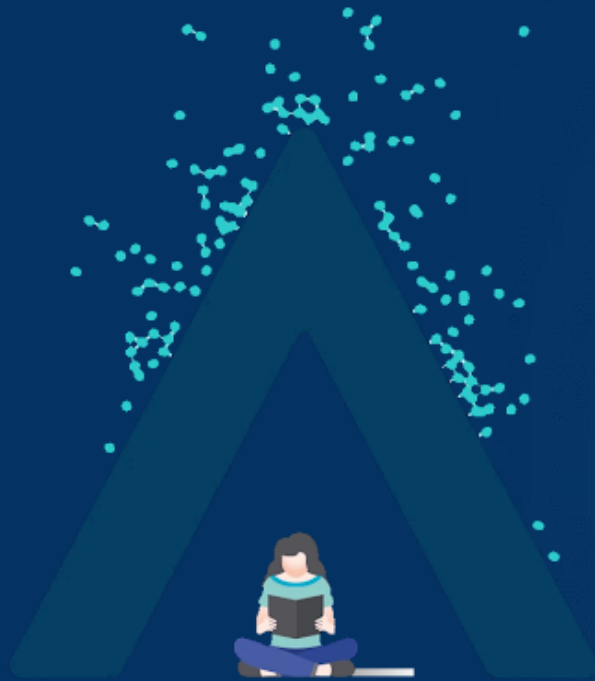


# Garanti BBVA's Sustainability Approach





# 01.

## Sustainability as a Business Opportunity

# Sustainability is the challenge of the century



At the top of world leaders agendas

Under clear worldwide roadmaps:

- The Paris Agreement
- The 2030 Agenda for Sustainable Development with the 17 SDGs<sup>(1)</sup> at heart



Sense of climate urgency

+2.7°C\* Current climate trend<sup>(3)</sup>

+1.5°C\* Global warming target for 2100

*\*Versus pre-industrial levels*



Society calling for action

72%<sup>2</sup> of companies mention SDGs<sup>(1)</sup> in their reporting



Private and public sector on board

Sustainable finance policies are widespread and the pace is increasing

# Recent Policy Developments in Türkiye to set a ground for Sustainable Growth



## Climate Change Problems Observed in Türkiye

**Mucilage problem**, which is still ongoing in **Marmara Sea**

**Floods in Black Sea region** where 78 people lost their lives (2021)\*

**288 Wildfires** which burnt 202,300 hectare (2021)\*\*

Ratification of the Paris Agreement with 2053 target of Net-Zero

Climate Change addition was implied on Environment & Urbanisation Ministry's name

