

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⁽¹⁾ at heart



Sense of climate urgency

+2.7°C* Current climate trend⁽³⁾

+1.5°C* Global warming target for 2100

*Versus pre-industrial levels



Society calling for action

72%² of companies mention SDGs⁽¹⁾ 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-sinop-ta->

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



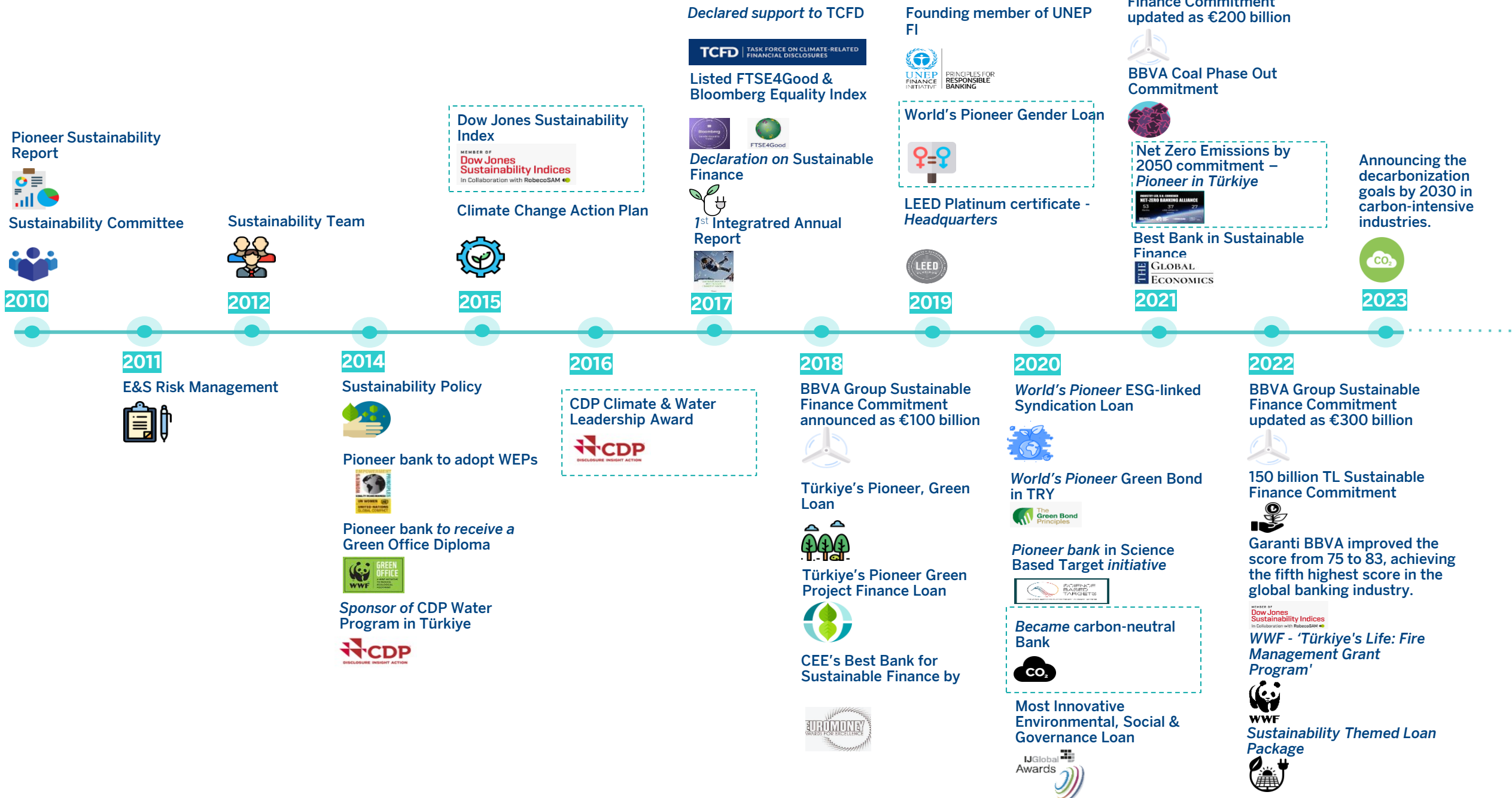
02.

