

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Established in 1946, Garanti BBVA is Turkey's second largest private bank with consolidated assets

close to TRY 1.304 trillion (USD 70 billion) as of December 31, 2022. Garanti BBVA is an integrated financial services group operating in every segment of the banking sector including corporate, commercial, SME, payment systems, retail, private and investment banking together with its subsidiaries in pension and life insurance, leasing, factoring, brokerage and asset management, besides international subsidiaries in the Netherlands and Romania. Its custom-tailored solutions and wide product variety play a key role in reaching TRY 974 billion performing cash loans and non-cash loans. The Bank has a leading position in key banking service areas:

- Largest private bank in TRY lending with 19.7% market share among peers.
- Highest TRY customer deposit base among private peers with 18.6% market share
- Leadership in consumer loans with more than 22 million retail customers
- 18.4% market share in TRY business banking
- Ranks #1 in Brand Power amongst private peers and #1 in SME, Commercial & Mobile banking NPS

Garanti has Banco Bilbao Vizcaya Argentaria S.A. (BBVA) as its majority shareholder with 85.97% share. Its shares are publicly traded in Turkey, and its depositary receipts are listed on the OTC (Over-The-Counter) Markets in the USA. Garanti BBVA has an actual free float of 14% in Borsa Istanbul as of December 2022. On 15 November 2021, the voluntary tender offer process was launched by BBVA for the entire share capital of Garanti BBVA ("VTO") and approved by the Capital Markets Board of Turkey in accordance with the Communiqué on Takeover Bids. Every policy and business process adopted & accepted by BBVA is also considered valid by Garanti BBVA unless otherwise stated.

As of December 31, 2022, Garanti BBVA provides a wide range of financial services to its +23 million customers with 18,544 employees through a distribution network of 829 domestic branches, 8 foreign branches, 7 in Cyprus and one in Malta, and 1 international representative office. The Bank offers an omni-channel convenience with seamless experience across all channels with 5,450 ATMs, an award-winning Call Center, internet, mobile and social banking platforms, all built on cutting-edge technological infrastructure. Moving forward to maintain sustainable growth by creating value for all its stakeholders, the Bank builds its strategy on the principles of always approaching its customers in a transparent, clear and responsible manner, improving customer experience continuously by offering products and services that are tailored to their needs. The Bank carries on with its support to sustainable development focusing its efforts on combating climate change and inclusive growth for 16 years to support sustainability, which is one of its strategic goals. The Bank has several strategic approaches for sustainability which are:

- Positively influence customers, decision-makers, and the sector being the leading bank in sustainability; continue to support raising increased awareness of this matter
- Increase the diversity and use of our sustainable products offered to customers
- Observe climate change-related risks and opportunities; integrate them into the business processes and risk policies
- Focus on community investment programs that deliver impactful outcomes on material topics and observe impact investment principles.

Since 2014, the Bank has been qualified for BIST Sustainability Index and Corporate Governance Index. The Bank continues to be the only company from Turkey listed for the 8. consecutive time in the Dow Jones Sustainability Index, this year with a record score of 83 points, the fifth-highest among global financial institutions, with valuation on topics such as ethics, governance, financing activities, E&S performance throughout the value chain, risk management, climate change mitigation, transparency, supply chain, and human and employee rights. The Bank continues to be the only bank from Turkey listed in the Dow Jones Sustainability TM Emerging Markets Index. In 2021, Garanti BBVA Climate Index was created to measure the price and return performance of the portfolio consisting of the shares of companies traded on Borsa Istanbul, which transparently declare their risks & opp. according to the CDP methodology. In March 2021, Garanti BBVA reaffirmed its commitment against climate change and announced that it will stop financing coal-related activities. In September, the Bank became the first company from Turkey to make a commitment to the Net Zero Banking Alliance. Garanti BBVA's commitments include aligning its portfolio with net zero by 2050. In 2022, the Bank has started to work on its first interim NZBA decarbonisation targets for 2030 in five carbon-intensive sectors, calculated according to PACTA methodology, becoming the first bank to publish these in Turkey.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	TRAGARAN91N1