## Garanti BBVA Actions



**Collaboration with TURMEPA** to clean mucilage in Marmara Sea the surface



**Trainings organized to Industrial Zones** to support the transformation of waste water management



**Collaboration with TEMA** to donate 1 mn plants

## Green Deal Action Plan

32 objectives

81 actions

9 categories



CBAM

Green & Circular Economy

Green Financing

\*<https://www.afad.gov.tr/bartın-kastamonu-ve-sinopta->

\*\*<https://effis.jrc.ec.europa.eu/apps/effis.statistics/seasonaltrend>

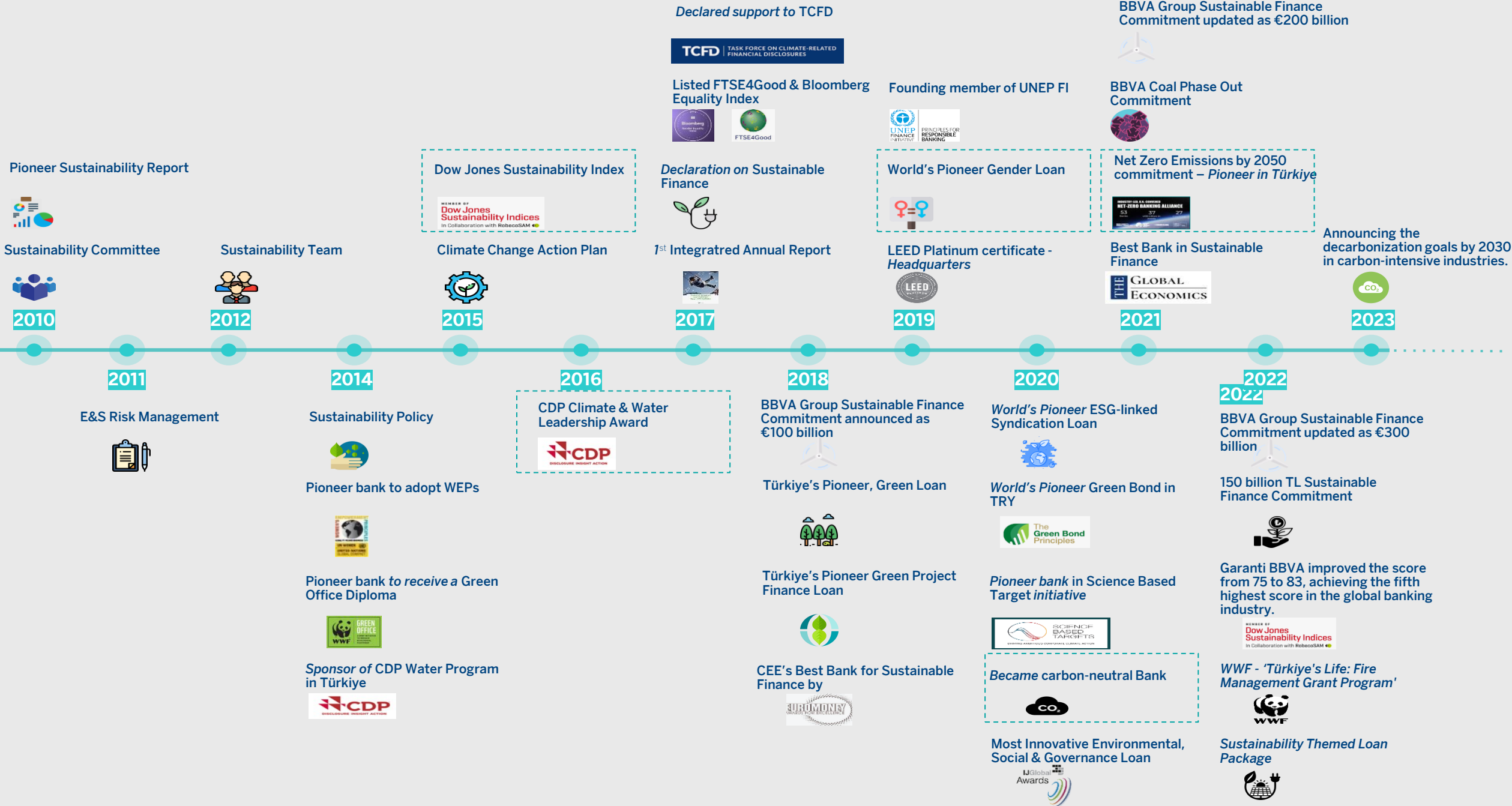


02.

Our Sustainability Journey  
Milestones



# Garanti BBVA's long standing trajectory in sustainability





# 03.

## Our Sustainability Strategy

# Sustainability, at the core of Garanti BBVA's strategy

## OUR PURPOSE

“ To bring the age of opportunity to everyone

## OUR LEAD STRATEGIC AREAS

- Helping our clients' transition towards a sustainable future with our advisory role
- Increase the diversity and the use of our sustainable products
- Observe and manage climate-change related risks of our portfolio and our direct impact
- Increase public awareness and responsibility on sustainability and inclusive growth





# Our transition to low-carbon economy



Climate Change  
Action Plan



E&S Risk  
Management



Sustainable  
Finance



Prioritizing Renewable Energy &  
Putting a Shadow Price on Carbon



Reducing Deforestation



Environmental & Social  
Loan Policies



Environmental & Social Impact  
Assessment System



Innovative financing  
mechanisms such as Green  
Loan, Sustainability Loan, etc.



