ Metric tons CO2e

#### (7.53.4.17) Target denominator

Select from:

☒ Other, SDA denominator please specify :MWh

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

8.8

**(7.53.4.21) Frequency of target reviews**

Select from:

☒ Every five years

**(7.53.4.22) End date of base year**

12/30/2021

**(7.53.4.23) Figure in base year**

0.5

**(7.53.4.24) We have an interim target**

Select from:

☒ No

**(7.53.4.27) End date of target**

12/30/2030

**(7.53.4.28) Figure in target year**

0.131

**(7.53.4.29) Figure in reporting year**

0.409

**(7.53.4.30) % of target achieved relative to base year**

24.66124661246613

**(7.53.4.31) Target status in reporting year**

Select from:

☒ Underway

**(7.53.4.34) Is this a science-based target?**

Select from:

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

**(7.53.4.35) Target ambition**

Select from:

☒ 1.5°C aligned

**(7.53.4.37) Please explain target coverage and identify any exclusions**

*Target covers electricity generation project finance portfolio.*

**(7.53.4.38) Target objective**

*Target's objective is to decarbonise electricity generation project finance portfolio according to the Bank's Net Zero strategy.*

**Row 2**

**(7.53.4.1) Target reference number**

Select from:

☒ Por2

#### (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

07/21/2024

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

Select from:

☒ Sector level

#### (7.53.4.7) Sector

Select from:

☒ Infrastructure

#### (7.53.4.8) Portfolios covered by the target

Select all that apply

☒ Banking (Bank)

#### (7.53.4.10) Asset classes covered by the target

Select all that apply

☒ Loans

#### (7.53.4.12) Target type: Absolute or intensity

Select from:

☒ Intensity

#### (7.53.4.14) % of portfolio emissions covered by the target

15.06

#### (7.53.4.16) Metric (or target numerator if intensity)

Select from:

☒ Metric tons CO2e

#### (7.53.4.17) Target denominator

Select from:

☒ Meters squared

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

7.5

#### (7.53.4.21) Frequency of target reviews

Select from:

☒ Every five years

#### (7.53.4.22) End date of base year

12/30/2021

#### (7.53.4.23) Figure in base year

109.78

#### (7.53.4.24) We have an interim target

Select from:

☒ No

#### (7.53.4.27) End date of target

12/30/2030

#### (7.53.4.28) Figure in target year

35.77

#### (7.53.4.29) Figure in reporting year

91.48

#### (7.53.4.30) % of target achieved relative to base year

24.726388325901905

#### (7.53.4.31) Target status in reporting year

Select from:

☒ Underway

#### (7.53.4.34) Is this a science-based target?

Select from:

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

#### (7.53.4.35) Target ambition

Select from:

☒ 1.5°C aligned

#### (7.53.4.37) Please explain target coverage and identify any exclusions

*Target covers corporate loans real estate portfolio.*

#### (7.53.4.38) Target objective

*Target's objective is to decarbonise the banks real estate corporate loans according to the Banks Net Zero strategy.*

### Row 3

#### (7.53.4.1) Target reference number

*Select from:*

☒ Por3

#### (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

*07/21/2024*

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

*Select from:*

☒ Sector level



#### (7.53.4.7) Sector

Select from:

☒ Power generation

#### (7.53.4.8) Portfolios covered by the target

Select all that apply

☒ Banking (Bank)

#### (7.53.4.10) Asset classes covered by the target

Select all that apply

☒ Loans

#### (7.53.4.12) Target type: Absolute or intensity

Select from:

☒ Intensity

#### (7.53.4.14) % of portfolio emissions covered by the target

2.2

#### (7.53.4.16) Metric (or target numerator if intensity)

Select from:

☒ Metric tons CO2e

#### (7.53.4.17) Target denominator

Select from:

☒ Other, SDA denominator please specify :kWh

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

0.8

**(7.53.4.21) Frequency of target reviews**

Select from:

☒ Every five years

**(7.53.4.22) End date of base year**

12/30/2021

**(7.53.4.23) Figure in base year**

1.1

**(7.53.4.24) We have an interim target**

Select from:

