



TÜRKİYE HALK BANKASI A.Ş.

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions

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

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▪

Contents

C1. Introduction

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

Select from:

☒ English

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

Select from:

☒ TRY

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

(1.3.1) Type of financial institution

Select from:

☒ Bank

(1.3.2) Organization type

Select from:

☒ State owned organization

(1.3.3) Description of organization

Bank was established in 1938 to support tradesmen, and craftsmen and to accelerate permanent economic development and has become one of Turkey's steadily growing, well-established, pioneering, and respected brands. Pioneering the development of the Turkish banking sector, the Bank continues to serve the real sector with its innovative products and services with a global vision, with 1092 branches in the country and 8 abroad as of the end of 2024 Bank aims for a livable world where economic, social, and environmental impacts are in balance in all areas where it creates value, especially in its own operations, and growth takes place without compromising these effects. In this direction, it shapes its work with the awareness that it is possible to move forward more strongly towards the future by focusing on sustainable economic, environmental and social development. In this context, it develops products such as the Green Energy Loan Package to support efforts to reduce carbon emissions through renewable energy and energy efficiency projects in order to direct investments to more sustainable technologies and businesses. This package provides renewable energy investment, green workplace investment, energy efficiency, green-certified construction project, and green light commercial

vehicle loans. Going beyond just providing financial resources to companies the use of resources, while Bank works hard to produce innovative solutions for such demands and needs of its customers, it pays great attention to ensuring that its activities are compatible with factors such as environmental protection and energy efficiency. It continues to implement digitalization practices that will accelerate the transition to emission reduction, waste management, and paperless banking, minimizing the carbon footprint resulting from its operations. In line with this, bank has certified all its service buildings, including its headquarters and branches, with the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, and becoming the first bank in the Turkish banking industry to establish and get certified in the ISO 50001 Energy Management System. It uses a program namely "İKLİM", which it has developed with its own internal resources, in order to manage, monitor, evaluate and report these systems by integrating the relevant environmental and energy management systems and implementing all the requirements. In addition, the Bank continues its waste reduction efforts with the principle of separating its wastes and zero waste within the responsible banking culture, taking into account waste management within the scope of reducing the environmental impacts of its activities. All service locations and all branches have complied with the Zero Waste System and received Zero Waste Certificates. Bank also continues to contribute to "Green and Circular Economy" issues, Turkey's green agreement harmonization process, and studies in this context with the initiatives it has developed under the umbrella of Sustainable Banking. In addition, Bank has been reporting to the Carbon Disclosure Project, one of the public disclosure platforms, since 2013 due to the importance it attaches to the transparency of its operations and has been included in the BIST Sustainability Index since 2017. It is also committed to achieving net-zero by 2050 as one of the first signatories of the NZBA in Turkey by mid-2022.

[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

12/30/2024

(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:

☒ Not providing past emissions data for Scope 3

[Fixed row]

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

720131292000

(1.5) Provide details on your reporting boundary.

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

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

TRETHAL00019

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

HALKKB

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

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

Select all that apply

☒ Turkey

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

3008200000000

(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

3008200000000

(1.10.5) % of revenue

100

(1.10.6) Type of clients

Select all that apply

☒ Business and private clients (banking)

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

Select all that apply

☒ Retail

☒ Apparel

☒ Fossil Fuels

☒ Manufacturing

- ☒ Services
- ☒ Materials
- ☒ Hospitality
- ☒ Food, beverage & agriculture
- ☒ Biotech, health care & pharma

- ☒ Infrastructure
- ☒ Power generation
- ☒ Transportation services

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

- ☒ No

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

- ☒ No

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

- ☒ No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

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

(1.24.2) Value chain stages covered in mapping

Select all that apply

- ☒ Upstream value chain
☒ Portfolio

(1.24.3) Highest supplier tier mapped

Select from:

- ☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

- ☒ All supplier tiers known have been mapped

(1.24.5) Portfolios covered in mapping

Select all that apply

- ☒ Banking (Bank)

(1.24.7) Description of mapping process and coverage

We recognize that our suppliers and portfolio play a crucial role in our sustainability efforts. To achieve our sustainability goals, we are conducting the mapping process to take proactive steps. Under our Sustainable Procurement Policy, suppliers with purchases exceeding a certain amount are subject to an environmental, social, and governance (ESG) assessment. The Supply Chain ESG Assessment Survey collects data from our suppliers by asking questions about topics such as environmental and energy management practices, employee and human rights, occupational health and safety, information security, ethical principles, and anti-corruption. In 2024, assessment surveys were sent to suppliers covering 73 % of our total purchases. Our bank conducts environmental and social impact assessments to evaluate the investment projects and companies we finance. We classify the projects and companies we finance according to green and social criteria. Loans and investment projects financed by bank are scored within the scope of "Sustainability Assessment" using the Firm Rating Report (FDR) scoring methodology, and the scoring results affect the company's rating. Not only investments but also the activities of companies applying for loans are evaluated in terms of sustainability. The main topics covered in the Sustainability Assessment include the Environmental Impact Assessment Report, Green Building Certification, ISO Environmental Management Certification, Carbon Emissions Assessment, Occupational Health and Safety Assessment, and Consumer Rights Sensitivity Assessment.

[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

We have defined our short-term horizon as 0-1 years. During this period, we assess risks and opportunities related to current regulations, including those concerning government policies. We are implementing significant measures in areas such as climate change and water management. This timeframe enables us to swiftly respond to urgent environmental challenges and regulatory changes, ensuring compliance and operational continuity.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

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

Our medium-term horizon covers actions planned from 1 to 5 years. During this period, we assess indirect risks and opportunities for clients, particularly in carbon-intensive sectors, in the context of the Carbon Border Adjustment Mechanism (CBAM) and the Türkiye Emissions Trading System (ETS) expected to be implemented in the coming years. This timeframe enables us to respond swiftly to emerging environmental challenges and regulatory changes, ensuring compliance and operational continuity.

Long-term

(2.1.1) From (years)

5

(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

We define our long-term horizon as 5 years and beyond. This period aligns with Türkiye's 2053 net-zero target, as outlined in the Paris Climate Agreement, and the international commitments to net-zero by 2050. We have developed our climate transition plan by setting strategies in line with our environmental goals and commitments. This timeframe ensures that we adhere to our targets and commitments while effectively managing our actions.

[Fixed row]

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

(2.2.1) Process in place

Select from:

☒ Yes

(2.2.2) Dependencies and/or impacts evaluated in this process

Select from:

☒ Impacts only

(2.2.4) Primary reason for not evaluating dependencies and/or impacts

Select from:

☒ Other, please specify :Though still in progress, it holds significance.

(2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future

Thus far, only impact assessments have been conducted. Dependencies will be assesment next years.

[Fixed row]

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

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

[Fixed row]

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

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

☒ Water

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

Select all that apply

- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Partial

(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

- ☒ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ☒ WRI Aqueduct

International methodologies and standards

- ☒ ISO 14001 Environmental Management Standard

Other

- ☒ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☒ Drought

Chronic physical

- ☒ Changing temperature (air, freshwater, marine water)
- ☒ Water stress

Policy

- ☒ Carbon pricing mechanisms

Market

- ☒ Changing customer behavior

Reputation

- ☒ Impact on human health

Technology

- ☒ Transition to lower emissions technology and products

Liability

- ☒ Regulation and supervision of environmental risk in the financial sector

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|--|--|
| ☒ Customers | ☒ Local communities |
| ☒ Employees | ☒ Water utilities at a local level |
| ☒ Investors | |
| ☒ Suppliers | |
| ☒ Regulators | |

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

Select from:

- ☒ No

(2.2.2.16) Further details of process

We adopt a comprehensive approach to identifying, assessing, and managing our environmental impacts, risks, and opportunities. Identification: When identifying climate-related impacts, risks, and opportunities for our direct operations and Tier 1 upstream value chain, the work conducted by our various committees is taken into account. Supplier assessment surveys are utilized to inform processes related to suppliers. This process incorporates diverse tools, standards, and methodologies. All these outputs are presented to the Sustainability Committee for review. Assessment: The Sustainability Committee meets at least four times a year to review risks and opportunities. This committee collaborates with the Sustainability Department to evaluate risks for the Bank based on their significance and likelihood. All risks are assessed both qualitatively and quantitatively to identify those with substantive impact. During meetings, we also review previously identified risks and the measures taken, making adjustments as necessary. Management: In case of risk realization, we determine the most probable scenarios to develop prompt and effective strategies. These strategies are prepared in accordance with the “Corporate Risk Management Process Guidelines,” jointly developed by the Bank’s Risk Management Department and Internal Control Department, based on the regulations set by the Banking Regulation and Supervision Agency (BRSA) related to internal systems and internal capital adequacy assessment. Our internationally recognized Risk Management Framework is fully integrated into our business processes. The Risk Management Unit supervises and reports on the effectiveness of our risk management systems, which include credit, market, liquidity, and operational risks. Key activities include: -Evaluating risk levels during the budgeting process. -Using stress tests and scenario analyses to measure the potential impacts of unexpected market conditions. -Identifying and managing risks across business areas while establishing effective controls. By classifying significant risks as having substantive impact, we reflect our commitment to integrating sustainability into our core operations. We have upgraded sustainability and climate-related processes from the directorate level to the departmental level, highlighting the significance we attach to these matters. This structured approach allows us to effectively respond to future risks and opportunities.

[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?

Banking (Bank)

(2.2.4.1) Process in place covering this portfolio

Select from:

☒ Yes

(2.2.4.2) Dependencies and/or impacts related to this portfolio evaluated in this process

Select from:

☒ Impacts only

(2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:

☒ Other, please specify :though still in progress, it holds significance.

(2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

Thus far, only impact assessments have been conducted. Dependencies will be assesment next years.

[Fixed row]

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

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

[Fixed row]

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

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

- ☒ Climate change
- ☒ Water

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

Select all that apply

- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

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

43

(2.2.6.4) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

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

(2.2.6.6) Frequency of assessment

Select from:

- ☒ Annually

(2.2.6.7) Time horizons covered

Select all that apply

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

(2.2.6.8) Integration of risk management process

Select from:

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

(2.2.6.9) Location-specificity used

Select all that apply

- ☒ National

(2.2.6.10) Tools and methods used

Select all that apply

- ☒ Internal tools/methods
- ☒ Scenario analysis
- ☒ Stress tests

(2.2.6.11) Risk type and criteria considered

Acute physical

- ☒ Drought
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Landslide

Chronic physical

- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☒ Changing wind patterns
- ☒ Water stress

Policy

- ☒ Carbon pricing mechanisms

Reputation

- ☒ Impact on human health

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- | | |
|--|--|
| ☒ Customers | ☒ Local communities |
| ☒ Employees | ☒ Water utilities at a local level |
| ☒ Investors | |
| ☒ Suppliers | |
| ☒ Regulators | |

(2.2.6.13) Further details of process

Our risk teams assess risks and opportunities through defined criteria, integrating environmental and social impacts. Financed investments are analyzed and scored via project evaluation reports that cover both these impacts and wider sustainability factors. Using the Three Lines of Defense model, the bank has established a governance framework integrating climate risks into decisions. Since 2016, it has systematically rated companies' and investments' environmental and social impacts, updating methodologies to match evolving sustainability standards. The sustainability assessment covers physical and transition risks, compliance with national and international commitments, alignment of carbon emissions with local and global standards, renewable energy and energy efficiency projects, water management, occupational health and safety, consumer rights, and the employment of disadvantaged groups. To manage these risks, the bank applies scoring methodologies, portfolio-level heat maps, stress tests, and scenario analyses. These also include assessments specific to regulatory frameworks such as the EU CBAM. Identified risks are categorized by short-, medium- and long-term horizons, with corresponding action plans integrated into financial planning and credit allocation. Bank has committed to achieving net-zero emissions by 2050, with its near-term reduction targets for 2024 validated by the SBTi. These commitments ensure that lending activities and portfolio management remain aligned with a low-carbon transition. In line with the Exclusion List policy, projects in prohibited or internationally restricted sectors are rejected. All commercial loan applications exceeding 50 million TL are subject to comprehensive credit assessment reports that include sustainability related aspects. In current credit allocation processes, the aim is full integration of climate-related risks. The environmental and social impacts of applicants' activities

are evaluated through the Sustainability and Environment question set within Company Rating Reports, and the resulting sustainability performance directly influences clients' credit ratings. To strengthen the evaluation of climate and environmental factors—including water risks—bank continuously reviews national and international practices and expands its question sets accordingly.