Decarbonizing our portfolio



Establishing Green Office  
Standards



Managing Water-related  
Risks



Sector Norms



Updated Policies & PACTA



Raising awareness &  
building capacity



Transforming the sector

**Not financing  
New Coal Investments  
from 2021**

**Coal Risk Phase Out  
Plan by 2040**

**Net Zero Emission  
Target by 2050**

# Our Sustainability Accomplishments



Neutral Bank in direct emissions in scope 1 & 2 \*and part of scope 3\*\* as of 2020



First Turkish signatory of UN Net Zero Banking Alliance (NZBA)



100% Renewable Energy in new Project Finance Loans since 2014



\*Scope 1-2: This indicator is the GHG emissions (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O and f-gases) from energy consumption from fossil fuel sources for heating, generators, leased vehicle fleet in commercial use and refrigerants for Scope 1, and purchased electricity by Garanti BBVA's operations in Türkiye (Headquarters, service buildings, branches and ATMs) for Scope 2

\*\*Scope 3: Scope 3 emissions related to business air travel by Garanti BBVA employees is reported following the guidance in GRI 305-3 and the GHG Protocol (2015) defined as .

# Limiting direct impact of the Bank..

Purchased carbon credit for the emissions in 2022 and **became a carbon-neutral bank**

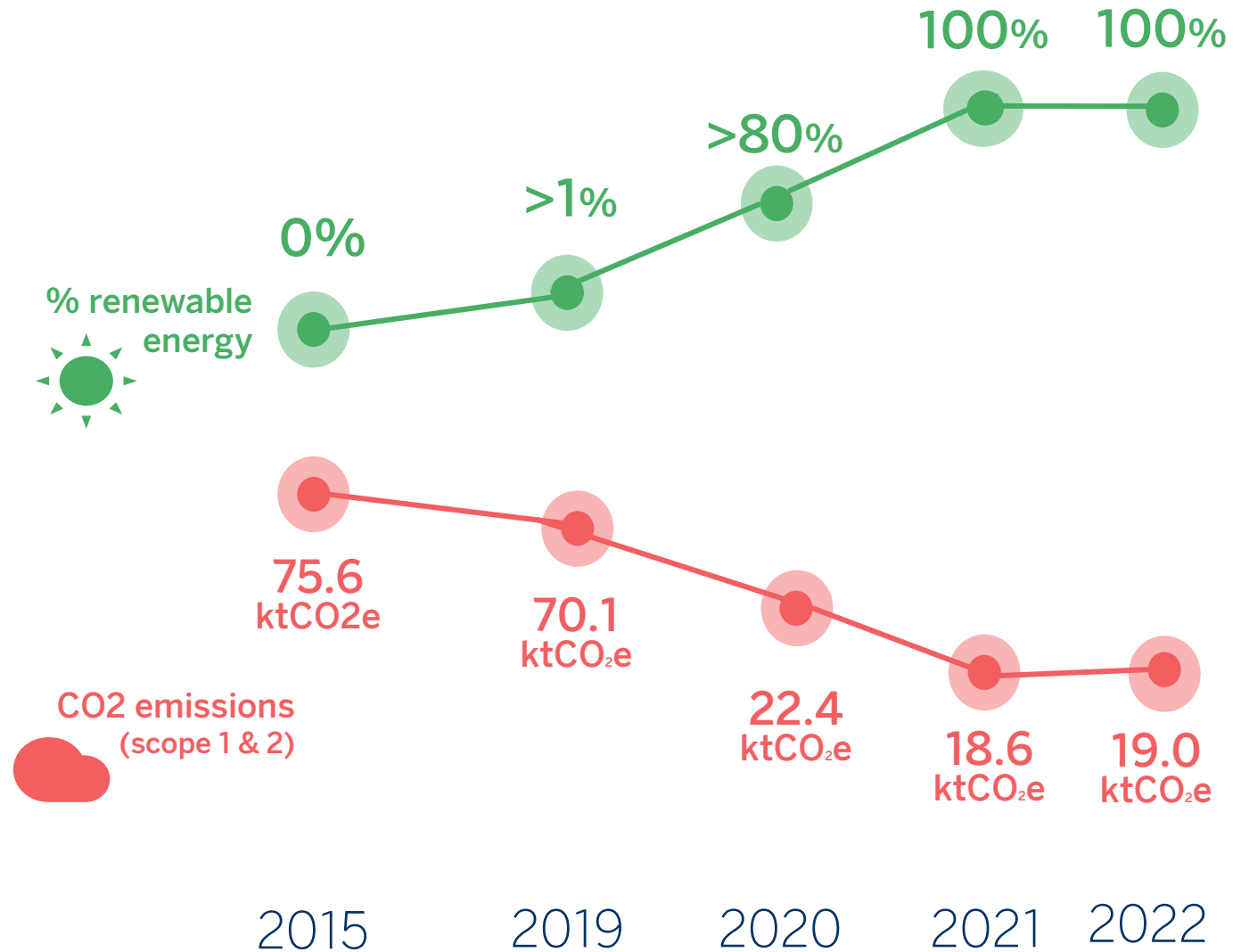
Used **100% renewable energy** for its electricity consumption (proven by IREC certificate)