☒ No

**(7.53.4.27) End date of target**

12/30/2030

**(7.53.4.28) Figure in target year**

0.7

**(7.53.4.29) Figure in reporting year**

0.7

**(7.53.4.30) % of target achieved relative to base year**

**(7.53.4.31) Target status in reporting year***Select from:*☒ Underway**(7.53.4.34) Is this a science-based target?***Select from:*☒ Yes, and this target has been approved by the Science-Based Targets initiative**(7.53.4.35) Target ambition***Select from:*☒ 1.5°C aligned**(7.53.4.37) Please explain target coverage and identify any exclusions***Target covers electricity generation corporate loans portfolio.***(7.53.4.38) Target objective***Target's objective is to decarbonise electricity generation corporate loans portfolio according to the Bank's Net Zero strategy.***Row 4****(7.53.4.1) Target reference number***Select from:*☒ Por4**(7.53.4.2) Target type***Select from:*

☒ Portfolio temperature rating target

#### (7.53.4.4) Methodology used when setting the target

Select from:

☒ SBTi for Financial Institutions

#### (7.53.4.5) Date target was set

07/21/2024

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

Select from:

☒ Portfolio level

#### (7.53.4.9) Portfolio

Select from:

☒ Banking (Bank)

#### (7.53.4.10) Asset classes covered by the target

Select all that apply

☒ Loans

#### (7.53.4.11) Sectors covered by the target

Select all that apply

☒ Apparel

☒ Services

☒ Materials

☒ Hospitality

☒ Manufacturing

☒ International bodies

☒ Transportation services

☒ Food, beverage & agriculture

☒ Fossil Fuels

☒ Biotech, health care & pharma

#### (7.53.4.13) Emissions scopes of portfolio companies covered by the target

Select from:

☒ Scope 1 + 2

#### (7.53.4.16) Metric (or target numerator if intensity)

Select from:

☒ Degrees of warming

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

37

#### (7.53.4.21) Frequency of target reviews

Select from:

☒ Other, please specify :2026

#### (7.53.4.22) End date of base year

12/30/2021

#### (7.53.4.23) Figure in base year

3.05

#### (7.53.4.24) We have an interim target

Select from:

☒ No

**(7.53.4.27) End date of target**

12/30/2026

**(7.53.4.28) Figure in target year**

2.64

**(7.53.4.29) Figure in reporting year**

3.05

**(7.53.4.30) % of target achieved relative to base year**

0

**(7.53.4.31) Target status in reporting year**

Select from:

☒ Underway

**(7.53.4.32) Aggregation weighting used**

Select from:

☒ Weighted average temperature score (WATS)

**(7.53.4.33) % of the temperature score calculated in the reporting year based on company targets**

100

**(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

*Target covers all the other corporate loans with over 1-year maturity*

#### (7.53.4.38) Target objective

*It is aimed to align the temperature score of this portfolio with 1.5 C degree scenario*

### Row 5

#### (7.53.4.1) Target reference number

Select from:

☒ Por5

#### (7.53.4.2) Target type

Select from:

☒ Portfolio temperature rating target

#### (7.53.4.4) Methodology used when setting the target

Select from:

☒ SBTi for Financial Institutions

#### (7.53.4.5) Date target was set

07/21/2024

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

Select from:

- ☒ Portfolio level

#### (7.53.4.9) Portfolio

Select from:

- ☒ Banking (Bank)

#### (7.53.4.10) Asset classes covered by the target

Select all that apply

- ☒ Loans

#### (7.53.4.11) Sectors covered by the target

Select all that apply

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Apparel      | <input checked="" type="checkbox"/> Manufacturing                 |
| <input checked="" type="checkbox"/> Services     | <input checked="" type="checkbox"/> International bodies          |
| <input checked="" type="checkbox"/> Materials    | <input checked="" type="checkbox"/> Transportation services       |
| <input checked="" type="checkbox"/> Hospitality  | <input checked="" type="checkbox"/> Food, beverage & agriculture  |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Biotech, health care & pharma |

#### (7.53.4.13) Emissions scopes of portfolio companies covered by the target

Select from:

- ☒ Scope 1 + 2 + 3

#### (7.53.4.16) Metric (or target numerator if intensity)

Select from:

