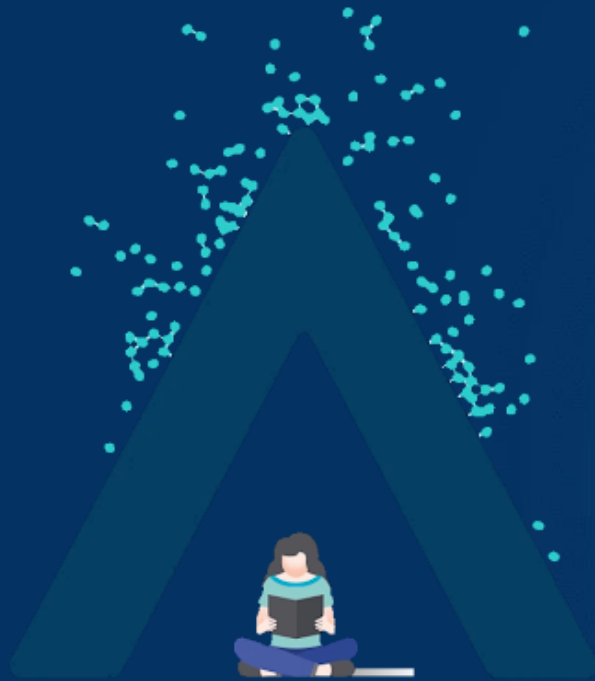


Garanti BBVA's Sustainability Approach





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

The year with the most extreme weather events of all time in Turkey was 2023, with **1475 extreme weather events** recorded.*

Turkey's average temperature in 2023 was 15.1°C, **1.2°C above** the 1991-2020 average of 13.9°C.*

A total of **3,400 hectares of forest, approximately the size of 4,500 football fields**, burned in the forest fires that occurred in 2023.**

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



The "**Forest Fire-Resistant Settlements**" was completed within the **scope of the** Türkiye's Life: Fire Management Grant Program carried out by **WWF-Turkey** with the financial support of Garanti BBVA.



Within the scope of the "**Blue Breath Project**" launched by **Garanti BBVA** in the Marmara Sea in cooperation with **Turkish Marine Environment Protection Association / TURMEPA** to reduce and prevent marine pollution, 200 tons of solid and liquid waste, equal to the daily production of approximately 177 thousand people, were collected between September 2021 and December 2023.

Green Deal Action Plan

32 objectives
81 actions
9 categories



CBAM
Green & Circular Economy
Green Financing

*<https://www.bloomberght.com/turkiye-de-asiri-hava-olaylari-2023-te-rekor-kirdi-2346873?page=2>