**Remote Eye System** for limiting electricity consumption at 300 locations **saved 22%** from electricity consumption

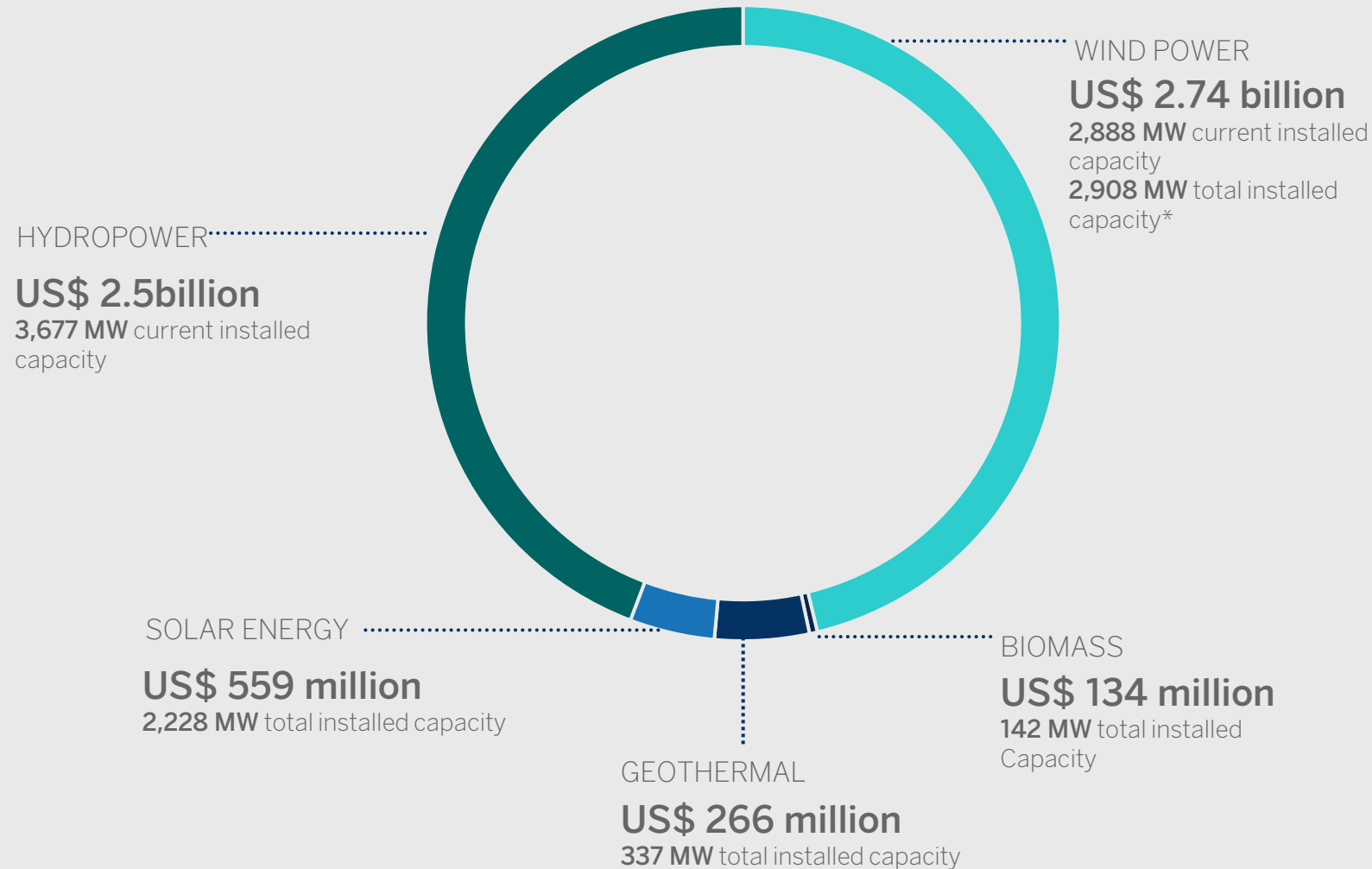
Thanks IREC Certification **43,879 tCO<sub>2</sub>e** carbon emission, which corresponds to the amount of greenhouse gas that approximately 2.7 million trees can reduce, has been prevented.