- ☒ Degrees of warming



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

37

**(7.53.4.21) Frequency of target reviews**

Select from:

☒ Other, please specify :2026

**(7.53.4.22) End date of base year**

12/30/2021

**(7.53.4.23) Figure in base year**

3.2

**(7.53.4.24) We have an interim target**

Select from:

☒ No

**(7.53.4.27) End date of target**

12/30/2026

**(7.53.4.28) Figure in target year**

2.75

**(7.53.4.29) Figure in reporting year**

3.2

**(7.53.4.30) % of target achieved relative to base year**

0

#### (7.53.4.31) Target status in reporting year

Select from:

☒ Underway

#### (7.53.4.32) Aggregation weighting used

Select from:

☒ Weighted average temperature score (WATS)

#### (7.53.4.33) % of the temperature score calculated in the reporting year based on company targets

100

#### (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

*Target covers all the other corporate loans with over 1-year maturity*

#### (7.53.4.38) Target objective

*It is aimed to align the temperature score of this portfolio with 1.5 C degree scenario*

[Add row]

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

*Select all that apply*

- ☒ Targets to increase or maintain low-carbon energy consumption or production
- ☒ Net-zero targets

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

**Row 1**

**(7.54.1.1) Target reference number**

*Select from:*

- ☒ Low 1

**(7.54.1.2) Date target was set**

12/31/2020

**(7.54.1.3) Target coverage**

*Select from:*

- ☒ Organization-wide

**(7.54.1.4) Target type: energy carrier**

*Select from:*

- ☒ Electricity

**(7.54.1.5) Target type: activity**

*Select from:*

- ☒ Consumption

#### (7.54.1.6) Target type: energy source

Select from:

☒ Renewable energy source(s) only

#### (7.54.1.7) End date of base year

12/30/2021

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

90405

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

39

#### (7.54.1.10) End date of target

12/30/2030

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

100

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

100

#### (7.54.1.13) % of target achieved relative to base year

100.00

#### (7.54.1.14) Target status in reporting year

Select from:

☒ Achieved and maintained

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

Yes, Yapı Kredi aims to decrease its scope 1 and scope 2 emissions in accordance with its approved Science Based Target.

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

Select all that apply

☒ Science Based Targets initiative

#### (7.54.1.18) Science Based Targets initiative official validation letter

Target-language-and-summary\_Yapı-ve-Kredi-Bankası-A.Ş-2.pdf

#### (7.54.1.19) Explain target coverage and identify any exclusions

Target covers company-wide electricity use. There are no exclusions.

#### (7.54.1.20) Target objective

Yapı ve Kredi Bankası A.Ş. commits to increase active annual sourcing of renewable electricity from 39% in 2021 to 100% by 2022 and to continue active sourcing of 100% renewable electricity through 2030.

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

Procuring renewable electricity through I-REC certifications and generating electricity from solar power plants contributed most to this target.

[Add row]

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

Row 1

### (7.54.3.1) Target reference number

Select from:

☒ NZ1

### (7.54.3.2) Date target was set

12/31/2022

### (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

☒ Por5

☒ Por1

☒ Por2

☒ Por3

☒ Por4

### (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

- ☒ Carbon dioxide (CO<sub>2</sub>)
- ☒ Methane (CH<sub>4</sub>)
- ☒ Nitrous oxide (N<sub>2</sub>O)

#### (7.54.3.10) Explain target coverage and identify any exclusions

Target covers Scope 1, Scope 2 and Scope 3 portfolio emissions.

#### (7.54.3.11) Target objective

Yapı Kredi aims to reduce its Scope 1 and Scope 2 absolute carbon emissions in its direct operations by 42% until 2030, taking 2021 as the base year, in line with the target of a maximum temperature increase of 1.5 degrees defined in the Paris Agreement. Yapı Kredi is the first company in Turkey which has committed to Business Ambition for 1.5 degrees. In order to reach the net zero target with regards to its Scope 1 emissions, Yapı Kredi plans to conduct energy efficiency studies at its locations with natural gas-based fuel consumption and to gradually switch to hybrid vehicles in its vehicle pool. It plans to purchase carbon credits for the residual Scope 1 emissions after conducting energy efficiency projects and transitioning to new/energy efficient technologies for the Net Zero target. In order to reach the net zero target with regards to Scope 2 emissions, it is planned to switch to energy efficient lighting systems, optimize building-facility operating conditions to ensure energy efficiency, and supply energy from renewable sources for 100% of the Scope 2 emissions to reach its zero emission target.