**<https://www.ekoiq.com/1-mayis-iklim-degisikligine-de-hayir-demek-icin/>



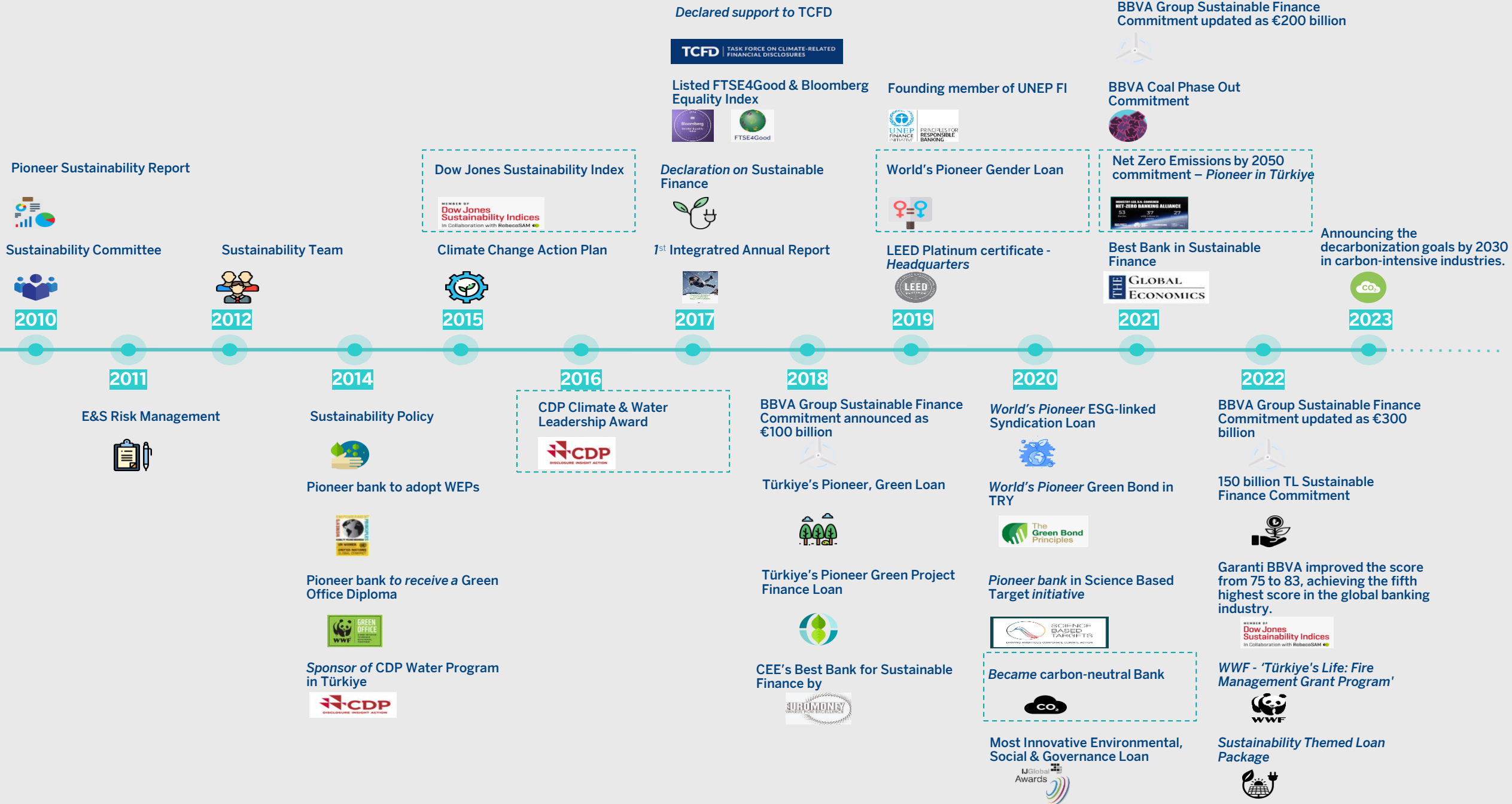
02.

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



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**

**Decarbonization targets for
Carbon-Intensive Sectors
announced for 2030**

**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 (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 2023 and **became a carbon-neutral bank**