Our Sustainability Journey
Milestones

Garanti BBVA's long standing trajectory in sustainability

Sustainability approach at Garanti BBVA

6





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



Prioritizing Renewable Energy & Putting a Shadow Price on Carbon



Reducing Deforestation



Establishing Green Office Standards



Managing Water-related Risks



E&S Risk Management



Environmental & Social Loan Policies



Environmental & Social Impact Assessment System



Sector Norms



Updated Policies & PACTA



Sustainable Finance



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



Decarbonizing our portfolio



Raising awareness & building capacity



Transforming the sector

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



Pioneer 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 (CO₂, CH₄ and N₂O 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**

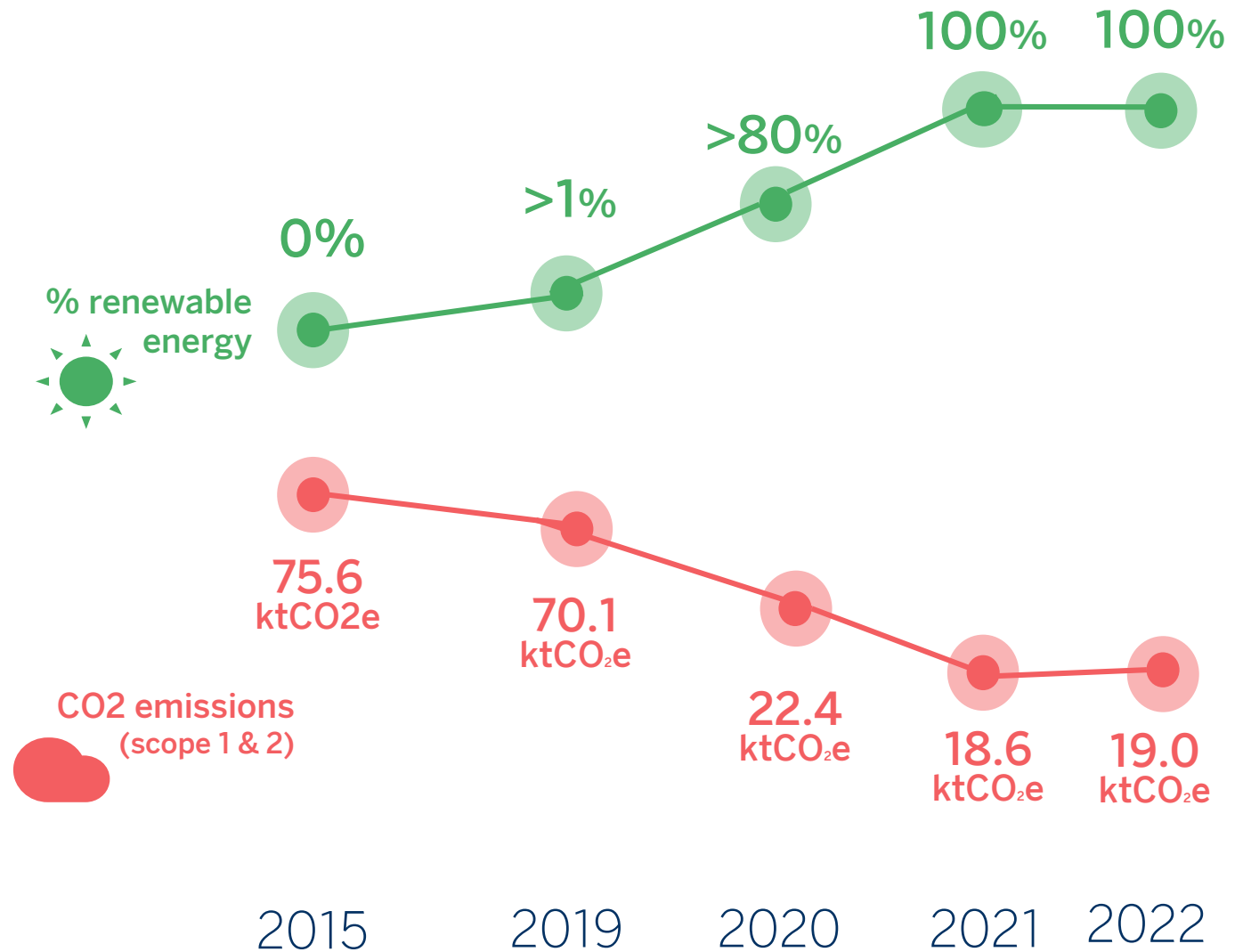
Used **100% renewable energy** for its electricity consumption (proven by IREC certificate)