[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:

☒ No

(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities

Select from:

☒ Other, please specify :though still in progress, it holds significance

(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities

The bank plans to assess the interconnections between environmental dependencies and impacts, and the risks and opportunities. Through these analyses, the bank aims to identify areas of alignment and potential trade-offs, reduce its dependence on natural resources, and minimize environmental impacts through energy efficiency and resource management. This holistic approach supports sustainability goals and seeks to turn risks into opportunities.

[Fixed row]

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

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

[Fixed row]

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

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Water

(2.2.9.2) Type of environmental information considered

Select all that apply

- ☒ Emissions data
- ☒ Climate transition plans
- ☒ Science-Based Net-Zero Targets
- ☒ Water withdrawal and/or consumption volumes

(2.2.9.3) Process through which information is obtained

Select all that apply

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

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

Select all that apply

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

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

44

(2.2.9.6) Total portfolio value covered by the process

1323608000000

[Add row]

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

Risks

(2.4.1) Type of definition

Select all that apply

- ☒ Qualitative
- ☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Other, please specify :Regulatory capital

(2.4.3) Change to indicator

Select from:

☒ % decrease

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Likelihood of effect occurring

(2.4.7) Application of definition

Risk and performance indicators are developed with consideration of the scope of risks to facilitate effective analysis. In creating these indicators, we recognize that operational losses and errors can influence risk levels. The numerical values within the indicators, along with their changes over short, medium, and long-term periods, play a crucial role in determining the potential impacts and likelihood of risks. In this context, the potential impact of a risk on the equity amount is also evaluated. If there is no impact, it is considered negligible; a change of less than 1% is regarded as low impact; a change between 1% and 5% is assessed as medium impact; and a change above 5% is evaluated as high impact. We utilize both quantitative and qualitative assessments to identify substantive risks. Risk and performance indicators serve as a triggering mechanism, necessitating immediate risk reduction when risk levels approach or exceed established thresholds.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Other, please specify :Regulatory capital

(2.4.3) Change to indicator

Select from:

☒ % increase

(2.4.4) % change to indicator

Select from:

☒ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☒ Likelihood of effect occurring

(2.4.7) Application of definition

Opportunity and performance indicators are developed with consideration of the scope of opportunities to facilitate effective analysis. We strive to adapt to changing market conditions when creating these indicators. The numerical values within the indicators, along with their changes over short, medium, and long-term periods, play a crucial role in determining the potential impacts and likelihood of opportunities. In this context, the potential impact of a risk on the equity amount is also evaluated. If there is no impact, it is considered negligible; a change of less than 1% is regarded as low impact; a change between 1% and 5% is assessed as medium impact; and a change above 5% is evaluated as high impact. We utilize both quantitative and qualitative assessments to identify substantive opportunities. Opportunity and performance indicators serve as a triggering mechanism, emphasizing the importance of opportunities when levels approach or exceed established thresholds.

[Add row]

C3. Disclosure of risks and opportunities

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

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

[Fixed row]

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

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Banking (Bank) portfolio

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

Select all that apply

☒ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ Turkey

(3.1.1.9) Organization-specific description of risk

As part of the European Green Deal, the Carbon Border Adjustment Mechanism (CBAM) was developed to prevent carbon leakage. Under this regulation, carbon-intensive sectors such as steel, cement, electricity, hydrogen, aluminum, and fertilizer must report both direct and indirect emissions for products they export to Europe starting in 2023. By 2026, these sectors will be subject to financial obligations under the CBAM, with a per-ton carbon price for CO2 emissions. If the exporting country does not have an Emissions Trading System (ETS), products from these sectors will face financial costs under the CBAM. Türkiye is expected to be one of the most affected countries due to its export volume to Europe. While the bank is not directly affected by these regulatory changes, it provides financing to Turkish exporters in the affected sectors. Therefore, a decrease in Türkiye's exports to the EU due to increased costs could affect these customers' ability to meet their credit obligations. This would pose a credit risk for the bank.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☒ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased credit risk

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

Select all that apply

☒ Short-term

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

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Medium-low

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

The bank may face significant short-term impacts due to the risks associated with the Carbon Border Adjustment Mechanism (CBAM) for the sectors it finances. The CBAM will impose financial obligations on carbon-intensive sectors, such as high-emission sectors, starting in 2026. This could lead to financial difficulties for companies in these sectors and increase the bank's credit risk. To manage potential credit losses, the bank may need to set higher provisions, which could negatively impact its profitability. The value of assets related to carbon-intensive sectors could decline, leading to a decline in the overall value of the bank's portfolio and impacting its financial stability. Furthermore, if companies struggle to meet their obligations, this could lead to financial instability and liquidity issues, impacting the bank's cash flow and short-term financial health. The risk associated with the CBAM could also lead to increased operational and compliance costs for the bank. To address these risks, the bank plans to set provisions for potential losses, diversify its investment portfolio to reduce its reliance on carbon-intensive sectors, and adopt sustainable investment strategies. Continuous monitoring of CBAM regulations and updating compliance measures will be vital to effectively manage these risks.

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

Select from:

☒ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

42100000000

(3.1.1.25) Explanation of financial effect figure

The calculated amount represents exposure in carbon-intensive sectors. Foreign transfers exceeding 1 million TL were used as a criterion when selecting the sector.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Increase insurance coverage

(3.1.1.27) Cost of response to risk

27000000

(3.1.1.28) Explanation of cost calculation

The potential impact of the Carbon Border Adjustment Mechanism (CBAM) has been assessed by analyzing the possible deterioration in credit ratings of companies operating in carbon-intensive sectors. In response to these risks, bank has allocated a provision. This provision represents a proactive risk management measure to mitigate potential financial losses that could arise from CBAM implementation. By allocating this provision, bank demonstrates its commitment to sustainable business practices and its readiness to tackle the potential financial impacts of regulatory changes. This action highlights the bank's strategic focus on maintaining financial stability and resilience against evolving climate-related regulations.

(3.1.1.29) Description of response

Clients in carbon-intensive sectors who export to EU countries and have not transitioned to low-carbon production methods are facing significant competitive disadvantages. By 2026, the financial requirements of the Carbon Border Adjustment Mechanism (CBAM) are expected to reduce their market share and negatively impact their balance sheets, which will likely affect the loans bank has provided to these companies. To manage these potential risks, bank proactively sets aside provisions. These provisions are designed to buffer the financial impact of such regulatory changes and help the bank maintain stability in response to evolving climate-related regulations.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☒ Drought

(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 :All river basins in Türkiye

(3.1.1.9) Organization-specific description of risk

The Bank will utilize comprehensive scenario analyses to identify and manage risks in its portfolio. These analyses are crucial for predicting the potential impacts of climate change. As emphasized in the IPCC's 6th Assessment Report, a global temperature increase exceeding 2 degrees Celsius could have significant impacts. In this context, hydroelectric power plants (HPPs) financed by the Bank may be affected by these changes. Scenario analyses indicate that these HEPPs are located in high-risk areas. Changes in temperature and water resources could lead to reduced energy production and difficulties for these companies to maintain their operations. This could lead to delays in loan repayments for the HEPPs, creating a medium-term credit risk for the Bank. To address these potential impacts and risks, the Bank utilizes scenario analyses to develop strategies aligned with its sustainability goals and to protect its portfolio against changing conditions.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☒ Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased credit risk

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

Select all that apply

☒ Medium-term

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

Select from:

☒ Likely

(3.1.1.14) Magnitude

Select from:

☒ Low

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

In the medium term, temperature fluctuations are expected to negatively impact the bank's financial position and cash flows. In particular, reduced energy production and increased maintenance costs from hydroelectric power plants could lead to reduced revenue streams and potential debt payment delays. This scenario could increase the bank's credit risk and complicate its financial performance and liquidity management. To mitigate these risks and ensure financial stability, the bank is actively implementing robust risk management strategies and conducting comprehensive due diligence.

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

Select from:

☒ Yes

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

0

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

19600000000

(3.1.1.25) Explanation of financial effect figure

Highest risks to the portfolio within the physical risks sub-category, %4.9 is affected by drought. Within the total portfolio, the share of hydropower plants (HPP) is less than <1.

(3.1.1.26) Primary response to risk

Policies and plans

☒ Increase insurance coverage

(3.1.1.27) Cost of response to risk

127000000

(3.1.1.28) Explanation of cost calculation

The potential impact of temperature changes on hydroelectric power plants (HPPs) has been assessed by analyzing the possible deterioration in the credit ratings of these facilities. In response to this risk, bank has allocated a provision to mitigate potential financial losses. This provision represents a proactive risk management action designed to address the financial exposure that may arise from climate-related physical risks, specifically temperature fluctuations affecting HPP operations and repayment capacity. By allocating this provision, bank demonstrates its commitment to integrating climate considerations into its risk management practices and ensuring preparedness for potential financial impacts. This strategic measure underlines the bank's focus on maintaining financial stability, strengthening portfolio resilience, and supporting the transition to sustainable business practices in the face of evolving climate risks.

(3.1.1.29) Description of response

In the medium term, an increase in temperatures beyond 2 degrees due to climate change poses significant risks to the hydroelectric power plant (HPP) sector, which could also affect the loans bank has provided to these companies. To manage these potential risks, bank is proactively setting aside provisions. These provisions are designed to address the financial impacts of temperature changes and help the bank maintain stability in response to water-related risks.

[Add row]

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

Climate change

(3.1.2.1) Financial metric

Select from:

☒ Assets

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

42100000000

(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 calculated amount represents exposure in carbon-intensive sectors. International transfers exceeding 1 million TL were used as a criterion when selecting the sector.

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)

(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**

Highest risks to the portfolio within the physical risks sub-category, %4.9 is affected by drought. Within the total portfolio, the share of hydropower plants (HPP) is less than <1.

[Add row]

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

	Environmental opportunities identified	Please explain
Climate change	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized	Rich text input [must be under 2500 characters]
Water	Select from: ☒ Yes, we have identified opportunities but are unable to realize them	Please see below 3.6.1.

[Fixed row]

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

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Turkey

(3.6.1.8) Organization specific description

Bank is a long-established financial institution operating in the banking sector in Türkiye. It plays a significant role in both individual and corporate banking by offering a wide range of services to its customers. With its strong financial structure and customer-centric service approach, bank aims to contribute to Türkiye's economic development. Bank is aware of its responsibility to adapt to climate change and is integrating sustainability into its business processes. In this context, the bank provides sustainable financing for energy production facilities. The growing interest in these products presents an important opportunity for bank, positively impacting its revenues and reinforcing its commitment to sustainable financing solutions. Continuing its efforts towards sustainability, bank supports projects aimed at minimizing environmental impacts, focusing on energy efficiency and renewable energy initiatives. By prioritizing both economic and environmental sustainability, bank is taking significant steps for the future of society and the economy.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues resulting from increased demand for products and services

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

Select all that apply

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

(3.6.1.12) Magnitude

Select from:

- ☒ Medium-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

Bank, as a long-established financial institution in Türkiye, has strengthened its financial position by leveraging renewable energy opportunities arising from climate change. The increasing demand for sustainable financing for energy production facilities has positively impacted the bank's cash flows, contributing through revenues generated from sustainable financing. With the growing interest in sustainable financing products, the bank has continued to provide loans for energy efficiency and renewable energy projects, thereby diversifying its financial portfolio. In this context, bank aims to build a more resilient financial structure that supports sustainable growth in the long term.