#### (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, we do not plan to mitigate emissions beyond our value chain

#### (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

☒ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

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

*As the first stage of the Bank's Net Zero strategy, Yapı Kredi initiated its Science Based Targets. To this end Yapı ve Kredi Bankası A.Ş. commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year. Yapı ve Kredi Bankası A.Ş. commits to increase active annual sourcing of renewable electricity from 39% in 2021 to 100% by 2022 and to continue active sourcing of 100% renewable electricity through 2030. Yapı ve Kredi Bankası A.Ş.' portfolio targets cover 29% of its total investment and lending by total assets as of 2021. As of that year, required activities made up 29% of Yapı ve Kredi Bankası A.Ş.' total investment and lending by total assets while optional activities made up 13% and out of scope activities made up 58%. Portfolio targets: Yapı ve Kredi Bankası A.Ş. commits to reduce its electricity generation project finance portfolio GHG emissions 73.7% per MWh by 2030 from a 2021 base year. Yapı ve Kredi Bankası A.Ş. commits to reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 67.4% per square meter by 2030 from a 2021 base year. Yapı ve Kredi Bankası A.Ş. commits to reduce GHG emissions from the electricity generation sector within its corporate loan portfolio 41.7% per MWh by 2030 from a 2021 base year. Yapı ve Kredi Bankası A.Ş. commits to align its scope 1 2 portfolio temperature score by invested value within its other long-term corporate loans portfolio from 3.05C in 2021 to 2.64C by 2026. Yapı ve Kredi Bankası A.Ş. commits to align its scope 1 2 3 portfolio temperature score by invested value within its other long-term corporate loans portfolio from 3.2C in 2021 to 2.75C by 2026. Supported with the approval of its targets by Science Based Targets, Yapı Kredi works to achieve its Net Zero strategy.*

#### (7.54.3.17) Target status in reporting year

Select from:

☒ Underway

#### (7.54.3.19) Process for reviewing target

*As per SBTi guidance, target reviews are planned every 5 years.*

*[Add row]*

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



Select from:

☒ Yes

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	2	36169
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

Low-carbon energy generation

☒ Solar PV

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

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

Select all that apply

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

### (7.55.2.4) Voluntary/Mandatory

Select from:

- ☒ Voluntary

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

4553500

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

13326667

### (7.55.2.7) Payback period

Select from:

- ☒ 1-3 years

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

- ☒ Ongoing

### (7.55.2.9) Comment

Yapı Kredi reduced its Scope 2 emissions by generating 1301 MWh of renewable electricity with solar photovoltaic power plants set up at the Banking Base and Bodrum Branch.

## Row 2

### (7.55.2.1) Initiative category & Initiative type

#### Low-carbon energy consumption

☒ Large hydropower (>25 MW)

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

35598

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

*Select all that apply*

☒ Scope 2 (market-based)

### (7.55.2.4) Voluntary/Mandatory

*Select from:*

☒ Voluntary

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

0

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

1403830

### (7.55.2.7) Payback period

*Select from:*

☒ No payback

### (7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 1-2 years

### (7.55.2.9) Comment

*Emission reductions were achieved with renewable electricity procured through I-REC certification and wind electricity use at Yapı Kredi Netherlands. Investment required only includes the costs associated with I-REC certification.*

[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:

☒ Compliance with regulatory requirements/standards

#### (7.55.3.2) Comment

*Full compliance with environmental (including climate change and energy) regulations and related laws is among Yapı Kredi's environmental management principles. In this regard, Yapı Kredi's specialists constantly track legislation changes and proactively render its implementations compatible with changing conditions. ISO 14001 and ISO 14064 management standards are subjected to the internal audit process conducted annually. Additionally, environmental audits conducted by parent company Koç Holding every two years. The achieved performance results are reported to the executive management through yearly reports. Compliance with the local legislation such as Energy Performance of Buildings and Law on Energy Efficiency is a driving force for Yapı Kredi to conduct energy efficiency studies in buildings.*