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

Thanks IREC Certification **43,879 tCO₂e** 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



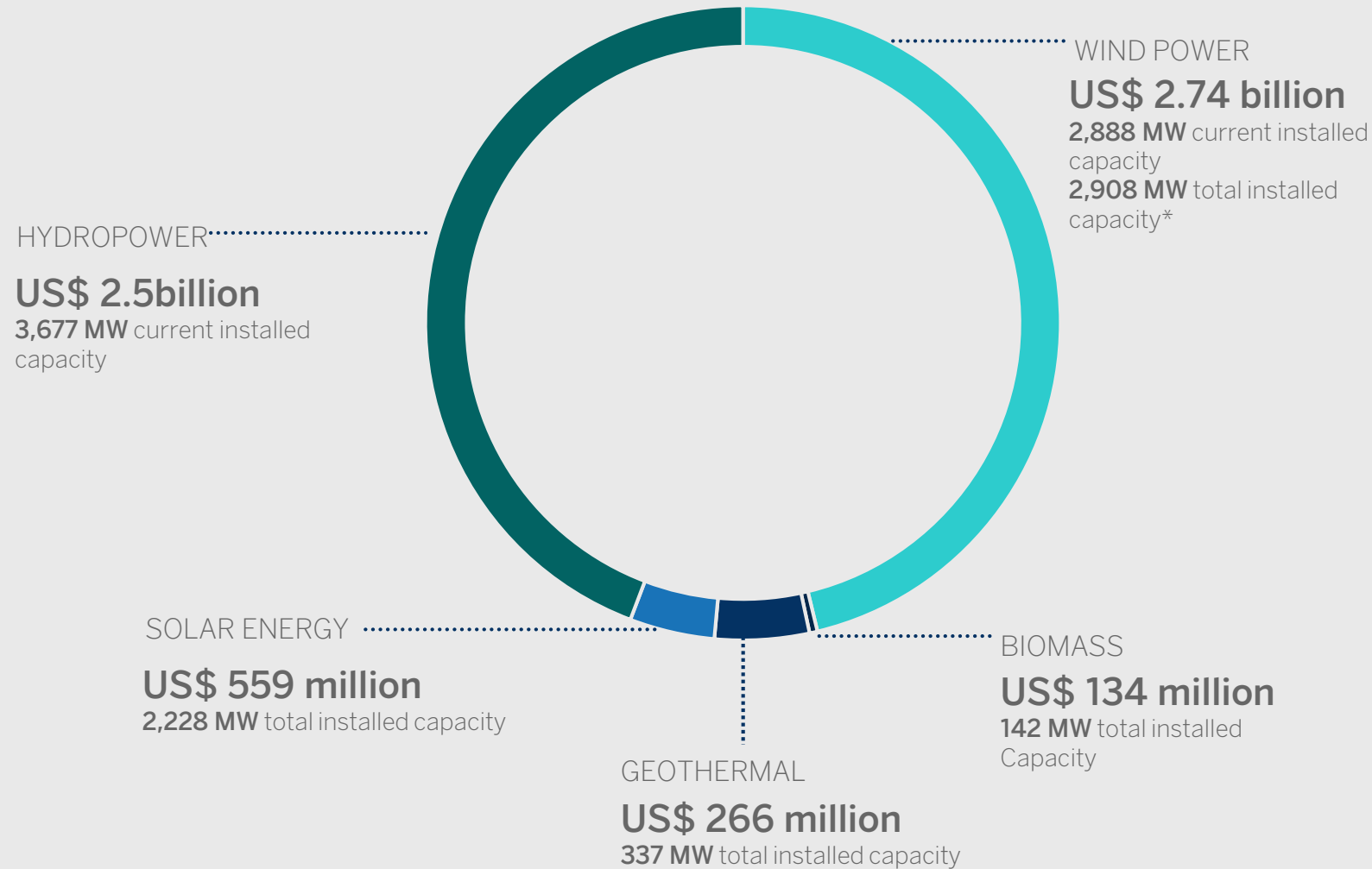
Market Leader

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	Garanti BBVA Baseline (2022)	Benchmark Scenario	Reduction Target by 2030
 Energy	kgCo2e/MWh	1+2	388	IEA Net Zero 2050	(-72%)
 Automotive	gCo2e/km	3	182	IEA Net Zero 2050	(-40%)