(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)

2700000000

(3.6.1.23) Explanation of financial effect figures

In 2024, bank provided sustainable financing. This financing has supported the bank's cash flows, contributed to sustainable financing revenues, and enabled increased investments in strategic areas such as renewable energy and energy efficiency. This development is considered a significant opportunity that not only strengthens bank's financial performance but also supports the achievement of its long-term sustainable growth objectives.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

Bank has not allocated additional costs to realize sustainable financing opportunities. Instead, it has utilized its existing website and reporting resources to communicate these solutions to the public. This approach enhances the bank's cost efficiency while supporting its sustainability objectives.

(3.6.1.26) Strategy to realize opportunity

The bank develops strategies to provide financing for renewable energy and energy efficiency projects. By effectively utilizing its existing resources, it has announced sustainable financing solutions and is creating significant opportunities in this area.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☒ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☒ Other, please specify :All river basins in Türkiye

(3.6.1.8) Organization specific description

Bank recognizes that the increasing water risk associated with climate change poses both a threat and an opportunity. The rising water risk has led to a decline in financing for water-dependent sectors, such as hydroelectric power plants (HPPs). This situation has resulted in an increased demand for other renewable energy projects. Bank balances the decline in HPP financing with increased investments in renewable energy and energy efficiency, thereby enhancing its market share. The bank is developing strategies to reduce environmental impacts while continuing to capitalize on economic opportunities by increasing its sustainable financing revenues. In this context, bank supports energy efficiency and renewable energy projects by diversifying its sustainable financing solutions, contributing to the fight against climate change.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased revenues resulting from increased demand for products and services

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

Select all that apply

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

(3.6.1.12) Magnitude

Select from:

☒ Medium-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

Bank took strategic steps to strengthen its financial position by capitalizing on the renewable energy opportunities arising from the increasing water risk. The rising water risk led the bank to reduce financing for water-dependent sectors, such as hydroelectric power plants, while simultaneously increasing demand for other renewable energy and energy efficiency projects. By turning this challenge into an opportunity, bank successfully increased its sustainable financing revenues, thereby strengthening its cash flows. The bank diversified its financial risks through investments in renewable energy and energy efficiency, resulting in a more robust financial structure. This strategy supported sustainable growth not only in the short term but also in the long term. With the rise in sustainable financing revenues, bank enhanced its market share and reinforced its competitive strength in the sector. Ultimately, bank has developed a roadmap that transforms environmental challenges into opportunities, thereby strengthening its financial health and long-term success. This approach plays a significant role in the bank's ability to achieve both its economic and environmental sustainability goals.

(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)

2700000000

(3.6.1.23) Explanation of financial effect figures

Bank has observed a decline in demand for hydroelectric power plants (HPPs) due to the increasing water risk. This situation has led to significant changes in the bank's financing strategies and created opportunities for increased demand in other renewable energy projects. In this context, the bank provided credit disbursements. Bank is leveraging this opportunity to diversify its sustainable financing portfolio. The reduction in HPP financing has enabled the bank to allocate more resources to renewable energy and energy efficiency projects, thereby enhancing its capacity to support projects that minimize environmental impacts. This process allows bank to expand its market share and provide more sustainable solutions to its customers. As a result, the challenges posed by water risk are transforming into growth opportunities for bank in the renewable energy sector.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

Bank has not allocated additional costs to realize sustainable financing opportunities. Instead, it has utilized its existing website and reporting resources to communicate these solutions to the public. This approach enhances the bank's cost efficiency while supporting its sustainability objectives.

(3.6.1.26) Strategy to realize opportunity

The bank has developed strategies to capitalize on opportunities by leveraging its existing resources without incurring additional costs. It effectively communicates its sustainable financing solutions to the public through its existing website and reporting systems.
[Add row]

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

Climate change

(3.6.2.1) Financial metric

Select from:

☒ Assets

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

2700000000

(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

During the reporting year, climate-related opportunities affected approximately 0.09% of bank's portfolio assets.

Water

(3.6.2.1) Financial metric

Select from:

☒ Assets

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

2700000000

(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

During the reporting year, water-related opportunities affected approximately 0.09% of bank's portfolio assets.
[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:

☒ Quarterly

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

Select all that apply

☒ 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

We ensure equality in all our processes regardless of language, religion, race, sect, origin, gender, personal preference, or physical disability. As part of this perspective, we have a diversity and inclusion policy that covers all our employees, including our board of directors. We believe that everyone is different and, based on the principle of diversity, we provide equal opportunities in hiring and promotion processes without considering language, religion, race, sect, origin, gender, personal preference, or physical disability. Instead, we focus on the professional skills and qualifications related to the job. Additionally, we provide products, services, and public information to all stakeholders equally without discrimination among customers and suppliers.

(4.1.6) Attach the policy (optional)

Human_Rights_and_Human_Resources_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
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes

[Fixed row]

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

Climate change

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

Select all that apply

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

(4.1.2.6) Scope of board-level oversight

Select all that apply

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

(4.1.2.7) Please explain

The Board of Directors oversees Sustainability Management by including two members (at the level of Chair and Vice Chair) in the Sustainability Committee. The Sustainability Committee meets at least four times a year for its regularly scheduled meetings. During these regular meetings, scenario analyses related to climate change and other sustainability issues are reviewed. The process for assessing impacts, risks, and opportunities is evaluated, trade-offs are considered, and policy updates and recommendations for actions are communicated to the responsible units in line with the bank's credit policies. All our banking activities are included in an

integrated management system. Environmental performances are continuously monitored and evaluated, taking into account the expectations of both internal and external stakeholders. Based on these evaluations, targets are set for our direct operations, bank credit, and investment activities, and necessary actions are carried out with a focus on continuous improvement. Additionally, the periodic performance of these targets is compared with the results of the specified period, and necessary revisions are decided upon. In this context, the development of business strategies and the climate transition plan is monitored and progress is assessed. In 2024, a sustainability policy covering climate and water issues is approved by BOD. Procurements, mergers, and divestments are reviewed and managed. Major capital expenditures, performance targets, and employee incentives are discussed and decided upon by majority vote to support climate-related goals. Compliance of suppliers with sustainability-related corporate requirements is monitored by the Sustainability Committee. Public policy engagement are audited and directed as part of our sustainability strategy.

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 and guiding major capital expenditures

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

(4.1.2.6) Scope of board-level oversight

Select all that apply

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

(4.1.2.7) Please explain

The Board of Directors oversees Sustainability Management by including two members (at the level of Chair and Vice Chair) in the Sustainability Committee. The Sustainability Committee meets at least four times a year for its regularly scheduled meetings. During these regular meetings, scenario analyses related to climate change and other sustainability issues are reviewed. The process for assessing impacts, risks, and opportunities is evaluated, trade-offs are considered, and policy updates and recommendations for actions are communicated to the responsible units in line with the bank's credit policies. All our banking activities are included in an integrated management system. Environmental performances are continuously monitored and evaluated, taking into account the expectations of both internal and external stakeholders. Based on these evaluations, targets are set for our direct operations, bank credit, and investment activities, and necessary actions are carried out with a focus on continuous improvement. Additionally, the periodic performance of these targets is compared with the results of the specified period, and necessary revisions are decided upon. In this context, the development of business strategies and the climate transition plan is monitored and progress is assessed. In 2024, a sustainability policy covering climate and water issues is approved by BOD. Procurements, mergers, and divestments are reviewed and managed. Major capital expenditures, annual budget adjustments, innovation and R&D priorities, performance targets, and employee incentives are discussed and decided upon by majority vote to support climate-related goals. Compliance of suppliers with sustainability-related corporate requirements is monitored by the Sustainability Committee. Public policy engagement are audited and directed as part of our sustainability strategy.

[Fixed row]

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

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

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

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Engaging regularly with external stakeholders and experts on environmental issues
- ☒ Integrating knowledge of environmental issues into board nominating process

- ☒ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Active member of an environmental committee or organization

[Fixed row]

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

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

[Fixed row]

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

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Other C-Suite Officer, please specify :Head of International Banking Group

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

Engagement

☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☒ Measuring progress towards environmental corporate targets

☒ Setting corporate environmental targets

Strategy and financial planning

☒ Developing a climate transition plan
environmental issues

☒ Managing major capital and/or operational expenditures relating to

☒ Implementing a climate transition plan

☒ Conducting environmental scenario analysis

☒ Developing a business strategy which considers environmental issues

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

Other

☒ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

Select all that apply

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

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

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

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

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The decisions taken by the Committee are implemented by the Sustainability Department. The Department reports to the Head of the International Banking Group, who is also a member of the Committee. The Head of Group is the highest-level C-Level executive responsible for sustainability.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Other C-Suite Officer, please specify :Head of International Banking Group

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

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

Engagement

- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

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

Strategy and financial planning

- ☒ Developing a climate transition plan environmental issues
- ☒ Implementing a climate transition plan
- ☒ Conducting environmental scenario analysis
- ☒ Developing a business strategy which considers environmental issues
- ☒ Managing acquisitions, mergers, and divestitures related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to

Other

- ☒ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

Select all that apply

- ☒ Dependencies, impacts, risks, and opportunities related to our banking activities
- ☒ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

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

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The decisions taken by the Committee are implemented by the Sustainability Department. The Department reports to the Head of the International Banking Group, who is also a member of the Committee. The Head of Group is the highest-level C-Level executive responsible for sustainability.

[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

25

(4.5.3) Please explain

Bank integrates environmental management into its incentive systems, offering financial and corporate recognition for environmental achievements. This structure aligns the interests of managers and employees with our sustainability goals, making environmental performance a core part of our strategy. A substantial portion of senior executives' annual bonuses is linked to achieving environmental targets, with 25% of the bonus connected to these goals. KPIs include reducing energy and resource consumption, minimizing environmental impact, complying with regulations, and advancing sustainability commitments.

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

25

(4.5.3) Please explain

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[Fixed row]

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

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Other C-Suite Officer, please specify :Head of International Banking Group

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Strategy and financial planning

☒ 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

We provide annual incentives (both financial and corporate recognition) to all members of the Sustainability Department based on their success and performance in environmental matters. Bank employs a specific methodology for calculating the Annual Premium table, which includes a five-level assessment system.

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

Our incentive mechanism is a key component of Bank's sustainability journey, supporting the implementation of environmental strategies and targets as well as the implementation of our climate transition plan. This approach motivates our employee to advance Bank's environmental commitments. As a result of our incentive mechanism, we have taken numerous actions to reduce our absolute emissions in alignment with our 2050 net-zero target and climate transition plan during the reporting year. Our goal is to ensure the continuity of this process and achieve our targets through the support of our incentive system.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Other C-Suite Officer, please specify :Head of International Banking Group

(4.5.1.2) Incentives

Select all that apply

☒ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

☒ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding 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

We provide annual incentives (both financial and corporate recognition) to all members of the Sustainability Department based on their success and performance in environmental matters. Bank employs a specific methodology for calculating the Annual Premium table, which includes a five-level assessment system.

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

Our incentive mechanism is a key component of Bank’s sustainability journey, supporting the implementation of environmental strategies and targets as well as the implementation of our climate transition plan. This approach motivates our employee to advance Bank’s environmental commitments. As a result of our incentive mechanism, we have taken numerous actions to reduce our absolute emissions in alignment with our 2050 net-zero target and climate transition plan during the reporting year. Our goal is to ensure the continuity of this process and achieve our targets through the support of our incentive system.