The Basic Level Zero Waste for Zincirlikuyu Headquarters and Pendik Campus buildings.

Since the Bank's Environmental Management System was implemented in 2012, the Bank's carbon intensity has decreased by 97%.



# Renewable Energy Financing



## 100% Renewable Energy

*in new Project Finance Loans since 2014*



## US\$6.26 billion

*financing to renewable energy to date*



## Market Leader

*in wind PP financing with 25.3% market share*








## 14.05 million tCO2e

*avoided in 2022*





# Progressive alignment of our portfolio with the goals of the Paris Agreement\*

	Emission Metrics	Scope of Emission	BBVA Baseline (2022)	Garanti BBVA Baseline (2022)	Garanti BBVA Baseline (06/23)	Benchmark Scenario	Reduction Target by 2030
 Energy	kgCo2e/MWh	1+2	212	388	250	IEA Net Zero 2050	(-72%)
 Automotive	gCo2e/km	3	195	182	172	IEA Net Zero 2050	(-40%)
 Iron & Steel	kgCo2e/Tiron&steel	1+2	1.140	1.096	1.295	IEA Net Zero 2050	(-10%)
 Cement	kgCo2e/Tcement	1+2	690	726	726	IEA Net Zero 2050	(-20%)
 Coal			<p><b>Phase out plan already announced in March 2021</b>  <input type="checkbox"/> Phase-out of the sector by 2040</p>				

\*Calculated in line with PACTA methodology

# Sustainable Finance



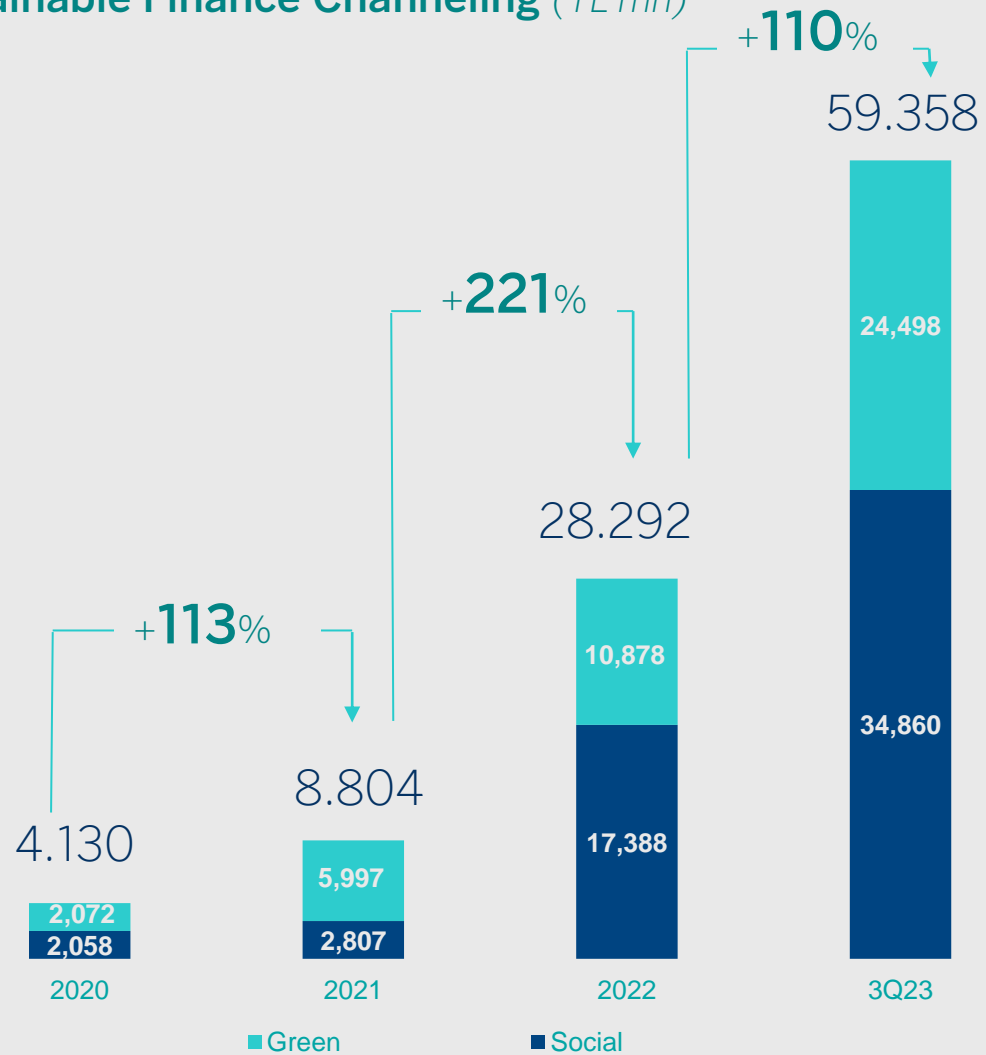
Garanti BBVA's 2018-25 Target: ~150 bn TL