 Iron & Steel	kg Co2e/Tiron&steel	1+2	1.096	IEA Net Zero 2050	(-10%)
 Cement	kg Co2e/Tcement	1+2	726	IEA Net Zero 2050	(-20%)
 Coal	Phase out plan already announced in March 2021 <input type="checkbox"/> Phase-out of the sector by 2040				

Sustainable Finance



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

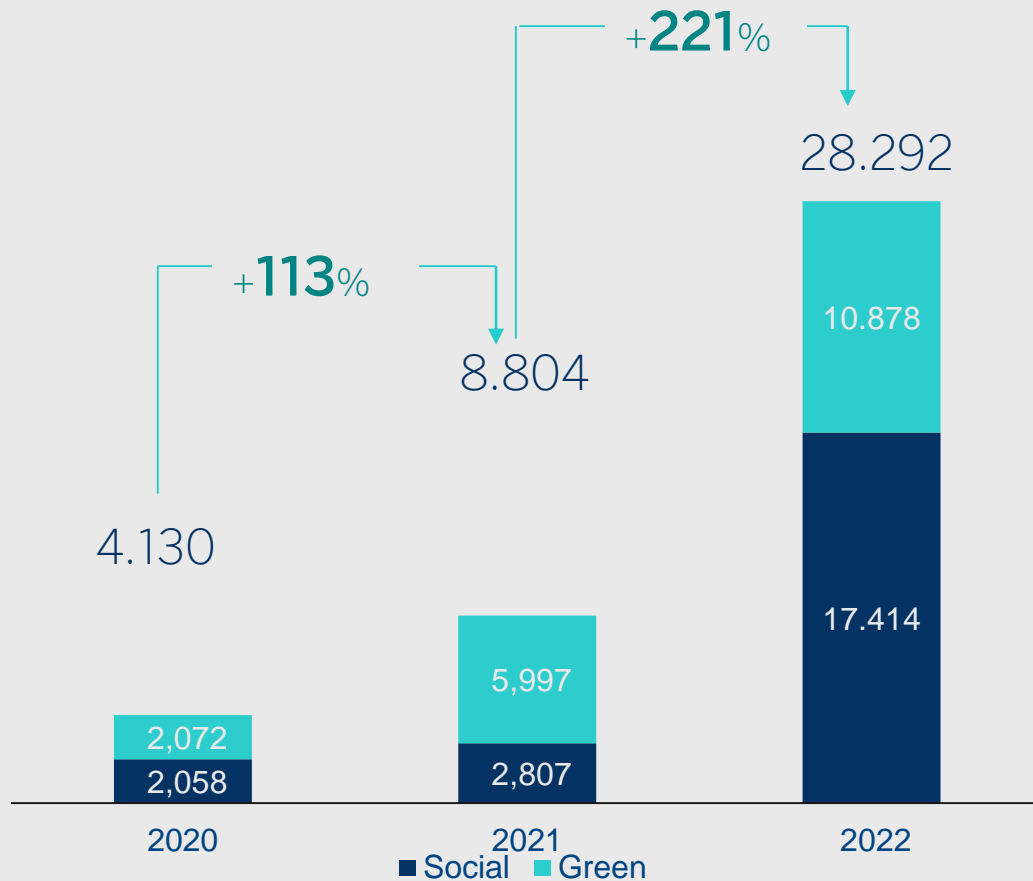


In 2022, the bank provided 28.3 bn TL in sustainable finance, including 4.6 bn TL green financing in CLB segment.