[Add row]

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

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

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Climate change

- ☒ Water

(4.6.1.2) Level of coverage

Select from:

- ☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Portfolio

(4.6.1.4) Explain the coverage

Bank has a comprehensive "Sustainability Policy" that reflects its commitment to environmental stewardship and sustainable development. This policy addresses key areas such as environmental and social impact management, energy and water management, sustainable procurement, and sustainable finance. Aligned with the Paris Agreement and the United Nations Sustainable Development Goal 6, bank is committed to achieving net-zero emissions by 2050. The bank aims to limit global temperature rise to 1.5C above pre-industrial levels and actively contribute to Türkiye's transition to a low-carbon economy. Additionally, bank is dedicated to using 100% renewable energy, reducing water pollution, decreasing water consumption and withdrawal volumes, and demonstrating a commitment to water stewardship and/or collective action. These commitments highlight bank's proactive approach to addressing climate change and promoting sustainability across its operations.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to 100% renewable energy
- ☒ Commitment to net-zero emissions

Water-specific commitments

- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to control/reduce/eliminate water pollution

- ☒ Commitment to reduce water consumption volumes
- ☒ Commitment to reduce water withdrawal volumes
- ☒ Commitment to water stewardship and/or collective action

(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

Sustainability-Policy.pdf
[Add row]

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

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

[Fixed row]

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

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

- ☒ Climate change
- ☒ Water

(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

Sustainability-Policy.pdf

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

Select from:

- ☒ Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

- ☒ Retail
- ☒ Fossil Fuels

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

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

9

(4.7.1.10) Basis of exceptions to policy

Select all that apply

- ☒ Segment of the value chain

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

Sustainability criteria were integrated into our credit policy in 2016, following the establishment of our Sustainability Committee. Project evaluation reports and loan requests are reviewed in accordance with the credit policy. Throughout the evaluation process, clients are required to provide documentation related to sustainability and environmental responsibility. The Sustainability Assessment within the credit policy covers several sustainability and environmental aspects, including physical and transition risk assessments linked to climate change, evaluations of national and international sustainability memberships and commitments, carbon emissions assessments, carbon footprint reduction strategies, renewable energy, energy efficiency, water conservation, occupational health and safety, consumer rights sensitivity, and employment evaluations for disadvantaged groups. In the credit assessment and allocation processes, topics listed under climate-specific commitments are considered, although no firm commitments have yet been obtained from companies. However, within the investment loan portfolio, project finance loans are subject to commitments relating to environmental, forest, water, and social obligations.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to take environmental action beyond regulatory compliance
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to disclose Scope 1 emissions
- ☒ Commitment to disclose Scope 2 emissions
- ☒ Commitment to disclose Scope 3 emissions

Water-specific commitments

- ☒ Commitment to reduce or phase out hazardous substances
- ☒ Commitment to control/reduce/eliminate water pollution

(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

1

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

50

(4.7.1.16) Target year for 100% compliance

Select from:

- ☒ In more than 5 years

[Add row]

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

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☒ All coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☒ Downstream

(4.7.2.3) Year of exclusion implementation

2024

(4.7.2.4) Phaseout pathway

Select all that apply

☒ New business/investment for new projects

(4.7.2.5) Year of complete phaseout

2050

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☒ Turkey

(4.7.2.7) Description

The 2053 net zero emissions target represents a critical turning point for Türkiye's energy balance and coal policies. In line with this national objective, the transition to renewable energy sources is expected to accelerate, while dependence on fossil fuels will gradually decline. As a public bank, bank does not have a stand-alone coal phase-out plan; however, it acts in alignment with Türkiye's Long-Term Climate Strategy for 2053.

[Add row]

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

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

[Fixed row]

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

Row 1

(4.8.1.1) Environmental issue

- Select all that apply
- ☒ Climate change
 - ☒ Water

(4.8.1.2) Types of covenants used

- Select all that apply
- ☒ Covenants related to compliance with your environmental policies

(4.8.1.3) Asset class/product types covered by covenants

- Select all that apply
- ☒ Project finance

(4.8.1.4) Criteria for how covenants are applied

Select from:

☒ New business/investment for new projects

(4.8.1.5) % of clients covered by covenants

0.21

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

4.2

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

The project finance loans issued by bank, especially for projects with significant environmental impacts, may include commitments aimed at ensuring the effective implementation of environmental policies through various criteria. Clients are expected to disclose their greenhouse gas emissions, reduction strategies, water consumption and management practices, water conservation measures, water pollution issues, and energy management strategies. In the evaluation process, multiple parameters are considered. For example, actions to mitigate negative environmental impacts, such as creating carbon sinks and constructing ecological bridges, are undertaken. This approach supports bank's efforts to promote environmental performance and encourages clients to adopt sustainable practices.
[Add row]

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

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☒ Yes, as the default investment strategy for all plans

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

Employees are automatically registered in the BES (Pension System) at bank. During registration, employees can make their own fund choices. Among the fund options offered, there is also the stock funds that include companies in the sustainability indexes. In this way, employees are enrolled in an employment-based retirement scheme that incorporates ESG criteria.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☒ Yes, as the default investment strategy for all plans

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

Employees are automatically registered in the BES (Pension System) at bank. During registration, employees can make their own fund choices. Among the fund options offered, there is also the stock funds that include companies in the sustainability indexes. In this way, employees are enrolled in an employment-based retirement scheme that incorporates ESG criteria.

[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

☒ Net Zero Banking Alliance

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

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

In 2021, bank has committed to Science Based Targets Initiative to set near term targets and 2050 net-zero target. Alongside this, bank has been the first bank from Türkiye to commit to SBTI's Net-Zero Standard. In line with that, We have become a signatory to UNEP-FI Net-Zero Banking Alliance and committed to have net-zero portfolio emissions by 2050 at the latest consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100.

[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

2024-Annual-report.pdf

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

Select from:

☒ No

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

Since 2013, bank has been creating value through effective collaboration with all its stakeholders, consistent with the sustainability goals and priorities of our country and economy. Key stakeholder groups consistent with our sustainability perspective have been identified based on opinions adopted in the Sustainability Committee, the Coordination Group, and other working group meetings, as well as recommendations from consultants. Bank's Sustainability Priorities were first addressed in a workshop led by the Coordination Group, with participation from relevant department officials who are in direct contact with key stakeholder groups. Additionally, a survey was conducted with members of the Sustainability Committee, representing the bank's senior management perspective. Throughout the reporting year, the priorities of initiatives guiding the business world and the finance sector were examined in detail. Material issues were reviewed in line with global trends, industry reports, reports from global banks, recommendations from international professional organizations, the United Nations Sustainable Development Goals (UN SDGs), and the United Nations Principles for Responsible Investment.

[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

Regulation on Green Asset Ratio

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

Select all that apply

☒ Climate change

☒ Water

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

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

☒ 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

In 2024, bank actively participated in the Sustainability Working Group of the Banks Association of Türkiye. This group focused on developing criteria for calculating the Green Asset Ratio, which is considered a critical performance indicator for the banking sector. Furthermore, bank contributed to the creation of methodologies aimed at improving the accuracy, transparency, and comparability of sustainability performance. As part of these efforts, the Banking Regulation and Supervision

Agency prepared the Draft Regulation on the Green Asset Ratio. This draft represents an important first step towards measuring banks' contributions to financing environmentally sustainable economic activities. In line with the Draft Regulation on the Green Asset Ratio, bank has initiated efforts to classify its assets in accordance with the established criteria. In addition, systems have been implemented to monitor these assets, ensuring effective tracking of the Bank's alignment with sustainability objectives. These steps reflect bank's strong commitment to environmental sustainability and its determination to support the integration of environmental factors into the financial system.

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

Select from:

☒ Yes, we have evaluated, and it is aligned

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

Select all that apply

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

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

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☒ Governmental institution

(4.11.2.3) State the organization or position of individual

TBB

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

Select all that apply

☒ Climate change

☒ Water

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

Select from:

☒ Consistent

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

Select from:

☒ Yes, we publicly promoted their current position

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

The purpose of the Association is to protect the rights and interests of banks, promote the growth and sound functioning of the banking sector, advance the banking profession, enhance competitiveness, prevent unfair competition, and ensure that decisions are taken and implemented in line with free market economics, the principles of perfect competition, and banking legislation, principles, and rules. The vision of the Association is to strengthen the financial sector at an international level by increasing its efficiency and productivity. The Banks Association plays a leading role in financing climate change within the banking sector and actively contributes to the integration of best international practices into the industry. In order to maintain a general approach focused on environmental protection in banking services and to address this as a social project, the Association has established a working group named "The Role of the Financial Sector in Sustainable Growth." We serve as a member of the Board of Directors of the Banks Association of Türkiye and actively participate in the Association's Sustainable Growth Working Group. This group was established to contribute to developing a general approach to environmental protection in banking and to address this issue as a social project. The group

focuses on disseminating best practices for transitioning to a low-carbon economy and on raising stakeholder awareness. The Banks Association of Türkiye also provides remote training to banks on environmental and social risk assessment. As an active member, bank contributed in 2024 to the preparation and revision of the “Regulation on Green Asset Ratio” by the Banks Association of Türkiye. The purpose of this Regulation is to establish the procedures and principles for the calculation and reporting of the green asset ratio and other key performance indicators aimed at measuring banks’ contributions to financing environmentally sustainable economic activities.

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

0

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

Select from:

☒ Yes, we have evaluated, and it is aligned

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

Select all that apply

☒ Paris Agreement

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

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

Select from:

☒ Yes

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

Row 1

(4.12.1.1) Publication

Select from:

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

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

Select all that apply

- ☒ GRI
- ☒ IFRS

(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

(4.12.1.6) Page/section reference

Governance page: 76-77, Risk & opportunities page: 100-101, Strategy page: 78-79, Emission figures page: 174-175, Emission targets: 171, Water accounting figures, 546,

(4.12.1.7) Attach the relevant publication

2024-Annual-report.pdf

(4.12.1.8) Comment

N/A
[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

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

☒ Customized publicly available climate transition scenario, please specify

(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

☒ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 1.5°C or lower

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2025
- ☒ 2030
- ☒ 2040
- ☒ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

- ☒ Global regulation
- ☒ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

As of the end of 2024, the bank has conducted scenario analyses and stress tests on credit risk in carbon-intensive sectors such as cement, electricity, fertilizer, iron and steel, and aluminum. In addition, work is ongoing to develop both quantitative and qualitative scenarios for potential financial risks arising from climate change. This includes analyzing the potential impacts of identified physical and transition risks on the Bank's capital and liquidity, with the aim of assessing these risks from a broader perspective.

(5.1.1.11) Rationale for choice of scenario

This scenario was chosen because it is fully aligned with the Paris Agreement's 1.5°C target and reflects the most ambitious global climate policy pathway. Carbon pricing and CBAM are among the most material transition risks for both the Turkish economy and the Bank's portfolio exposure. By applying a stringent stress test assumption, the Bank ensures that its resilience is assessed against severe but plausible transition risks. This scenario also enables the Bank to identify the most vulnerable sectors and clients, and to more effectively integrate transition risk considerations into its risk management and lending strategies.

Water

(5.1.1.1) Scenario used

Water scenarios

- ☒ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☒ 2025

☒ 2030

☒ 2040

☒ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☒ Changes to the state of nature

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Bank utilizes WRI Aqueduct scenarios to comprehensively assess water risks. These scenarios are based on various assumptions to analyze potential impacts on water resources. Assumptions include climate change scenarios, current water usage policies, socio-economic factors (such as population growth and economic development), and the reliability of data sources. These assumptions provide a fundamental framework supporting the understanding and management of water risks. However, there are certain uncertainties and limitations that affect the accuracy of WRI Aqueduct scenarios. Climate modeling uncertainties can impact the certainty of future water risks, as different models may yield varying results. Changes in water management and environmental policies could affect the validity of risk assessments. Economic and social changes, such as population growth and economic crises, can influence water demand, making it challenging to predict risks. Data quality is also a significant source of uncertainty; incomplete or erroneous data can reduce the reliability of the outcomes. There are also limitations that constrain the scope of the scenarios. Data limitations can narrow the scope of risk assessments due to insufficient or outdated data on water resources and climate change. Modeling limitations can affect prediction accuracy due to the boundaries of model accuracy and parameterization. In long-term forecasts, the time frame can be a limitation due to future uncertainties. Additionally, geographic and regional differences can cause variability in water risks based on local conditions, which can limit the validity of broad predictions. Bank takes these uncertainties and limitations into account while using WRI Aqueduct scenarios to develop and implement its water-related strategies. These scenarios help us better understand and manage water risks, while also supporting our strategic and operational decisions. This approach contributes to achieving the bank's sustainability goals and enhancing stakeholder trust. The Bank plans to enhance the scope of its assessments regarding the impact of drought risk on the portfolio in future periods, in line with improvements in the quality of the relevant data.