In the first 3 quarters of 2023, the bank provided 59.4 bn TL in sustainable finance, including 12.4 bn TL green financing in CIB segment.



### Sustainable Finance Channeling (TL mn)



Garanti BBVA's 2018-25 Goal is ~150 bnTL (current 105 bn TL)\*



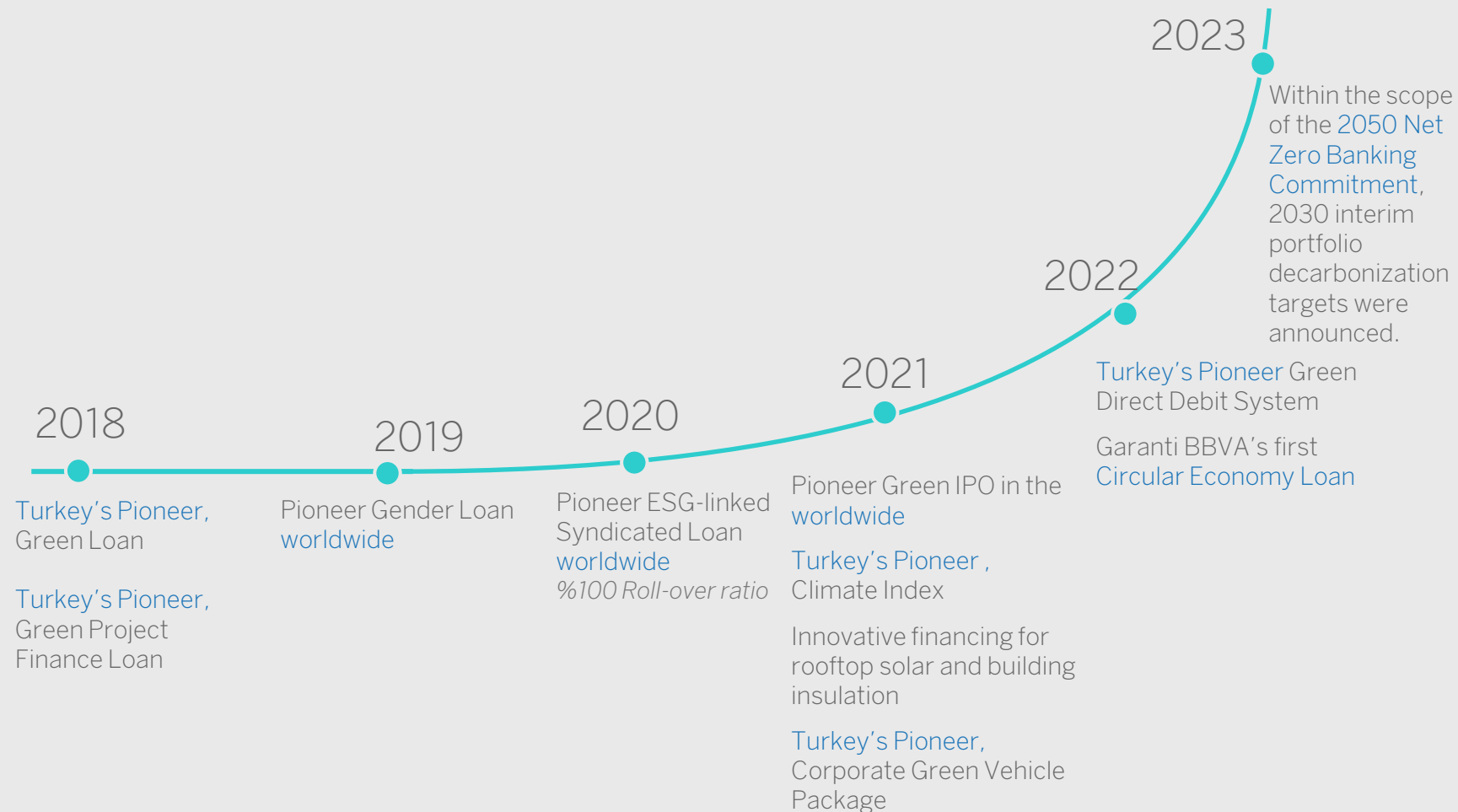
GREEN  
%46

Social  
%54



\*As 30.09.2023

# A pioneer in innovative sustainable products



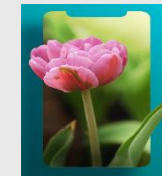
## New sustainable solutions for all clients



Sustainability-Themed Loan Package to support customers, who want to reduce their greenhouse gas emissions, in cooperation with TSE.



Carbon footprint calculator for corporates & SMEs & Enterprises



Agreement with Erguvan, Türkiye's Pioneer digital carbon credit trading platform

**Garanti BBVA offers a sustainable alternative for all its main products**



## Appendix

Pg. 18-19 Initiatives & Rewards & Indices

# We are a part of major international initiatives



Member  
CDP Climate Change  
CDP Water Program



Member  
Paris Pledge  
for Action



Member  
Net-Zero Banking Alliance  
Steering Group



Member  
UNEP FI Banking  
Principles Core Group



Member  
30% Club Türkiye



Member  
International Integrated  
Reporting Council (IIRC) -  
Pilot Program



Member  
Business World and Sustainable  
Development Association  
(SKD Türkiye)



Supporter  