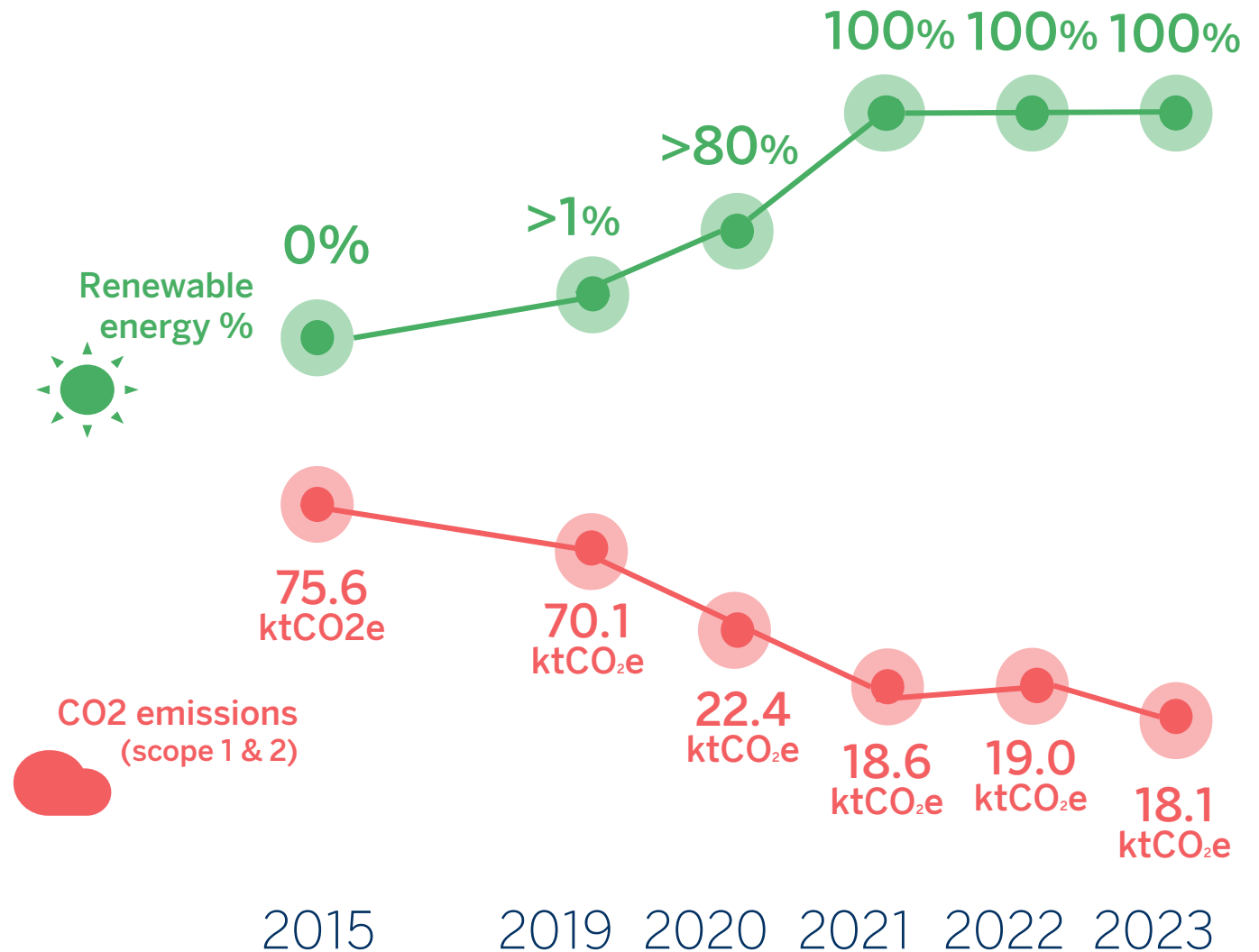
Used **100% renewable energy** for its electricity consumption (proven by IREC certificate)

Remote Eye System for limiting electricity consumption at 157 locations **saved 15%** from electricity consumption