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	<p>As a company operating in the banking sector, fresh water is not an input that will directly affect our operational processes. The primary use of water in direct and indirect operations and its importance for the Bank: Enough good quality fresh water available for use is important for employee consumption, sanitation, and landscaping. While the primary use of fresh water is not counted as direct operational input, access to a good quality freshwater source is critical to water sanitation, hygiene, and employee health. So, importance rating is determined as "important" in terms of direct operations and taking necessary precautions to supply good quality water for its employee. To provide good quality water, a reverse osmosis treatment plant was implemented in the Zincirlikuyu Head Office building. We care about water security management in the companies we finance. Industries where water management is important, such as textiles, mining, agriculture, and energy (especially hydroelectricity), account for approximately 25% of our loan distribution. Good quality freshwater is an important input for companies in our value chain. So, it is considered "important" for Garanti BBVA and attention is paid to areas such as purchasing, lending, and portfolio management.</p> <p>According to the Falkenmark Index and WRI Aqueduct Tool, Turkey is one of the countries experiencing water stress. Marmara region, where Garanti BBVA's Head Office buildings and many other real estates are located, is a region marked as absolute famine/scarcity and a threat to Garanti BBVA's business continuity. In particular, the inability to provide sufficient water to employees will lead to interruptions in the continuity of the business. A resource tracking system was established and implemented to develop the Global Eco Efficiency Plan, which also includes water use targets. We do not expect a significant difference in water use, yet water availability will affect the direct & indirect operations.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	<p>Primary use of recycled/brackish/produced water in direct and indirect operations and its importance for the Bank: As a financial institution, recycled, brackish and/or produced water do not have a significant impact on financial and operational activities. However, as a best practice Garanti BBVA collects rainwater and the wastewater of the cooling tower at its Zincirlikuyu Head Office and Pendik Technology Campus for landscape irrigation. We do not expect any difference in recycled/brackish/produced water dependency for both direct & indirect operations, yet planned to increase the number of collection systems for facilities. Garanti BBVA is investigating the opportunities of reuse and recycling projects. This is in the feasibility stage with regards to some reuse and recycling projects in its headquarters in the next reporting periods. Since Garanti BBVA operates in the financial sector and recycled, brackish and produced water is not of high importance in its operations, the rank of importance determined as "neutral" for both its direct and indirect operations. As Garanti BBVA's core business activities will remain the same, the future importance of water use has been designated as "neutral" and no major changes are expected.</p>