### Row 2

#### (7.55.3.1) Method

Select from:

☒ Employee engagement

#### (7.55.3.2) Comment

*Yapı Kredi values the contributions of all employees and individuals in enhancing environmental performance and believes in the importance of raising awareness and encouraging behavioral change. In 2023, the Bank provided 9,956 hours of environmental training to 6,908 Yapı Kredi employees and approximately 31 hours to 41 subcontractor employees on topics such as ISO 14001 Environmental Management System, climate change, and water stress. Additionally, awareness materials and content on environment and sustainability were shared with employees and customers via the in-house portal, email, and social media. Awareness campaigns and seminars were also conducted as part of the WWF Green Office Program. Furthermore, a webinar on home composting was organized for employees to promote the upcycling of food waste.*

#### Row 4

#### (7.55.3.1) Method

Select from:

☒ Dedicated budget for energy efficiency

#### (7.55.3.2) Comment

*Yapı Kredi implements projects aimed at ensuring energy efficiency in its operations and utilizing renewable energy sources while reducing overall energy consumption. One such initiative is the "Rooftop Solar Power Plant (SPP)" project, which was installed and commissioned at the Banking Base Head Office Buildings last year. Another key project is the on-site SPP installation, designed to generate approximately 12% of the electricity needs from renewable sources across all locations. The Bank also applied for a land-based SPP in 2023, with the application currently under evaluation. As part of its energy-saving efforts, the LED conversion project continued in 2023, resulting in savings of 304 GJ of electrical energy. Additionally, a corridor closure project was implemented to reduce cooling energy consumption in the system rooms at the Banking Base data center, leading to savings of 1,576 GJ of electrical energy.*

[Add row]

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

Select from:

☒ No

## 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

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

Select from:

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

##### (12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

☒ Not an immediate strategic priority

##### (12.1.7) Explain why your organization does not measure its portfolio impact on forests

Yapı Kredi's current portfolio impact focus is on climate impact.

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

Select from:

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

#### (12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

☒ Not an immediate strategic priority

#### (12.1.10) Explain why your organization does not measure its portfolio impact on water

*Yapı Kredi's current portfolio impact focus is on climate impact.*

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

Select from:

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

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

Select from:

☒ Not an immediate strategic priority

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

*Yapı Kredi's current portfolio impact focus is on climate impact.*

*[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
- ☒ Real estate

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

15576461.18

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

100

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

1863373400000.00

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

60

#### (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

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

18538146

#### (12.1.1.9) Base year end



12/30/2021

#### (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

*In order to meet its commitments, Yapı Kredi has launched a new project in 2021 as part of the Carbon Transformation Programme initiated by its main shareholder Koç Holding. Within the scope of the project, the measurement and analysis of financed emissions, which constitutes almost all of the banking sector's greenhouse gas emissions, was completed by using PCAF methodology for the first time in 2022. In 2023, a modelling study of the interim net-zero emission reduction targets was completed within the framework of SBTi guidance. In the same year, a financial feasibility study was conducted to achieve the targets set. During this study, decarbonisation strategies were developed for prioritized sectors and set of actions were determined to achieve these strategies. The targets modeled on the said feasibility and strategy study were submitted to the SBTi for verification and the Bank has recently received verification for the submitted targets. Yapı Kredi achieved to be the first private Tier-I bank in Turkey to receive SBTi verification. Additionally, the Bank has become to have the most comprehensive coverage of loan portfolio targets in the Turkish banking sector and the only Turkish bank to set targets for its entire portfolio of mandatory targets. In addition, at the beginning of 2024, the work initiated to improve the data quality and methodology for calculating financed emissions, which is of paramount importance for the implementation of the strategy, was successfully completed. In this regard, Yapı Kredi aims to continue its determined efforts to reduce its financed emissions and to guide its customers in their journey to net zero, not only as a financier but also as an advisor and partner. For emission calculations, select assets include assets that are in sectors with required scope 3 emissions inclusion for reports published in 2023 onwards as defined by the EU TEG; sectors include energy (oil & gas), mining, transportation, construction, buildings, materials, and industrial activities.*

[Fixed row]

#### (12.1.2) Disclose or restate your financed emissions for previous years.

##### Past year 1 for Banking (Bank)

#### (12.1.2.1) End Date

12/30/2022

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

10463893

### (12.1.2.3) % of portfolio covered in relation to total portfolio value

100

### (12.1.2.4) % calculated using data obtained from clients/investees

60

### (12.1.2.5) Emissions calculation methodology

Select from:

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

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

2022 portfolio emissions were calculated using the PCAF methodology. Emissions only include Scope 1 and Scope 2 emissions of the clients as per PCAF methodology.