Sustainable Finance

Sustainable Finance Channeling (TL mn)



Garanti BBVA's **2018-25 Goal** is ~150 bnTL
(current 44 bn TL)*



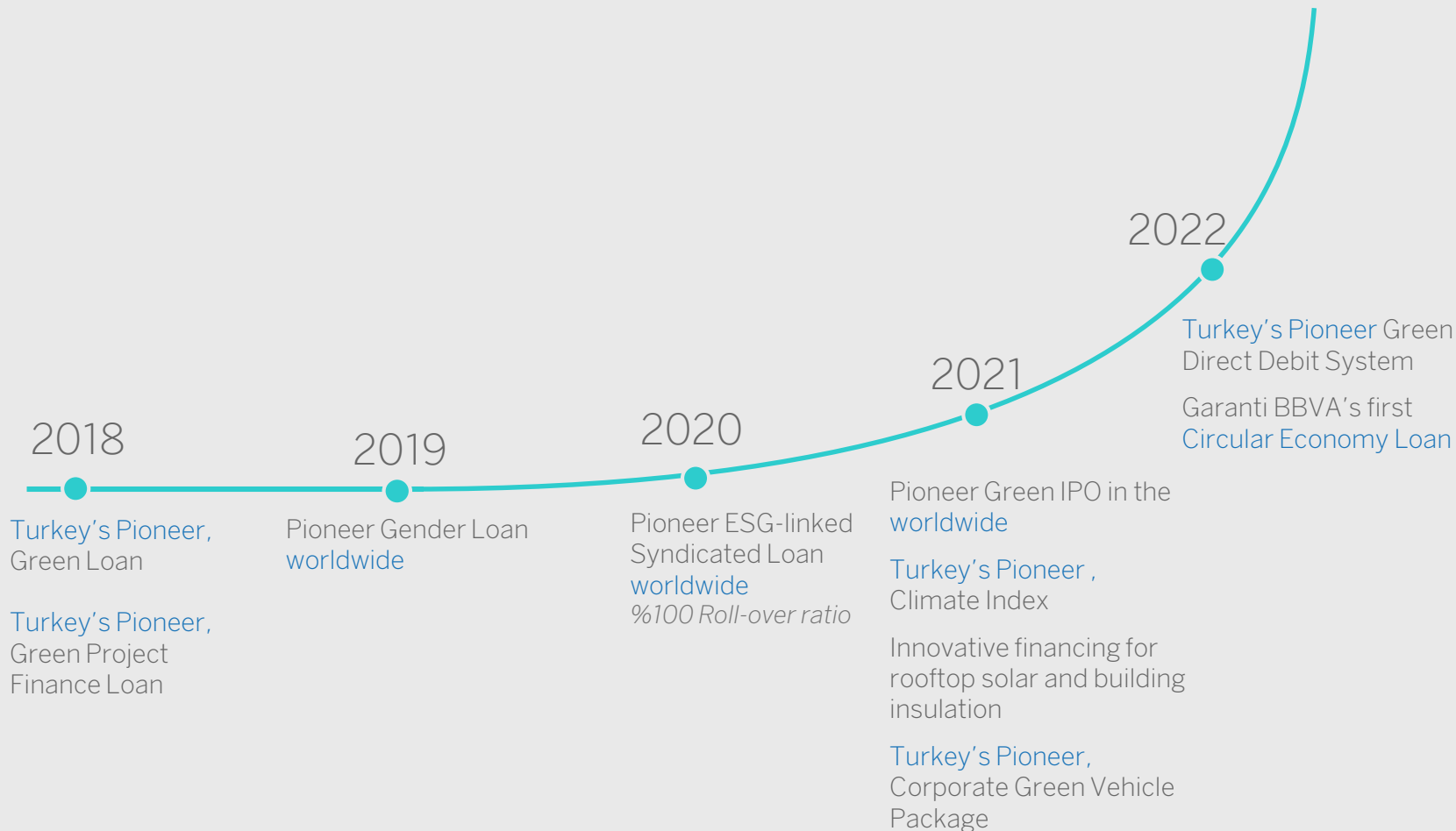
GREEN
46%

SOCIAL
54%



*As 31.12.2022

A pioneer in innovative sustainable products



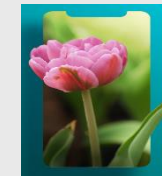
New sustainable solutions for all clients



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



THOMSON REUTERS



KURUMSAL YONETİM ENDEKSİ

SÜRDÜRÜLEBİLİRLİK 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. Scattered across the entire surface are numerous small, green, oval-shaped leaves. Each leaf has a slight shadow beneath it, giving it a three-dimensional appearance as if it's floating or lying on the surface. The leaves are oriented in various directions, some pointing towards the top, some towards the bottom, and some horizontally.

Thank You