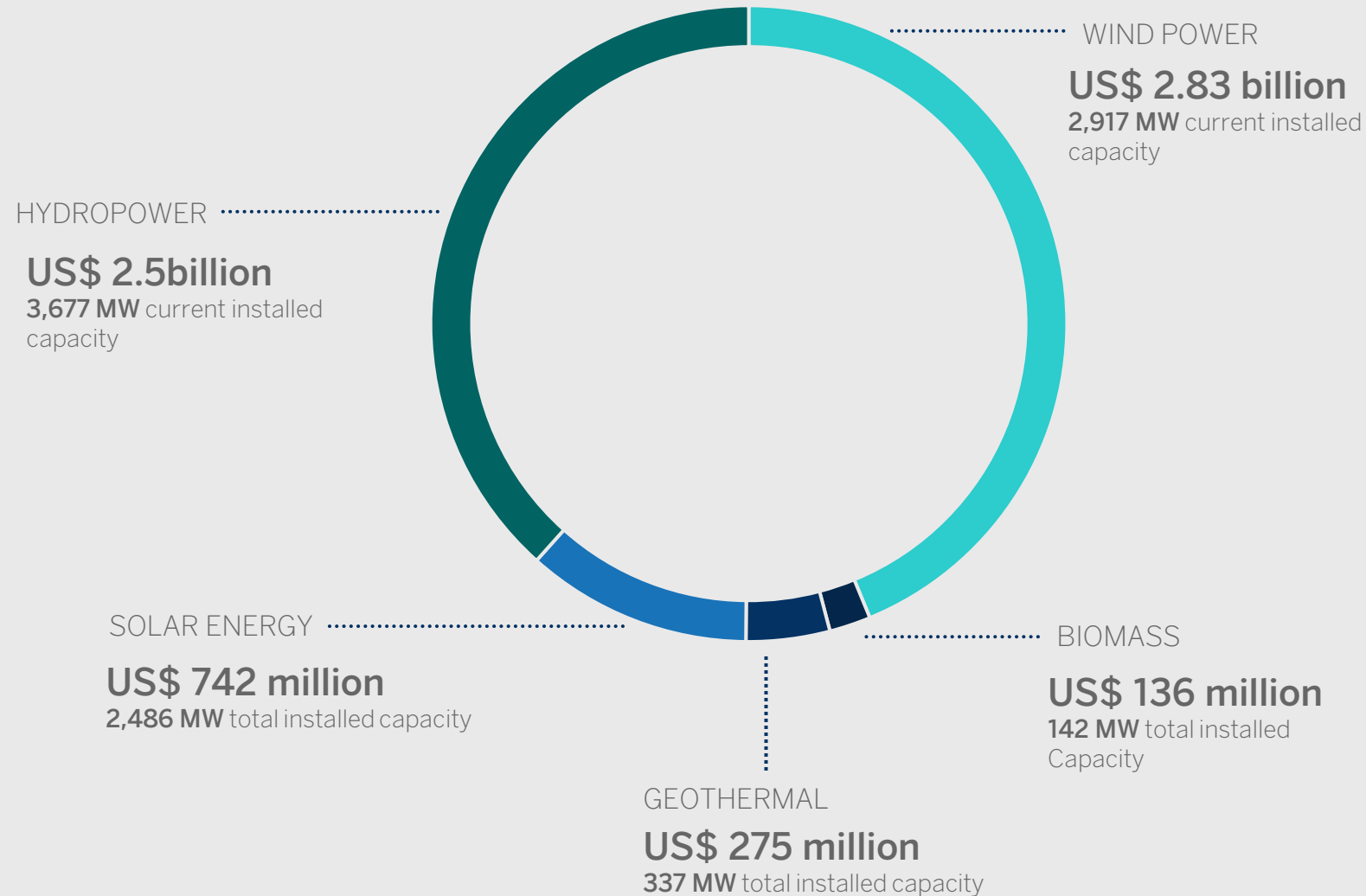
Thanks IREC Certification **43,000 tCO₂e** carbon emission, which corresponds to the amount of greenhouse gas that approximately 2.7 million trees can reduce, has been prevented.

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 98%.



Renewable Energy Financing



100% Renewable Energy
in new Project Finance Loans since 2014



US\$6.47 billion
financing to renewable energy to date



24.6%
market share in wind PP financing








14.65 million tCO2e
avoided in 2023





2030 Decarbonization Target

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

	Emission Metrics	Scope of Emission	Garanti BBVA Baseline (2022)	Garanti BBVA Progress (2023)	Benchmark Scenario	Reduction Target by 2030
 Energy	kgCo2e/MWh	1+2	388	339	IEA Net Zero 2050	(-72%)
 Automotive	gCo2e/km	3	182	179	IEA Net Zero 2050	(-40%)
 Iron & Steel	kg Co2e/Tiron&steel	1+2	1.096	1.320	IEA Net Zero 2050	(-10%)
 Cement	kg Co2e/Tcement	1+2	726	726	IEA Net Zero 2050	(-20%)
 Coal						
<p>Phase out plan already announced in March 2021</p> <p>☐ Phase-out of the sector by 2040</p>						