## Past year 2 for Banking (Bank)

### (12.1.2.1) End Date

12/30/2021

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

18538146

### (12.1.2.3) % of portfolio covered in relation to total portfolio value

100

### (12.1.2.4) % calculated using data obtained from clients/investees

60

(12.1.2.5) Emissions calculation methodology

Select from:

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

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

2021 portfolio emissions were calculated using the PCAF methodology. Emissions only include Scope 1 and Scope 2 emissions of the clients as per PCAF methodology.  
[Fixed 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 <input checked="" type="checkbox"/> Yes, by asset class

[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 (tCO<sub>2</sub>e)

#### (12.2.1.4) Asset class

Select from:

☒ Loans

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

100

#### (12.2.1.7) Value of assets covered in the calculation

418775150676

#### (12.2.1.8) Financed emissions or alternative metric

10963615

#### (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

*All emission calculations are based on the PCAF methodology. Therefore, General Purpose Loans (GPLs), credit cards, overdraft and non-cash loans are excluded from the emission calculations in line with PCAF.*

## Row 2

### (12.2.1.1) Portfolio

Select from:

☒ Banking (Bank)

### (12.2.1.2) Portfolio metric

Select from:

☒ Absolute portfolio emissions (tCO2e)

### (12.2.1.4) Asset class

Select from:

☒ Project finance

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

100

### (12.2.1.7) Value of assets covered in the calculation

99385803230

### (12.2.1.8) Financed emissions or alternative metric

3330859

### (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

*All the Project Finance loans are included here except from PF Real Estate which is reported below.*

### Row 3

#### (12.2.1.1) Portfolio

*Select from:*

☒ Banking (Bank)

#### (12.2.1.2) Portfolio metric

*Select from:*

☒ Absolute portfolio emissions (tCO2e)

#### (12.2.1.4) Asset class

*Select from:*

☒ Real estate

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

100

#### (12.2.1.7) Value of assets covered in the calculation

65547280094

#### (12.2.1.8) Financed emissions or alternative metric

1308987

**(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 portfolio category includes PF Real Estate Loans and CRE under corporate loans segment.*

*[Add row]*

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

	Reporting values of the financing and/or insurance of fossil fuel assets	Primary reason for not providing values of the financing and/or insurance to fossil fuel assets	Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets
Lending to all fossil fuel assets	Select from: <input checked="" type="checkbox"/> No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: <input checked="" type="checkbox"/> Other, please specify :Parts of this information is confidential.	Parts of this information is confidential.
Lending to thermal coal	Select from: <input checked="" type="checkbox"/> No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: <input checked="" type="checkbox"/> Other, please specify :Parts of this information is confidential.	Parts of this information is confidential.
Lending to met coal	Select from: <input checked="" type="checkbox"/> No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: <input checked="" type="checkbox"/> Other, please specify :Parts of this information is confidential.	Parts of this information is confidential.
Lending to oil	Select from: <input checked="" type="checkbox"/> No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: <input checked="" type="checkbox"/> Other, please specify :Parts of this information is confidential.	Parts of this information is confidential.