(5.1.1.11) Rationale for choice of scenario

These scenarios, aligned with the Paris Agreement's climate targets, help the bank evaluate potential impacts of water scarcity and regulatory changes. By incorporating assumptions about climate change, current water policies, and socio-economic factors, the scenarios support bank in aligning its financial and operational strategies with long-term sustainability goals. The Bank is undertaking efforts to integrate the outputs derived from scenario analyses into its credit strategies.

[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

Risk and Opportunity Identification, Assessment, and Management: Bank utilizes scenario analysis to identify and manage climate-related impacts, risks, and opportunities. These analyses reveal climate change risks that could affect the bank's lending across various sectors. By integrating climate resilience criteria and sustainability standards into credit evaluation processes, the bank develops strategies to minimize these risks. Strategy and Financial Planning: Considering the importance of green and sustainable investments, bank may allocate a significant portion of its investment portfolio to environmentally friendly projects. This approach not only promotes environmental sustainability but also has the potential to enhance the bank's long-term financial performance. Supporting projects aligned with sustainable finance strategies can also help the bank achieve its strategic goals. Resilience of Business Model and Strategy: Bank conducts stress testing and scenario analyses to assess its resilience to climate change and sustainability risks. Stress tests evaluate the bank's financial and operational resilience under adverse market conditions, such as economic crises or high-interest rate scenarios. Scenario analyses forecast how the bank's strategies and performance might be affected under various future market and economic conditions. These analyses play a critical role in understanding how bank responds to climate risks and opportunities, its ability to align with sustainability targets, and how it maintains long-term financial stability. Capacity Building: The bank anticipates these changes and builds capacity through regular training and, when necessary, consulting services for its staff. These trainings and consultations aim to enhance personnel's knowledge and competencies related to sustainability. Target Setting and Transition Planning: Scenario analysis has provided bank with a clear and strategic roadmap to reduce its carbon footprint. bank has developed a detailed transition plan that includes increasing energy efficiency initiatives, adopting renewable energy sources, and forming partnerships with environmentally friendly suppliers and customers. As part of its commitment to net zero by 2050, the bank includes interim target reporting to the Net-Zero Banking Alliance (NZBA) and the Science Based Targets initiative (SBTi) within its strategies in the reporting year.

Water

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

Select all that apply

☒ Risk and opportunities identification, assessment and management

☒ Strategy and financial planning

☒ Resilience of business model and strategy

☒ Capacity building

☒ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☒ Portfolio

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

Risk and Opportunity Identification, Assessment, and Management: Bank utilizes scenario analysis to identify and manage water-related impacts, risks, and opportunities. These analyses uncover water-related risks that could affect the bank's lending across various sectors, particularly those with high water usage or exposure to water scarcity. By integrating water resilience criteria and sustainability standards into credit evaluation processes, the bank develops strategies to minimize these risks and address water management challenges effectively. Strategy and Financial Planning: Bank evaluates the impact of hydroelectric power (HPP) projects on water security through a comprehensive scenario analysis. Bank also ensures compliance with local and international regulations and evaluates environmental and social impacts in line with corporate social responsibility. This approach aligns financial and operational strategies with water security and environmental sustainability goals. Resilience of Business Model and Strategy: Bank conducts stress testing and scenario analyses to assess its resilience to water-related and sustainability risks. Stress tests evaluate the bank's financial and operational resilience under adverse conditions, such as water scarcity or regulatory changes related to water use. Scenario analyses forecast how the bank's strategies and performance might be affected under various future water-related scenarios. These analyses are critical in understanding how bank responds to water risks and opportunities, its ability to align with water management targets, and how it maintains long-term financial stability. Capacity building: The bank anticipates these changes and builds capacity through regular training and, when necessary, consulting services for its staff. These trainings and consultations aim to enhance personnel's knowledge and competencies related to water sustainability and management. Target setting and transition planning: The bank has set ambitious targets related to water withdrawal, water pollution, and Water, Sanitation, and Hygiene (WASH) services. Bank has developed a transition plan aimed at reducing water withdrawal, minimizing water pollution, and enhancing WASH services. This plan includes initiatives to improve water efficiency, strategies to reduce water pollution, and measures to increase the accessibility of WASH services.

[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:

☒ We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

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

Bank has developed a transition plan to align with its net zero targets as part of its climate change adaptation strategies. The Bank is committed to ensuring sustainable growth in line with international climate goals by integrating environmental and social risk assessments into its lending practices and operational strategies. Our plan is based on the assumptions that demand for energy efficiency and renewable energy will increase, regulatory changes and carbon pricing mechanisms will become stricter, and technological advancements will reduce costs. Specifically, industry partnerships, and the availability of financial, technological, and human resources will determine the effectiveness of our transition plan. We will encourage information sharing through partnerships with various institutions and implement innovative approaches throughout the transition process.

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

In the reporting year, bank developed its climate transition plan. The bank's sustainability targets, including specific timelines and performance indicators, have been updated and are now aligned with the Science Based Targets Initiative (SBTi) standards. To enhance sustainable finance, the bank expanded its resource diversification by incorporating sustainable financing tools alongside internal resources. Furthermore, partnerships with industry leaders and civil society organizations were strengthened, improving information sharing. The mechanisms for monitoring and reporting performance have also been enhanced, enabling clearer and more effective tracking of progress towards climate goals.

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

climate-trasition-plan.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

- ☒ Risks
☒ Opportunities

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

Select all that apply

- ☒ Climate change
☒ Water

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

With the growing global awareness of climate change, the impacts and issues related to this topic have become more visible. Consequently, the policies and reputation risks associated with environmental issues are shifting customer needs and preferences towards low-carbon and water-efficient products and services. These changes in consumer preferences have influenced our approach to product and service strategies. We are working on developing climate-sensitive products,

such as loans and financial services, that support renewable energy and water conservation. New financial services are being offered to existing and potential customers who are exposed to environmental risks. The environmental risks associated with conventional investments and projects are now integrated into our loan application evaluation processes. The margins for these products and services have reached a significant and substantial level, making them a profitable opportunity. Additionally, in mid-2022, the Bank joined the Net Zero Banking Alliance and committed to the Science Based Targets Initiative (SBTi) to achieve a net-zero portfolio by 2050.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Water

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

Our climate-related risks and opportunities have influenced our strategies in the short term, particularly those concerning our supply chain and stakeholders. Recognizing stakeholders and solution partners as an integral part of advancing sustainability initiatives, the Bank expects its suppliers, in the course of their operations, to reduce negative environmental impacts, support the development of environmentally friendly products and technologies, respect labor and human rights, uphold business ethics, consider occupational health and safety, and adopt the Bank's sustainability-related policies. Within this framework, and aware of its transformative power across sectors, bank integrates a sustainability approach into its procurement processes. Accordingly, suppliers from whom purchases exceeding a certain threshold are made are evaluated on areas such as environmental and energy management practices, labor and human rights, occupational health and safety, information security, ethical principles, and anti-corruption.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks

- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Water

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

The İKLİM software, developed by bank's R&D department, is designed to provide an efficient monitoring system for energy and environmental management across our branches. This system allows the Bank to track emission levels and environmental aspects at its branches. Additionally, the İKLİM software now incorporates artificial intelligence (AI) to improve the accuracy of carbon emissions calculations from the Bank's operations. AI reads invoices related to energy and natural resource consumption, reducing human error and increasing operational efficiency.

Operations

(5.3.1.1) Effect type

Select all that apply

- ☒ Risks
- ☒ Opportunities

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

Select all that apply

- ☒ Climate change
- ☒ Water

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

To align with our long-term goals, we are focusing on increasing the use of renewable energy across our operations. This strategic move not only helps in reducing Scope 2 emissions but also offers opportunities to enhance our sustainability profile and operational efficiency. In 2024, we allocated a budget to support our climate action initiatives, demonstrating our proactive approach to managing climate-related risks and seizing sustainability opportunities. As financial risks related to carbon taxes increasingly influence our risk assessments, our efforts to reduce carbon emissions have grown more robust. In addition, investments are being made to

promote water conservation, and awareness-raising activities are carried out within the Bank to increase consciousness on this issue. However, there are associated risks, including potential regulatory challenges as carbon taxes and environmental regulations evolve. These changes may lead to increased costs and necessitate operational adjustments. Integrating renewable energy and implementing new projects, such as the KEYS Project, may encounter operational difficulties and require ongoing refinement to achieve desired results.

[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
- ☒ Direct costs
 - ☒ Capital expenditures

(5.3.2.2) Effect type

- Select all that apply
- ☒ Risks
 - ☒ Opportunities

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

- Select all that apply
- ☒ Climate change
 - ☒ Water

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

In 2024, we integrated environmental considerations into our financial strategies to manage risks and seize opportunities, enhancing our sustainability and performance. Direct Costs: We achieved reductions in operational costs by focusing on environmental efficiency. Efforts to lower electricity, heating, and fuel costs, coupled with using low-emission materials and fuel-efficient vehicles, have controlled and reduced direct costs. These measures support our broader sustainability

strategy by mitigating environmental risks and realizing cost savings and efficiency gains. Capital Expenditures: Our capital expenditures were directed towards energy efficiency and innovative technologies. Investments in energy-efficient upgrades and IT systems have reduced energy use and increased asset values, enhancing operational efficiency and sustainability.

[Add row]

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

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

[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:

☒ Implicit price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☒ Drive energy efficiency

(5.10.1.3) Factors considered when determining the price

Select all that apply

☒ Alignment to scientific guidance

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

Bank is establishing an Corporate Energy Management System (KEYS) that allows for the real-time monitoring and management of energy and natural resource consumption. This system tracks electricity usage, as well as temperature, humidity, light intensity, and carbon dioxide levels through sensors and analyzers installed at various locations. By utilizing a centralized platform accessible from headquarters, branches can be managed more efficiently in terms of energy consumption. An investment of 6,046,965 TRY has been made in the KEYS, resulting in energy savings of 430,266 kWh. Additionally, this system aims to prevent the emission of 190.17 tons of CO2e. As part of this initiative, an implicit carbon price has been established, calculated at 31,797.68 TRY per ton of CO2e based on the 6,046,965 TRY investment and the prevention of 190.17 tons of CO2e emissions. This pricing supports the bank's efforts to manage its environmental impact in alignment with its sustainability goals.

(5.10.1.5) Scopes covered

Select all that apply

☒ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☒ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☒ Static

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

0

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

31797.68

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

Select all that apply

- ☒ Operations
- ☒ Opportunity management

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

Select from:

- ☒ No

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

0.92

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

Select from:

- ☒ Yes

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

Bank employs a comprehensive monitoring and evaluation approach to ensure the effectiveness of its implicit carbon pricing strategy in achieving its sustainability objectives. The pricing, set at 31,797,68 TRY per ton of CO2e, is regularly reviewed in relation to the bank's overall carbon footprint and energy consumption metrics. To monitor progress, the bank tracks the energy savings generated by the Corporate Energy Management System (KEYS) through energy savings, CO2e emissions prevented, and overall resource efficiency. In addition, bank conducts periodic reviews to evaluate the carbon pricing model's alignment with both regulatory frameworks and market conditions. Feedback from stakeholders, including internal teams and external sustainability experts, is integrated into these evaluations to ensure continuous improvement. This iterative process allows bank to adapt its strategies as needed, reinforcing its commitment to reducing environmental impact while fostering a culture of sustainability throughout the organization. By utilizing this proactive monitoring and evaluation framework, bank effectively leverages its pricing approach to drive meaningful progress towards its sustainability objectives.

