



Limited Assurance Report To the Board of Directors of Türkiye Halk Bankası A.Ş.

We have been engaged by Türkiye Halk Bankası A.Ş. (the “Bank” or “Halkbank”) to perform an independent limited assurance engagement in respect of the Selected Information stated in the Bank’s CDP Climate Change Report (“the 2022 CDP Climate Change report”) for the year ended 31 December 2021 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2021, which is subject to our independent limited assurance work, set out on the section C6: Emissions Data and “Appendix 1: Halkbank 2022 CDP Climate Change Reporting Principles” is summarised below:

- Direct (Scope - 1) Greenhouse Gas Emissions
- Indirect (Scope - 2) Greenhouse Gas Emissions
- Indirect (Scope - 3) Greenhouse Gas

Our independent limited assurance work was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements, other than Selected Information included in the 2022 CDP Climate Change report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Bank to prepare the Selected Information is set out in section Appendix 1: Halkbank 2022 CDP Climate Change Report - Reporting Principles (“Reporting Principles”).

The Bank’s Responsibility

The Bank is responsible for the content of the 2022 CDP Climate Change Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.



Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Guidance. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), "*Assurance Engagements other than Audits or Reviews of Historical Financial Information*", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, "*Assurance Engagements on Greenhouse Gas Statements*", issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.



Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Bank.; and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Bank's Selected Information for the year ended 31 December 2021, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

This report, including the conclusion, has been prepared for the Board of Directors of the Bank as a body, to assist them in reporting Türkiye Halk Bankası A.Ş.'s performance and activities related to the Selected Information. We permit the disclosure of this report within the 2022 CDP Climate Change Report for the year ended 31 December 2021, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Türkiye Halk Bankası A.Ş. as a body and the Türkiye Halk Bankası A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Partner

Istanbul, 22 July 2022

Annex 1: Halkbank 2022 CDP Climate Change Report – Reporting Principles

Reporting principles provides information on the data collection and regarding the greenhouse gas (GHG) emissions (Scope 1, Scope 2 and Scope 3) included in Halkbank 2022 CDP Climate Change Questionnaire (“the 2022 CDP Climate Change Questionnaire”).

This reporting principles provides information on the data preparation, calculation principles and reporting methodologies of indicators within the scope of the limited assurance of the 2021 CDP Climate Change Questionnaire. These indicators include the greenhouse gas (GHG) emissions (Scope 1, Scope 2 and Scope 3). It is the responsibility of the Company’s management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the Guidance.

The data included in this document is for the fiscal year ended December 31, 2021, comprises only the relevant operations of Türkiye Halk Bankası A.Ş. (“the Company”) in Turkey operations including Head Office and Additional Service Buildings, Regional Coordination Offices, Branches and ATMs, that are the responsibility of the Company and excludes information about other locations or group companies.

General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- Preparation of Information – to highlight to users of the information the primary principles of relevance and reliability of information; and
- Preparation of the Report – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

Scope of Reporting

For FY21, the greenhouse gas (GHG) emissions data of the Company is related to:

GHG emission Scope 1 is included following data in Turkey;

- Stationary combustion (fuels and heating sources),
- Mobile combustion (fuels),
- Fugitive emissions (refrigerant gases and fire extinguishers).

GHG emission Scope 2 is included following data in Turkey;

- Consumption of purchased electricity.

GHG emission Scope 3 is included following data in Turkey;

- Employee commuting, mail, accommodation, business travel, water consumption, paper consumption, waste generated, employees working from home and other indirect emissions related with energy consumption.

Data Preparation

Greenhouse Gas (GHG) Emissions

GHG emissions were calculated in accordance with IPCC, GHG Protocol, ISO 14064 and DEFRA, as reported in CDP question 5.2. The general methodology for calculating GHG emissions is: “GHG activity data multiplied by emission or removal factors”. Boundaries of the organization were addressed with the operational control approach, and the sources causing greenhouse gas emissions related production facilities under the control of the Company are as follows:

Direct (Scope 1) Greenhouse Gas Emissions:

- Stationary combustion data is included: Fuels used in buildings and production such as natural gas, fuel-oil, coal, diesel (for heating).
- Mobile combustion data is included: Diesel oil and gasoline for company owned and leased vehicles.
- Fugitive gases data is included: HFC gases (fire suppressants and refrigerant gases). Stationary combustion (fuels and heating sources),

Indirect (Scope - 2) Greenhouse Gas Emissions:

- Consumption of purchased electricity data is included electricity consumption (kWh).

Other indirect (Scope – 3) Greenhouse Gas Emissions:

- Employee commuting, mail, accommodation, business travel, water consumption, paper consumption, waste generated, employees working from home and other indirect emissions related with energy consumption.