*Calculated in line with PACTA methodology

Sustainable Finance



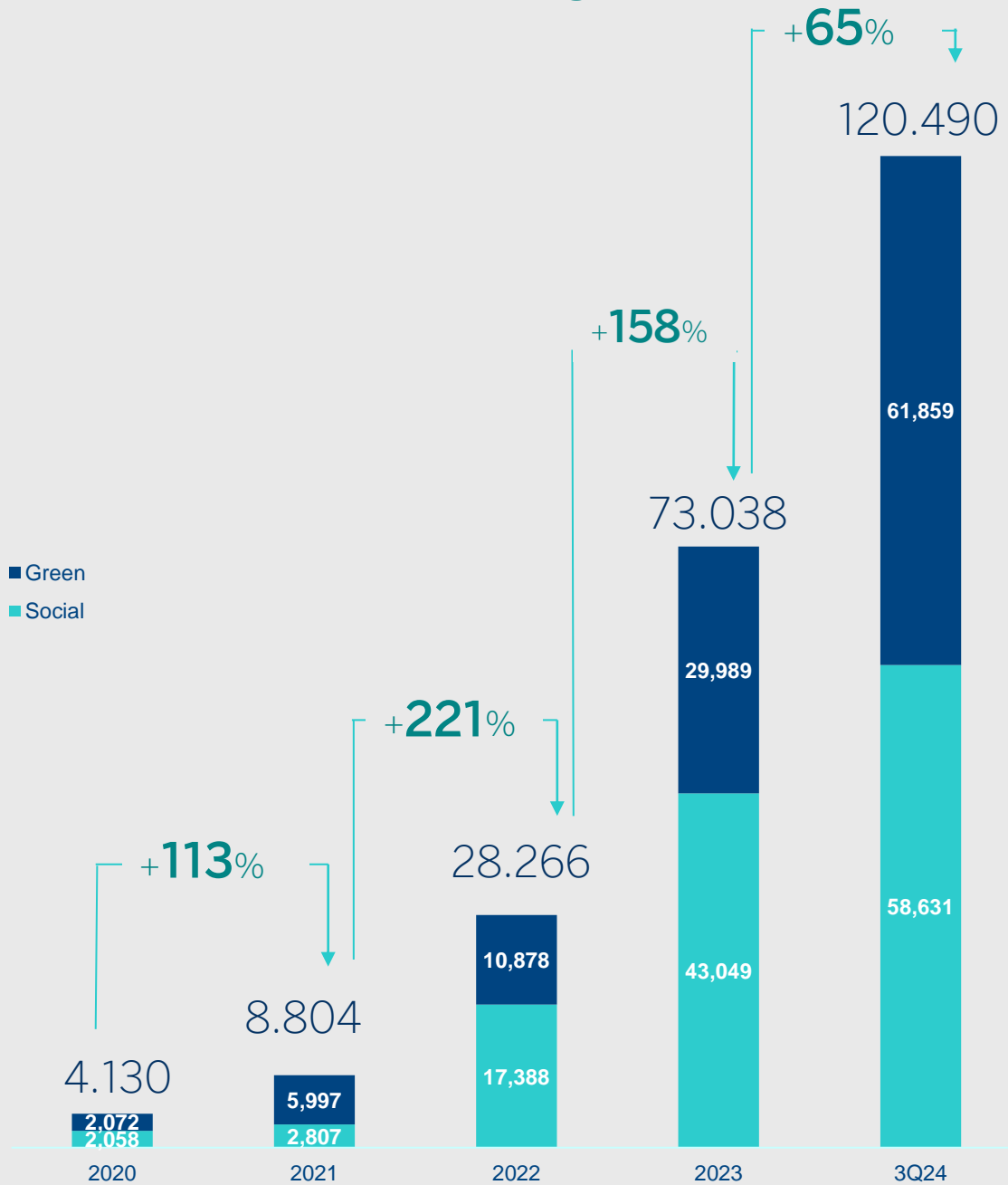
Garanti BBVA's 2018-25 Target: ~400 bn TL



In Q1-Q3 2024, the bank provided 120.4 bn TL in sustainable finance, including 25.7 bn TL green and social financing in CIB segment.



Sustainable Finance Channeling (TL mn)