[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

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

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

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

Select from:

☒ Other, please specify :The process is ongoing and is planned to be implemented next years.

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

We are currently not engaging with investors and shareholders on environmental matters, as our environmental strategies and targets prioritize our suppliers and, in particular, our customers. However, we plan to incorporate this into our strategy within the next years.

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

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

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

Select from:

☒ Other, please specify :The process is ongoing and is planned to be implemented next years.

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

We are currently not engaging with other value chain stakeholders on environmental matters, as our environmental strategies and targets prioritize our suppliers and, in particular, our customers. However, we plan to incorporate this into our strategy within the next years.

[Fixed row]

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

Row 1

(5.11.3.1) Type of clients

Select from:

☒ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☒ Climate change

☒ Water

(5.11.3.3) Type and details of engagement

Capacity building

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

Innovation and collaboration

- ☒ Run a campaign to encourage innovation to reduce environmental impacts on products and services

(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:

- ☒ 1-25%

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

We recognize the importance of engaging effectively with our value chain to implement our climate change adaptation strategies. We direct investments towards sustainable technologies and businesses, particularly through project finance for renewable energy. Leveraging our longstanding history, expertise, and extensive physical and digital service network, we aim to increase our green asset ratio and continually enhance our product portfolio in line with our responsible banking approach. This involves encouraging our stakeholders to adopt sustainable business models and practices. Bank also regularly organizes awareness meetings to promote sustainability, efficiency, and savings. We place a strong focus on supporting energy efficiency and financing renewable energy projects, including Solar Power Plants (SPP), Hydroelectric Power Plants (HPP), Geothermal Power Plants (GPP), Wind Power Plants (WPP), and Biomass Power Plants (BPP). By doing so, we contribute to Türkiye's energy transition and sustainable growth objectives.

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

We communicate our engagement strategy through our website and social media channels. Additionally, we provide public updates on our progress and outcomes through our annual integrated report. This approach ensures transparency in how we share the status and results of our engagement strategies with both our clients and the broader public. Our website and social media platforms feature up-to-date information and progress reports, while our integrated reports offer detailed evaluations and annual updates.

(5.11.3.8) Attach your engagement strategy

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☒ Equity/credit analysts

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

Select all that apply

☒ Corporate secretary

(5.11.3.11) Effect of engagement, including measures of success

Our climate transition plan encompasses a range of strategies that address both our operations and our value chain. We understand that achieving our environmental commitments, including our SBTi targets and our 2050 net-zero goal, requires more than just operational improvements. Our value chain represents a significant portion of our emissions. Therefore, we actively engage with our value chain partners to encourage the development of sustainable products, the adoption of circular economy practices, and efforts to reduce emissions.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☒ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

When engagement with clients fails to achieve compliance with our sustainability standards, bank follows a structured escalation process. This process begins with directly expressing concerns to the client, clearly outlining the areas of non-compliance and their impact on our sustainability goals. We then increase monitoring and reporting requirements to closely track the client's performance. Bank collaborates with relevant stakeholders to address the issue collectively, focusing on developing joint solutions and sharing information. This structured approach ensures that bank's commitment to environmental and social responsibility is maintained.

[Add row]

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

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Provide training, support and best practices on how to mitigate environmental impact

(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:

- ☒ 51-75%

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

Select from:

- ☒ Less than 1%

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

Bank prioritizes sustainability in its supplier interactions, incorporating environmental and social responsibility into its practices. The bank employs a sustainable procurement policy that includes using an Environmental, Social, and Governance (ESG) questionnaire to assess and score suppliers' environmental performance. This questionnaire evaluates suppliers on their environmental management systems, energy efficiency, waste management, and other environmental criteria. Bank expects its suppliers to adhere to sustainability principles and provides information and support to help them navigate climate change adaptation processes. This support aims to reduce suppliers' climate impact and advance their sustainability goals, aligning with bank's commitment to minimizing environmental effects and achieving its sustainability objectives.

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

Select from:

☒ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☒ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☒ Provide training, support and best practices on how to mitigate environmental impact

(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:

☒ 51-75%

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

Bank prioritizes sustainability in its supplier interactions, incorporating environmental and social responsibility into its practices. The bank employs a sustainable procurement policy that includes using an Environmental, Social, and Governance (ESG) questionnaire to assess and score suppliers' environmental performance. This questionnaire evaluates suppliers on their environmental management systems, energy efficiency, waste management, and other environmental criteria. Bank expects its suppliers to adhere to sustainability principles and provides information and support to help them navigate climate change adaptation processes. This

support aims to reduce suppliers' climate impact and advance their sustainability goals, aligning with bank's commitment to minimizing environmental effects and achieving its sustainability objectives.

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

Select from:

☒ Yes, please specify the environmental requirement

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

Select from:

☒ Yes

[Add row]

C6. Environmental Performance - Consolidation Approach

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

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

We use the operational control approach for calculating and reporting environmental issues. With this approach, we calculate our direct and indirect emissions from operations under our control and determine our emission reduction strategy accordingly.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Operational control

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

We calculate our water withdrawal, water discharge, and water consumption values using the operational control approach. We prefer this approach as it aligns with our GHG consolidation approach, enhancing the consistency and effectiveness of our environmental strategies.

[Fixed row]

C7. Environmental performance - Climate Change

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

Select from:

☒ No

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

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

[Fixed row]

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

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☒ No

[Fixed row]

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

Select all that apply

- ☒ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- ☒ 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

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

(7.3.1) Scope 2, location-based

Select from:

- ☒ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

- ☒ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

We report our emissions using both the market-based and location-based approaches. This comprehensive approach allows us to more accurately assess our environmental impact and effectively monitor our progress in reducing Scope 2 emissions.

[Fixed row]

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

Select from:

☒ No

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

Scope 1

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

15796.0

(7.5.3) Methodological details

Bank calculates emissions within its organizational boundaries that fall under its control as Scope 1 emissions. This includes emissions from stationary and mobile combustion sources, as well as leakage emissions from refrigerants and fire extinguishers. DEFRA emission factors and IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

31406

(7.5.3) Methodological details

Bank reports its Scope 2 emissions using both location-based and market-based approaches. However, bank did not purchase any renewable energy certificates at 2021. As a result, the market-based and location-based approaches yield equivalent emissions figures. Consumption figures for each activity are multiplied by emission factors.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

31406

(7.5.3) Methodological details

Bank reports its Scope 2 emissions using both location-based and market-based approaches. However, bank did not purchase any renewable energy certificates at 2021. As a result, the market-based and location-based approaches yield equivalent emissions figures. Consumption figures for each activity are multiplied by emission factors.

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)

1709

(7.5.3) Methodological details

Paper purchased, accommodation and water supply and treatment are included in this category. Data is provided by our suppliers. Consumption figures for each activity are multiplied by DEFRA emission factors. IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

After the materiality analyses conducted, capital goods are not significant for bank's total GHG emissions. Therefore this category is not relevant.

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

(7.5.1) Base year end

12/30/2021

(7.5.2) Base year emissions (metric tons CO2e)

17084

(7.5.3) Methodological details

Fuel consumptions of business travel WTT emissions, diesel consumptions of personnel transport services WTT emissions, losses of electricity distribution and transmission are reported in this category. Data supplied from the accounting system multiplied by DEFRA emission factors. IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

After the materiality analyses were conducted, upstream transportation and distribution are not significant for bank's total GHG emissions. Therefore this category is not relevant.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

359

(7.5.3) Methodological details

Waste amounts are followed through the numbers notified by regional coordinators, branch offices and headquarters. This indicator includes recyclable (glass, plastic, paper, metal) waste collected as a result of bank's operations. DEFRA emission factors are used for the emission calculations. IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2070

(7.5.3) Methodological details

Transportation data of full-time personnel (bus, taxi, public transportation, ship, train, private vehicle, plane) are reported under this category. Km.passenger data for each transport mode is gathered and DEFRA emission factors are used for each different transportation mode. Flight data were provided by the travel agency. IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

3764.0

(7.5.3) Methodological details

The average route length for all staff shuttle services operationally controlled by bank (arrival / return) is calculated by dividing the sum of all route distances recorded in the Bank's internal systems by the number of routes. The total annual distance is converted into fuel consumption according to the average unit fuel consumption of relevant vehicle types. The average route length for each route is provided by the suppliers. DEFRA emission factors are used for the emission calculations. Emissions due to employees working from home are also included in this category. IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

Bank does not own leased assets or lease any assets. Therefore, upstream leased assets are not relevant.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

775.0

(7.5.3) Methodological details

Downstream transportation and distribution emissions are calculated with monthly numbers gathered from regional coordinators and branches. Postage expenses are followed by the invoices taken from the postage company. "The Environmental Impact of Mail: A Baseline, Pitney Bowes Inc., 2008, pg 12" and "ASOS

GREENHOUSE GAS REPORT 2016/17, CarbonSmart" reports are used for the unit GHG emission per postage. IPCC 5th AR GWP values are used for GHG emission calculations.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

Bank does not produce any products to be processed later. Therefore, processing of sold products are not relevant

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

Bank does not produce any products that have significant direct emissions in-use phase. Therefore, use of sold products are not relevant.

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

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

Bank does not produce any products that have significant emissions end of life phase. Therefore, end-of-life treatment of sold products are not relevant.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

Bank does not own leased assets or lease any assets. Therefore, downstream leased assets are not relevant.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

Bank does not own franchises. Therefore, franchises are not relevant in our GHG Inventory.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

There is no other relevant upstream GHG emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/30/2021

(7.5.3) Methodological details

There is no other relevant downstream GHG 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)

19878.45

(7.6.3) Methodological details

Bank calculates emissions within its organizational boundaries that fall under its control as Scope 1 emissions. This includes emissions from stationary and mobile combustion sources, as well as leakage emissions from refrigerants and fire extinguishers. IPCC 6th AR GWP values are used for GHG emission calculations.

Past year 1

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

16690.2

(7.6.2) End date

12/30/2023

(7.6.3) Methodological details

Bank calculates emissions within its organizational boundaries that fall under its control as Scope 1 emissions. This includes emissions from stationary and mobile combustion sources, as well as leakage emissions from refrigerants and fire extinguishers. IPCC 5th AR GWP values are used for GHG emission calculations.

Past year 2

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

17023.47

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Bank calculates emissions within its organizational boundaries that fall under its control as Scope 1 emissions. This includes emissions from stationary and mobile combustion sources, as well as leakage emissions from refrigerants and fire extinguishers. IPCC 5th AR GWP values are used for GHG emission calculations.
[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)

36117.65

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

20647.65

(7.7.4) Methodological details

Bank reports its Scope 2 emissions using both location-based and market-based approaches. A decrease in market-based emissions is observed due to the purchase of renewable energy certificates. In location-based calculations, the amount of energy purchased from the grid is multiplied by national inventory emission factors, whereas in market-based emissions, the amount of purchased renewable energy is deducted.

Past year 1

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

32683.34

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

(7.7.3) End date

12/30/2023

(7.7.4) Methodological details

Bank reports its Scope 2 emissions using both location-based and market-based approaches. Due to a change in the calculation methodology in 2023, location-based emissions have increased. A decrease in market-based emissions is observed due to the purchase of renewable energy certificates. In location-based calculations, the amount of energy purchased from the grid is multiplied by national inventory emission factors, whereas in market-based emissions, the amount of purchased renewable energy is deducted.

Past year 2**(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)**

30060.19

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

30060.19

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

Bank reports its Scope 2 emissions using both location-based and market-based approaches. However, bank does not purchase any renewable energy certificates. As a result, the market-based and location-based approaches yield equivalent emissions figures. Consumption figures for each activity are multiplied by emission factors.

[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)

427.51

(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

Paper purchased, accommodation and water supply and treatment are included in this category. Data is provided by our suppliers. Consumption figures for each activity are multiplied by DEFRA emission factors. IPCC 6th AR GWP values are used for GHG emission calculations.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

After the materiality analyses conducted, capital goods are not significant for bank's total GHG emissions. Therefore this category is not relevant.