	Reporting values of the financing and/or insurance of fossil fuel assets	Primary reason for not providing values of the financing and/or insurance to fossil fuel assets	Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets
Lending to gas	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	<i>Select from:</i> <input checked="" type="checkbox"/> Other, please specify :Parts of this information is confidential.	<i>Parts of this information is confidential.</i>

[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:*

☒ No

**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:*



☒ No

### **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:*

☒ No

### **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:*

☒ No

### **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:*

☒ No

### **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:*

☒ No

*[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**

*Türkiye is currently preparing its national taxonomy that is aligned with the EU sustainable finance taxonomy. Although the Bank follows current international principles such as ICMA, EU taxonomy, as well as national regulations, it does not disclose its portfolio based on the six categories of the EU taxonomy.*  
[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:

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	<input checked="" type="checkbox"/> Yes

[Fixed row]

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

### Row 1

#### (12.6.1.1) Environmental issue

Select all that apply

☒ Climate change

☒ Water

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

Select all that apply

☒ Mitigation

☒ Adaptation

#### (12.6.1.3) Portfolio

Select from:

☒ Banking (Bank)

#### (12.6.1.4) Asset class

Select from:

☒ Loans

#### (12.6.1.5) Type of product classification

Select all that apply

☒ Not applicable

#### (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

☒ Energy efficiency measures

☒ Green buildings and equipment

☒ Low-emission transport

☒ Renewable energy

☒ Wastewater treatment infrastructure

#### (12.6.1.8) Description of product/service

*Yapı Kredi embraces a sensitive attitude toward social and environmental issues while ensuring economic development and growth, and adopts this approach to create long-term value for each area and stakeholder. Accordingly, to ensure the transformation of the sector, Yapı Kredi offers sustainable finance solutions to sustainable development issues through numerous products and services such as sustainability-linked loans, renewable energy and energy efficiency loans, Nature-Friendly Mortgage, Nature-Friendly Auto Loans.*

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

14.2

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

7.2

[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	Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring
Forests	Select from: <input checked="" type="checkbox"/> No, we have not set such targets, but we plan to within the next two years	<i>The Bank has not yet measured its portfolio impact on forests.</i>
Water	Select from: <input checked="" type="checkbox"/> No, we have not set such targets, but we plan to within the next two years	<i>The Bank has not yet measured its portfolio impact on water.</i>

[Fixed 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: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

### Row 1

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

Select all that apply

☒ Climate change

☒ Water

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

##### Environmental performance – Water security

☒ Water consumption– total volume

- ☒ Water withdrawals– total volumes
- ☒ Water withdrawals – volumes by source

### (13.1.1.3) Verification/assurance standard

#### General standards

- ☒ ISAE 3000

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

*Yapı Kredi Annual Report attached. See pages 596-599. Indicators verified: Energy Consumption (GJ) • Electricity (GJ) • Grid Electricity (GJ) • Renewable Electricity (Produced) • Renewable Electricity (Purchased) • Natural Gas (GJ) • Fuel Oil (GJ) • Total Energy Consumption(GJ) • Energy Intensity (GJ/total number of employees) Energy Savings • Total Annual Energy Saving (GJ) • Total Annual GHG Saving via Energy Saving (tCO2e) GHG Emissions (tons CO2e) • Scope 1 (tons CO2e) • Scope 2 (Location based) (tons CO2e) • Scope 2 (Market based) (tons CO2e) • Total (Scope 1 and Scope 2) (tons CO2e) • Scope 3 (Category 1) (tons CO2e) • Scope 3 (Category 5) (tons CO2e) • Scope 3 (Category 6) (tons CO2e) • Scope 3 (Category 7) (tons CO2e) • Emission Intensity of Scope 1 and 2 (tons CO2e/total number of employees) Waste Generation (ton) • Hazardous Waste (ton) • Recycled (ton) • Electronic Waste (ton) • Other (ton) • Disposed (ton) • Non-hazardous Waste (ton) • Recycled (ton) • Paper (ton) • Plastic (ton) • Metal (ton) • Other (ton) • Municipal Waste (ton) Water Consumption (m3) • Municipal Water (m3) • Ground Water (m3) • Rain Water (m3) • Total (m3) • Amount of Wastewater (m3) • Water Intensity (m3/total number of employees)*

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

*YK23-integrated-annual-report.pdf*  
[Add row]

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

### (13.2.1) Additional information

*Annual Report 2023 is attached. Clarifications on question 12.4: Although Yapı Kredi provides financing to agricultural sector, including cattle products producers, separation of loan amounts to specific, forest-related commodities is not shared due to confidentiality constraints.*

### (13.2.2) Attachment (optional)

*yk23-integrated-annual-report.pdf*  
[Fixed 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]