Garanti BBVA's 2018-25 Goal ~400 bn TL
(current 240 bn TL)*



GREEN
%47

SOCIAL
%53

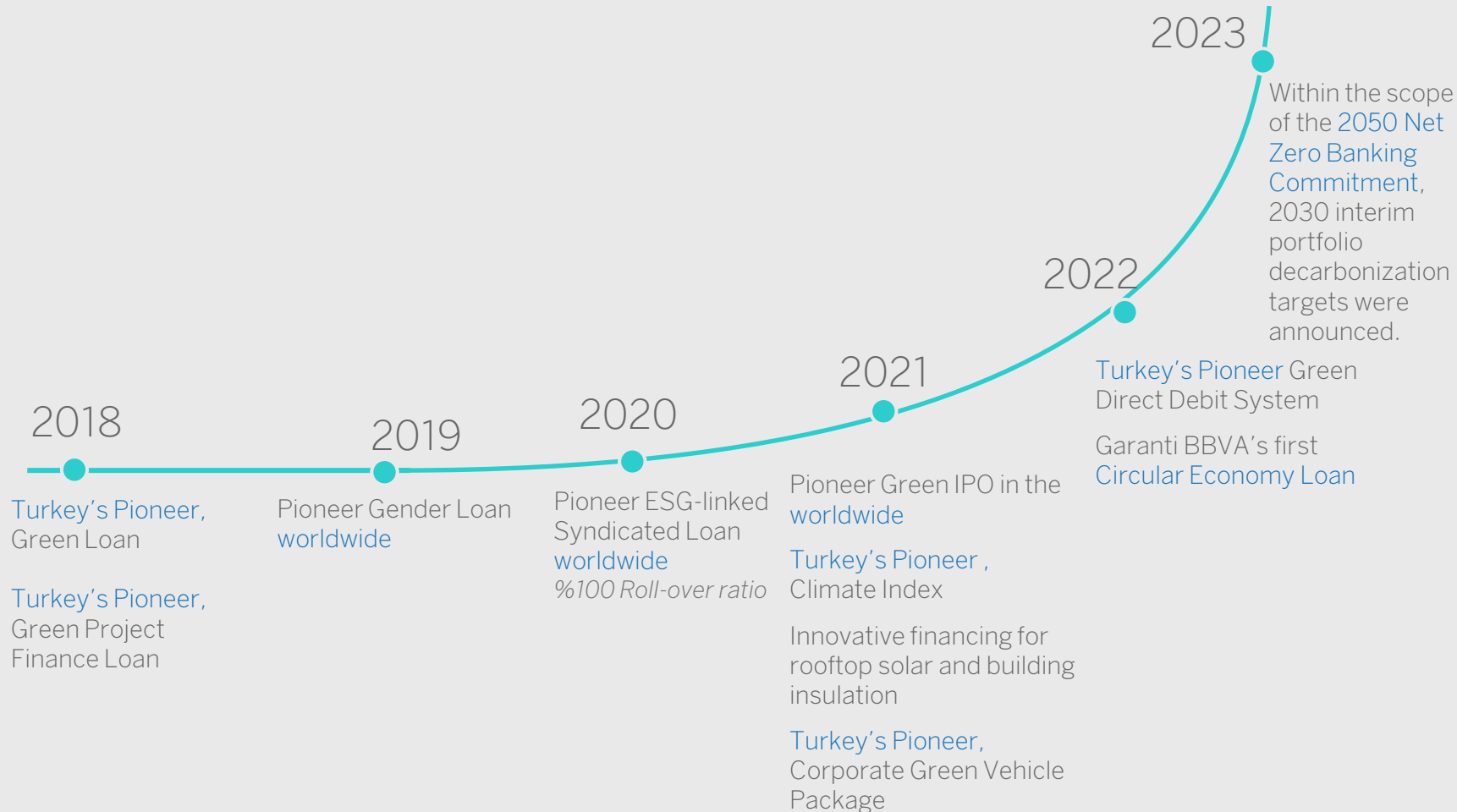
TL ~240 bn
Channeled since 2018



TL400 bn
Goal until 2025

*As of 30.09.2024

A pioneer in innovative sustainable products



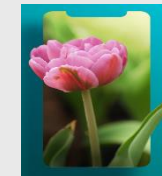
New sustainable solutions for all clients



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



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

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

The bank with the highest
score in Türkiye



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



FTSE4Good

REFINITIV



THOMSON REUTERS



KURUMSAL YONETİM ENDEKSİ

SÜRDÜRÜLEBİLİRLİK ENDEKSİ

SÜRDÜRÜLEBİLİRLİK 25 ENDEKSİ

SUSTAINABILITY AWARDS



Turkey's Best Private Bank in
Sustainable Finance (2024)



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)



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



Most Innovative Environmental,
Social and Governance Loan
(2020)



UNGC Ukraine Local Network –
People Category Partnership
(2020)



Best Sustainable Finance Bank
in Türkiye
(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 the impression of floating or falling. The leaves are distributed fairly evenly across the frame.

Thank You

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