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

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

12339.81

(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

Fuel consumptions of business travel WTT emissions, diesel consumptions of personnel transport services WTT emissions, losses of electricity distribution and transmission are reported in this category. Data supplied from the accounting system multiplied by DEFRA emission factors. IPCC 6th AR GWP values are used for GHG emission calculations.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

After the materiality analyses were conducted, upstream transportation and distribution are not significant for bank's total GHG emissions. Therefore this category is not relevant.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

3.35

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

☒ Waste-type-specific method

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

100

(7.8.5) Please explain

Waste amounts are followed through the numbers notified by regional coordinators, branch offices and headquarters. This indicator includes recyclable waste and waste collected as a result of bank's operations. DEFRA emission factors are used for the emission calculations. IPCC 6th AR GWP values are used for GHG emission calculations.

Business travel

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

2505.01

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Supplier-specific method

☒ Average data method

☒ Distance-based method

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

100

(7.8.5) Please explain

Transportation data of full-time personnel (bus, taxi, public transportation, ship, train, private vehicle, plane) are reported under this category. Km.passeenger data for each transport mode is gathered and DEFRA emission factors are used for each different transportation mode. Flight data were provided by the travel agency. IPCC 6th AR GWP values are used for GHG emission calculations.

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

3424.38

(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

The average route length for all staff shuttle services operationally controlled by bank (arrival / return) is calculated by dividing the sum of all route distances recorded in the Bank' internal systems by the number of routes. The total annual distance is converted into fuel consumption according to the average unit fuel consumption of relevant vehicle types. The average route length for each route is provided by the suppliers. DEFRA emission factors are used for the emission calculations. Emissions due to employees working from home are also included in this category. IPCC 6th AR GWP values are used for GHG emission calculations.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Bank does not own leased assets or lease any assets. Therefore, upstream leased assets are not relevant.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

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

0

(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

Bank does not have downstream transportation emissions in the reporting year.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Bank does not produce any products to be processed later. Therefore, processing of sold products are not relevant.

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Bank does not produce any products that have significant direct emissions in-use phase. Therefore, use of sold products are not relevant.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Bank does not produce any products that have significant emissions end of life phase. Therefore, end-of-life treatment of sold products are not relevant.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Bank does not own leased assets or lease any assets. Therefore, downstream leased assets are not relevant.

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

Bank does not own franchises. Therefore, franchises are not relevant in our GHG Inventory.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

There is no other relevant upstream GHG emissions.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Please explain

There is no other relevant downstream GHG emissions.

[Fixed row]

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

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

	Verification/assurance status
Scope 3	<i>Select from:</i> ☒ 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

Halkbank_CDP_2024_ClimateChange.pdf

(7.9.1.5) Page/section reference

Page 1-5

(7.9.1.6) Relevant standard

Select from:

☒ ISAE 3410

(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

Halkbank_CDP_2024_ClimateChange.pdf

(7.9.2.6) Page/ section reference

Page 1-5

(7.9.2.7) Relevant standard

Select from:

☒ ISAE 3410

(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

Halkbank_CDP_2024_ClimateChange.pdf

(7.9.2.6) Page/ section reference

Page 1-5

(7.9.2.7) Relevant standard

Select from:

☒ ISAE 3410

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

(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

Halkbank_CDP_2024_ClimateChange.pdf

(7.9.3.6) Page/section reference

Page 1-5

(7.9.3.7) Relevant standard

Select from:

- ☒ ISAE 3410

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

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

Select from:

☒ Decreased

(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)

13049.66

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

27.79

(7.10.1.4) Please explain calculation

In 2024, bank reduced its market-based Scope 2 emissions by 13,049.66 tCO₂e by purchasing 35,000 MWh of renewable energy certificates. Additionally, it achieved a reduction of 27,79 in Scope 1 and 2 emissions.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

190.17

(7.10.1.2) Direction of change in emissions

Select from:

☒ Decreased

(7.10.1.3) Emissions value (percentage)

0.41

(7.10.1.4) Please explain calculation

As bank, our energy efficiency efforts have led to a reduction of 190.17 tCO2e in our Scope 1 and Scope 2 emissions. This has resulted in an overall decrease of 0.41% in our total Scope 1 and 2 emissions.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

6812.73

(7.10.1.2) Direction of change in emissions

Select from:

☒ Increased

(7.10.1.3) Emissions value (percentage)

14.51

(7.10.1.4) Please explain calculation

In 2024, we observed an increase of 6,812.73 tCO2e in our emissions due to change in output. This change represents an overall increase of 14.51% in our total Scope 1 and 2 emissions.
[Fixed row]

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

Select from:
☒ Market-based

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

Select from:
☒ No

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

Select from:
☒ More than 0% but less than or equal to 5%

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☒ Yes

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from: ☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ 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:

☒ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

80867.08

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

80867.08

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

35000

(7.30.1.3) MWh from non-renewable sources

46714.13

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

81714.13

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

35.5

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

35.50

Total energy consumption

(7.30.1.1) Heating value

Select from:

☒ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

35035.5

(7.30.1.3) MWh from non-renewable sources

127581.21

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

162616.71

[Fixed row]

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

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

81714.13

(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)

35.5

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

81749.63
[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

5.6e-8

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

40526.1

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

720131292000

(7.45.5) Scope 2 figure used

Select from:

☒ Market-based

(7.45.6) % change from previous year

60.34

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Change in renewable energy consumption

☒ Other emissions reduction activities

☒ Change in output

☒ Change in revenue

(7.45.9) Please explain

As a result of our emissions reduction initiatives, we have successfully reduced our Scope 1 and 2 emissions. The decrease in the intensity value during the reporting year is due to the reduction in emissions with an increase in revenue.

[Add row]

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

Select all that apply

☒ Absolute target

☒ Portfolio target

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

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

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

(7.53.1.3) Science Based Targets initiative official validation letter

Target Decision Letter_Türkiye Halk Bankası A.Ş. (Halkbank) .pdf

(7.53.1.4) Target ambition

Select from:

☒ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☒ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- ☒ Carbon dioxide (CO2)
- ☒ Methane (CH4)
- ☒ Nitrous oxide (N2O)
- ☒ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

- ☒ Scope 1
- ☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

- ☒ Market-based

(7.53.1.11) End date of base year

12/30/2021

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

15796

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

31406

(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)

47202.000

(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

12/30/2032

(7.53.1.55) Targeted reduction from base year (%)

50.4

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

23412.192

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

19878.45

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

20647.65

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

40526.100

(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

28.06

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

As bank, we have been monitoring our greenhouse gas (GHG) emissions since 2012. We have a target to reduce company-wide Scope 1 and Scope 2 GHG emissions by 50.4% from the 2021 base year by 2032. This target was approved by SBTi in 2024. It aligns with the 1.5°C global goal stated in the Paris Agreement and SBTi Criteria, representing an annual linear reduction of 4.2%. The GHG emission scopes do not exclude any emissions or locations. The target does not include biogenic emissions, as they are not relevant for bank. FLAG-related emissions are also not relevant and therefore not included in the target.

(7.53.1.83) Target objective

Bank has a climate transition plan that includes strategies for adapting to climate change. This target supports bank's strategies and objectives aimed at limiting the effects of climate change to 1.5°C. It represents a key milestone towards achieving net-zero emissions by 2050. The target is designed to align with our broader climate strategy, which focuses on reducing our carbon footprint, enhancing energy efficiency, and integrating sustainable practices across our operations. By meeting this target, bank aims to contribute significantly to global climate goals and ensure long-term resilience against climate-related risks.

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

In 2024, we purchased I-REC renewable energy certificates for 35,000 MWh of energy, which resulted in a reduction of 15,470 tCO₂e in our Scope 2 emissions. In line with our future targets, we are intensifying our efforts to further reduce the carbon emissions generated from our operations. We plan to decrease Scope 2 emissions by expanding the use of renewable energy at our headquarters and other branches. In addition, we aim to increase the share of renewable electricity across all our operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]

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

Row 1

(7.53.4.1) Target reference number

Select from:

☒ Por1

(7.53.4.2) Target type

Select from:

☒ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☒ SBTi for Financial Institutions

(7.53.4.5) Date target was set

12/30/2022

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

Select from:

☒ 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

☒ Project finance

(7.53.4.11) Sectors covered by the target

Select all that apply

☒ Power generation

(7.53.4.12) Target type: Absolute or intensity

Select from:

☒ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

38

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☒ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:

☒ kWh

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

1.4

(7.53.4.21) Frequency of target reviews

Select from:

☒ Annually

(7.53.4.22) End date of base year

12/30/2021

(7.53.4.23) Figure in base year

767

(7.53.4.24) We have an interim target

Select from:

☒ No

(7.53.4.27) End date of target

12/30/2032

(7.53.4.28) Figure in target year

363

(7.53.4.29) Figure in reporting year

453

(7.53.4.30) % of target achieved relative to base year

77.72277227722772

(7.53.4.31) Target status in reporting year

Select from:

☒ Achieved

(7.53.4.34) Is this a science-based target?

Select from:

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

(7.53.4.35) Target ambition

Select from:

☒ Well-below 2°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Bank commits to reduce its electricity generation project finance portfolio GHG emissions 52.6% per MWh by 2032 from a 2021 base year. This target is set in consideration of the project finance provided for electricity generation projects.

(7.53.4.38) Target objective

The strategic objective of our target is to significantly reduce the greenhouse gas (GHG) emissions associated with our electricity generation project finance portfolio. By committing to a 52.6% reduction per MWh by 2032 from a 2021 base year, we aim to align our operations with global climate goals and contribute to combating climate change. This target is directly related to our strategy of integrating sustainability into our financial practices, enhancing the environmental performance of financed projects, and supporting a low-carbon economy. This target is closely aligned with our strategy to support the transition to clean energy and promote investments in low-carbon technologies. It helps us manage and mitigate risks related to climate change, fulfill our commitments to international climate agreements, and improve the overall environmental impact of our financial activities.

[Add row]

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

Select all that apply

☒ Net-zero targets

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

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

(7.54.3.2) Date target was set

12/30/2021

(7.54.3.3) Target Coverage

Select from:

☒ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs1

☒ Por1

(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 (CO2)
- ☒ Methane (CH4)
- ☒ Nitrous oxide (N2O)
- ☒ Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

Bank aims to achieve a net-zero portfolio by at least 2050, supported by near-term emission targets informed by climate science and science-based targets in the coming years. The bank joined the Net-Zero Banking Alliance and committed to SBTi in early 2022. The SBTi targets were approved in 2024. Personal loans and SME lending are not included in the target scope.

(7.54.3.11) Target objective

This target is a comprehensive goal encompassing all our objectives. It represents the most crucial component in achieving our climate adaptation strategies. By targeting net-zero emissions by 2050, this goal aims to successfully complete our climate adaptation strategies, covering all of our Abs1 and Por1 targets.

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

Select from:

- ☒ Yes

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

Select from:

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

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

Select all that apply

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

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

We are committed to achieving net zero emissions by 2050, encompassing Scope 1, 2, and 3 emissions. To realize this net zero target, we have established Science-Based Targets Initiative (SBTi) approved Abs1 and Por1 targets and developed numerous strategies and actions to achieve these goals. After reaching our targets, we will neutralize any remaining emissions through the cancellation of carbon credits. In 2024, this process was implemented through our PARAF Doğal card program. Additionally, we are actively working on various sustainability strategies, taking actions to enhance energy efficiency, and investing in renewable energy projects to reduce our environmental impacts. All these efforts contribute to our fight against climate change and help us support a sustainable future.

(7.54.3.17) Target status in reporting year

Select from:

☒ Underway

(7.54.3.19) Process for reviewing target

Our 2050 net-zero target is a comprehensive goal encompassing many sub-targets. To achieve this target, we have established various strategies. We monitor the status of all our targets annually and develop new actions and strategies as needed. We track the impact of the implemented strategies, monitor the progress towards the target, and report to sustainability committee.