Scope 1, Scope 2 and Scope 3 emissions have been calculated in accordance with ISO 14064-1, with the principle of operational control within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard". In the calculations, CO₂ equivalent factors consisting of CO₂, CH₄, N₂O, HFCs (refrigerant gas) CO₂ equivalent emission factors were used. In Scope 2 emission calculations, electricity sourced emissions are calculated using the total carbon factor. In Scope 3 emission calculations, employee commuting, business travel, accommodation, water consumption, paper consumption, cargo and mailing, disposal of collected wastes and other indirect emissions are calculated by using the total carbon factor. The emission factors used are detailed in the table below.

Global Warming Potential (GWP) coefficients are from 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and “DEFRA (Department for Environment, Food and Rural Affairs) 2021 Emission Factors” published by the Government of United Kingdom (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>), and the resultant kg CO₂-e value is calculated by multiplying with the appropriate coefficients.

Electric energy emissions consumed from the grid are calculated using the CO₂ emission factors for 2018 published by the International Energy Agency.

Emisison Factors – Scope 1	Total Carbon Factor (kg CO₂-e)
<i>Company Vehicles</i>	
Gasoline (kg/l)	2.340
Diesel (kg/l)	2.706
<i>Other Fossil Fuels</i>	

Diesel for heating (kg/l)	2.706
Diesel for generator (kg/l)	2.706
Natural Gas (kg/m ³)	2.021
Coal (kg/tonnes)	2883.30
Fuel-Oil (kg/tonnes)	3.175
<i>Refrigerant Gases</i>	
R22	1810
R410A	2088
R600A	3.00
<i>Fire Extinguishers</i>	
HFC-227 EA	3220.00
NOVEC (Pentanone)	1.00

Emission Factors – Scope 2 (kg/kWh)	kg CO₂-e/kWh
Turkey Electricity Energy (Supply from Grid – IEA Turkey 2018)	0.466

Emission Factors – Scope 3	Total Carbon Factor (kg CO₂-e)
<i>Personnel Services</i>	
Diesel (kg/l)	2.706
<i>Travel</i>	
Ship	0.01874
Metro	0.02813
Motorcycle	0.11355
Intercity Bus	0.11774
Bus	0.02684
Private Vehicle - Gasoline	0.17431
Private Vehicle - Diesel	0.16843
Private Vehicle - Electricity	0.05477
Private Vehicle - LPG	0.19828
Taxi (kg/km)	0.14876
Tramway	0.02813
Train (Intercity)	0.03549
Train	0.03549
Air Travel (Overseas Business Short Distance) (kg/km)	0.22652
Air Travel (Overseas Business Long Distance) (kg/km)	0.42882
Air Travel (Overseas Economy Short Distance) (kg/km)	0.15102
Air Travel (Overseas-Economy Long Distance) (kg/km)	0.14787
Air Travel (Domestic Business Short Distance) (kg/km)	0.24587
Air Travel (Domestic Economy Short Distance) (kg/km)	0.24587
Air Travel (Domestic Economy Long Distance) (kg/km)	0.24587

Air Travel -Domestic-Promotion-Short	0.24587
<i>Paper</i>	
Paper Consumption (kg/tonnes)	919.40
<i>Waste</i>	
Domestic Waste (kg/tonnes)	446.242
Recycling Waste (kg/tonnes)	21.294
<i>Water</i>	
Water Consumption (kg/m ³)	0.4210
<i>Mail</i>	
Mail Delivery (kg/envelope)	0.03
Mail Delivery (kg/package)	0.80
<i>Company Vehicles – Indirect Emissions</i>	
Gasoline (kg/l)	0.6030
Diesel (kg/l)	0.6290
<i>Other Fossil Fuels – Indirect Emissions</i>	
Diesel for heating (kg/l)	0.6287
Diesel for generator (kg/l)	0.6287
Natural gas (kg/m ³)	0.3459
Coal (kg/tonnes)	442.79
Fuel-Oil (kg/tonnes)	0.6972
<i>Electricity – Indirect Emissions</i>	
Transmission and Distribution (kg/kWh)	0.0838
Generation (Well to Tank) (kg/kWh)	0.0639
Transmission and Distribution (Well to Tank) (kg/kWh)	0.0090

Emission Factors – Scope 3	Total Carbon Factor (kg CO₂-e)
<i>Working from Home – Indirect Emissions</i>	
Electricity (kWh)	0.466
Natural Gas (kWh)	0.204

Total Scope 1 Emissions (tCO₂-e)	15,795.52
Total Location-based Scope 2 Emissions (tCO₂-e)	31,406.19
Total Scope 3 Emissions (tCO₂-e)	25,760.61

Restatements

The measuring and reporting of carbon emissions data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.