TCFD Recommendations



Signatory  
Since 2012



Committed  
Since 2016

# Rewarded internationally for its sustainability focus

## SUSTAINABILITY INDICES ON WHICH GARANTİ BBVA IS LISTED

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

Only company from  
Türkiye to be in place for  
8 consecutive years



Only bank from  
Türkiye in 2022



Only company from  
Türkiye to be in place for 7  
consecutive years



FTSE4Good



KURUMSAL YONETİM ENDEKSİ

SÜRDÜRÜLEBİLİRLİK ENDEKSİ

SÜRDÜRÜLEBİLİRLİK 25 ENDEKSİ

## SUSTAINABILITY AWARDS



Best Bank for Sustainable Financing,  
(2022)



Best Sustainable Finance Bank in  
Central and Eastern Europe  
(2020)



Best Sustainable Finance Bank in  
Central and Eastern Europe  
(2020 & 2018)



Best Sustainable Finance Bank in  
Türkiye  
(2020)



ESG Deal of the Year (*with ESG-  
linked Syndication Loan*)  
(2021)



Investment Leader of the Year (*via  
Ebru Dildar Edin*)  
(2021)



Most Innovative Environmental,  
Social and Governance Loan  
(2020)



UNGC Ukraine Local Network –  
People Category Partnership  
(2020)

The background is a solid teal color with several green leaves scattered across it. The leaves are of various sizes and orientations, some pointing towards the top, some towards the bottom, and some towards the sides. They have a natural, slightly textured appearance.

Thank You