[Add row]

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

Select from:

☒ Yes

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	0	0
Implemented	1	190.17
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

Energy efficiency in production processes

☒ Smart control system

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

190.17

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

Select all that apply

☒ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☒ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

2255142

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

6046965

(7.55.2.7) Payback period

Select from:

☒ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☒ 16-20 years

(7.55.2.9) Comment

Bank has successfully implemented the Corporate Energy Management System (KEYS), a platform that allows real-time monitoring and management of energy and natural resource consumption. Through KEYS, data on electricity, as well as temperature, humidity, light intensity, and carbon dioxide levels, can be monitored in real-time via sensors and analyzers. These data are tracked through a platform at the headquarters, enabling more energy-efficient management of branch locations.
[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:

☒ Lower return on investment (ROI) specification

(7.55.3.2) Comment

In an effort to prioritize long-term sustainability and minimize financial risks, we make investment decisions with a thorough assessment of various financial metrics. One critical factor in this process is the expected return on investment (ROI). These investment decisions are primarily guided by careful ROI analysis, ensuring alignment with both financial performance and sustainability objectives.

[Add row]

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

Select from:

☒ Yes

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

Row 1

(7.79.1.1) Project type

Select from:

☒ Wind

(7.79.1.2) Type of mitigation activity

Select from:

☒ Carbon removal

(7.79.1.3) Project description

Bank has developed the eco-friendly Paraf Doğal credit card, produced from 100% recycled materials, to transform its card payment systems within a sustainability framework and to raise environmental awareness among its customers. Paraf Doğal retains all features of the regular Paraf Doğal card while offering discounts for donations such as tree planting, pet food, veterinary services, and organic products. In 2024, the emissions caused by the life cycle of the Paraf Doğal card, totaling 15 tons, were neutralized with Gold Standard carbon certificates.

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

15

(7.79.1.5) Purpose of retirement

Select from:

☒ Voluntary offsetting

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

Select from:

☒ Yes

(7.79.1.7) Vintage of credits at retirement

2021

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

Select from:

☒ Purchased

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

Select from:

☒ Gold Standard

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

Select all that apply

☒ Standardized Approaches

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

Select all that apply

☒ Monitoring and compensation

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

Select all that apply

☒ Activity-shifting

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

Gold Standard projects are designed to support sustainable development goals while providing environmental benefits. These projects typically operate in areas such as renewable energy, energy efficiency, waste management, and agricultural practices. Each Gold Standard project is evaluated against specific key criteria. Firstly, the principle of additionality requires that projects demonstrate they are outside of business-as-usual scenarios and that emission reductions would not have occurred in the absence of the project. The criterion of permanence ensures that emission reductions are maintained sustainably over the long term, typically for 100 years. Moreover, the risk of leakage must be addressed by developing strategies to prevent increases in emissions outside the project boundaries. Gold Standard projects must adhere to environmental and social safeguards to avoid negative impacts on local communities and ecosystems. Ongoing monitoring and reporting verified by independent third parties are mandatory. Finally, these projects are expected to contribute to broader sustainable development goals, such as improving local livelihoods and conserving biodiversity. Gold Standard certified projects provide reliable and effective emission reduction solutions by fulfilling these requirements.

(7.79.1.14) Please explain

N/A

[Add row]

C12. Environmental performance - Financial Services

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

	We measure the impact of our portfolio on the climate	Disclosure metric	We measure the impact of our portfolio on water
Banking (Bank)	Select from: ☒ Yes	Select all that apply ☒ Financed emissions ☒ Other carbon footprinting and/or exposure metrics (as defined by TCFD)	Select from: ☒ Yes

[Fixed row]

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

Banking (Bank)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply
☒ Project finance

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

1784743

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

1.43

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

43017260000.00

(12.1.1.6) Emissions calculation methodology

Select from:

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

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

3

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

5493484

(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

The portfolio emissions for electricity project finance amount to 1,784,743 tCO2e. These emissions are calculated following the GHG Protocol Category 15: Investments guidance and the PCAF standards. Annual activity data is collected directly from the clients. The data quality score for emission calculations is rated 3 according to PCAF project finance standards. The emissions are then attributed to bank based on the appropriate attribution factor. Electricity generation project finance accounts for 1.4295% of our total portfolio.

[Fixed row]

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

Climate change

(12.1.3.1) Portfolio

Select from:

☒ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☒ Carbon intensity (tCO₂e/Million revenue)

(12.1.3.3) Metric value in the reporting year

2.48

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

1.4

(12.1.3.5) Total value of assets included in the calculation

43000000000

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

100

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

The portfolio emissions for electricity project finance is 1,784,743 tCO₂eq. The emissions are calculated in line with GHG Protocol Category 15: Investments guidance and PCAF guidance. Annual activity data is gathered directly from the client itself. Emission calculations' data quality score 3 according to PCAF project finance. project's emissions then attributed to bank in line with the attribution factor. The electricity generation project finance represents 1,4% of total portfolio. The total revenue is 720,131,292,000 TRY in 2024. This makes 2.48 tCO₂eq/MTRY.

Water

(12.1.3.1) Portfolio

Select from:

☒ Banking (Bank)

(12.1.3.2) Portfolio metric

Select from:

☒ Other metric for impact on water, please specify

(12.1.3.3) Metric value in the reporting year

933076875

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

0.001

(12.1.3.5) Total value of assets included in the calculation

32500000

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

100

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

In the reporting year, bank provided operating loans to wastewater treatment facilities. Within this scope, the amount of treated water in its portfolio is 933,076,875 m³. The data used in the calculations was obtained from customer websites and project details. Loans provided to wastewater treatment plants constitute 0.001% of our total portfolio.

[Add row]

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

	Portfolio breakdown
Banking (Bank)	<i>Select all that apply</i> ☒ Yes, by asset class ☒ Yes, by industry ☒ Yes, by scope

[Fixed row]

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

Row 1

(12.2.1.1) Portfolio

Select from:

☒ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☒ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☒ Power generation

(12.2.1.4) Asset class

Select from:

☒ Project finance

(12.2.1.5) Clients'/investees' scope

Select from:

☒ Scope 3

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

1.43

(12.2.1.7) Value of assets covered in the calculation

43000000000

(12.2.1.8) Financed emissions or alternative metric

1784743

(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

The portfolio emissions for electricity project finance amount to 1,784,743 tCO₂e. These emissions are calculated following the GHG Protocol Category 15: Investments guidance and the PCAF standards. Annual activity data is collected directly from the clients. The data quality score for emission calculations is rated 3 according to PCAF project finance standards. The emissions are then attributed to bank based on the appropriate attribution factor. Electricity generation project finance accounts for 1.4% of our total portfolio.

[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: ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: ☒ Other, please specify :The process is ongoing and is planned to be implemented next years.	We plan to report our portfolio's exposure to fossil fuel in the next years.
Lending to thermal coal	Select from: ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: ☒ Other, please specify :The process is ongoing and is planned to be implemented next years.	We plan to report our portfolio's exposure to fossil fuel in the next years.
Lending to met coal	Select from: ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: ☒ Other, please specify :The process is ongoing and is planned to be implemented next years.	We plan to report our portfolio's exposure to fossil fuel in the next years.
Lending to oil	Select from: ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: ☒ Other, please specify :The process is ongoing and is planned to be implemented next years.	We plan to report our portfolio's exposure to fossil fuel in the next years.
Lending to gas	Select from: ☒ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years	Select from: ☒ Other, please specify :The process is ongoing and is planned to be implemented next years.	We plan to report our portfolio's exposure to fossil fuel in the next years.

[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

We are currently not providing values for financing and/or insurance related to activities or sectors aligned with the sustainable finance taxonomy, as there is no taxonomy regulation yet in place in Türkiye and we do not have a standardized internal procedure developed for this purpose. We are in the process of establishing the necessary standardized procedures to accurately and thoroughly assess the alignment of our financing and insurance activities with sustainability criteria. Once these processes are fully developed and supported by national regulations, we aim to provide more comprehensive and accurate information in future reports.

[Fixed row]

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

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

[Fixed row]

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

Row 1

(12.6.1.1) Environmental issue

Select all that apply

☒ Climate change

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

Select all that apply

☒ Mitigation

☒ Adaptation

(12.6.1.3) Portfolio

Select from:

☒ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☒ Loans

(12.6.1.5) Type of product classification

Select all that apply

☒ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☒ Low-carbon Investment (LCI) Registry Taxonomy

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

Select all that apply

☒ Renewable energy

(12.6.1.8) Description of product/service

Bank recognizes the financing of renewable energy projects as a crucial opportunity for Türkiye to reduce its greenhouse gas emissions. We develop products designed to support carbon emission reduction through investments in renewable energy and energy efficiency projects, directing funding towards more sustainable technologies and businesses.

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

1

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

1

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

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

We confirm that climate and other environmental principal adverse impacts are taken into account in our financial products, as part of the Sustainability and Environment question set in the FDRs.

Row 2

(12.6.1.1) Environmental issue

Select all that apply

☒ Water

(12.6.1.3) Portfolio

Select from:

☒ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☒ Loans

(12.6.1.5) Type of product classification

Select all that apply

☒ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☒ Low-carbon Investment (LCI) Registry Taxonomy

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

Select all that apply

☒ Wastewater treatment infrastructure

(12.6.1.8) Description of product/service

In 2024, bank's portfolio include water-related sectors. However, in the same year, the bank developed a new product aimed at ensuring water security. This initiative reflects our commitment to addressing water-related challenges and supporting sustainable practices in our operations and investments.

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

0.001

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

0.001

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☒ Yes

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

We confirm that climate and other environmental principal adverse impacts are taken into account in our financial products, as part of the Sustainability and Environment question set in the FDRs.
[Add row]

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

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

[Fixed row]

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

Water

(12.7.1.1) Portfolio

Select from:

☒ Banking (Bank)

(12.7.1.2) Targets set

Select from:

☒ Targets for providing products and services that enable clients to mitigate water insecurity

(12.7.1.3) Date target was set

12/30/2023

(12.7.1.4) Sectors covered by the target

Select all that apply

☒ Manufacturing

(12.7.1.5) Asset classes covered by the target

Select all that apply

☒ Loans

(12.7.1.6) The target has been set with reference to

Select from:

☒ Sustainable Development Goals

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

10

(12.7.1.8) Target metric

Select from:

☒ Number of products and services

(12.7.1.9) Target value

1

(12.7.1.10) End date of target

12/30/2030

(12.7.1.11) End date of base year

12/30/2023

(12.7.1.12) Figure in base year

0

(12.7.1.13) Figure in reporting year

1

(12.7.1.14) % of target achieved

100.00

(12.7.1.15) Provide details of the target

In 2024, bank developed a lending product aimed at supporting water security. This demonstrates bank's commitment to environmental sustainability and its proactive approach to water security.

[Add row]

C13. Further information & sign off

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

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

[Fixed row]

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

Row 1

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

Select all that apply

☒ Climate change

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

Environmental performance – Climate change

☒ Base year emissions

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

☒ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

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

Bank has established the base year as 2021 and has had its 2021 emissions verified by third-party organizations. The verification was conducted in accordance with the ISAE 3000 and ISAE 3410 standard, providing limited assurance.

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

Limited Assurance Report Halkbank_2022.pdf

Row 2

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

Select all that apply

☒ Water

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

Environmental performance – Water security

☒ Water withdrawals– total volumes

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

☒ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

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

Bank monitors and verifies its water withdrawal every year. In this context, the water withdrawal for the reporting year has been verified by third-party organizations. The verification was conducted in accordance with the ISAE 3000 and ISAE 3410 standard, providing limited assurance.

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

Halkbank_CDP_2024_WaterSecurity.pdf
[Add row]

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

(13.3.1) Job title

Head of International Banking Group (Chef Officer responsible for sustainability.)

(13.3.2) Corresponding job category

Select from:
☒ Chief Sustainability Officer (CSO)
[Fixed row]

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

Select from:
☒ No