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Garanti BBVA collects water data from its buildings and branches via monthly water bills.	As one of our environmental key performance indicators, we track water withdrawal volume and include in our reports. Water bills are used as a tracking method and the frequency of monitoring is done monthly. 2022 water consumption data is verified by a third party as indicated in the Annual Report. Here the term "water consumption" refers to "water withdrawal" which is defined as "the sum of all water drawn into the boundaries of the organization. Garanti BBVA aims to keep daily water consumption under control by lower flow rate faucets. Mains water is treated and used as drinking water at the head office building, which is not a widespread practice in Turkey where most drinking water is purchased.
Water withdrawals – volumes by source	100%	Monthly	Water withdrawal is not the primary input in our operations, but we regularly track this information from monthly water bills at 100% of our facilities	All facilities use municipal water and the withdrawal is measured and monitored on a monthly basis. In our operations, only the municipal network is used for water withdrawal at all facilities. The source of the water used in the facilities is followed by the state institutions. Throughout Turkey, Water and Sewerage Administration organizations disclose information on water withdrawn from each dam and annually report dam occupancy rates and water quality. This information can be obtained from the relevant reports for all our operating facilities. In our operations located Municipality draws water from the water bodies in Turkey. There are several dams located in each area therefore It is not possible to determine exactly which dam the water used in these facilities comes from.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Monthly	In our operations, only the municipal network is used for water withdrawal at all facilities. The municipalities ensure that water sent to the mains complies with these water quality parameters. Municipalities has to conduct analysis according to regulation before the distribution. Water withdrawal qualities publicly available on relevant municipalities webpage.	Before the water is given to the network, it is treated at the municipality's treatment facilities. Any untreated water is not supplied to the network. It should be noted that there is a certain limitation in the withdrawal of water from the basins and all basins are secured under the Regulation on the Protection of Basins Used for Drinking and Potable Water Purposes. Garanti BBVA implements additional treatment through a reverse osmosis system (ROS) in order to further improve the water quality. In this regard, Garanti BBVA has installed a ROS in Zincirlikuyu HQ building to provide good quality water ready for use by increasing the quality of the water supplied. Maintenance and controls of the ROS are carried out monthly, and analysis reports have been shared with all employees.
Water discharges – total volumes	100%	Monthly	100% of generated wastewater from Garanti BBVA facilities is discharged directly to the municipal sewage system. It ends up at the municipal treatment plants. 100% of wastewater arising from our locations is discharged to treatment plants. Water bills are used as a tracking method for water discharge.	Water bills are used as a tracking method for water discharge. Since the water bills are shared monthly, the frequency of monitoring is done monthly. The urban water and sewage administrations in metropolitan cities are responsible for constructing, operating, monitoring, and maintaining the water supply and treatment facilities. Within our organization, total water consumption is discharged directly to the municipal sewage system and monitored by the monthly water bills.
Water discharges – volumes by destination	100%	Monthly	100% of generated wastewater from Garanti BBVA facilities is discharged directly to the municipal sewage system. It ends up at the municipal treatment plants. 100% of wastewater arising from our locations is discharged to treatment plants. Water bills are used as a tracking method for water discharge.	Generated wastewater has a domestic characteristic. So, wastewater is discharged directly to the municipal sewage system. The destination of wastewater discharge at the facilities is the relevant sewage line at the site of the facility. The sewage line ends up in the municipal wastewater treatment plants. 100% of total water consumption is discharged to the sewage and monitored monthly from municipality water bills.
Water discharges – volumes by treatment method	100%	Monthly	Garanti BBVA discharges its wastewater to the sewer line of the relevant municipality and ends at municipal wastewater treatment plants. Sewage line and treatment plants are under the control of municipalities. For this reason, measurements are made under the control of municipalities.	The configuration of municipal wastewater treatment plants may vary yet, it is known that biological treatment is dominant in municipal wastewater treatment plants in Turkey. According to the Turkish Statistical Institute Database, wastewater treatment systems consist of 56% biological, 18% natural, 21% advanced, and 5.6% physical treatment systems based on the most up-to-date data provided by the Ministry of Environment. In this context, water withdrawal equals water discharge by volume. Since the municipality carries out treatment to fulfill the required wastewater discharge parameters included in the relevant local regulation, it is neither practical nor possible to track the wastewater discharged from our locations and determine at which treatment plant it is treated. https://data.tuik.gov.tr/Kategori/GetKategori?p=cevre-ve-enerji-103&dil=1
Water discharge quality – by standard effluent parameters	100%	Monthly	Wastewater generated in the bank is of domestic nature. For this reason, it discharges directly to the municipal sewer line. Since there is no industrial use, the characterization of wastewater does not change. Pollutants were classified and defined by taking samples with the methodology described in the Water Pollution Control Regulation.	Wastewater arising from Garanti BBVA locations is discharged to the sewage and it ends up at the municipal treatment plants. As an organisation in the banking sector, Garanti BBVA's water use is for drinking water, cooking and cleaning purposes. Since there is no production process etc., we can say that the wastewater characterization is domestic. All the generated wastewater is discharged to the municipal sewage system. The municipality monitors all wastewater discharged to the sewage system on a monthly basis depending on where it is located, and the effluent is compared to the discharge requirements to make sure the necessary level of water quality parameters is reached. Since the municipality carries out treatment to fulfill the required wastewater discharge parameters included in the relevant local regulation. For this reason, it is neither practical nor possible to track the wastewater discharged from our locations and determine at which treatment plant it is treated.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	100%	Monthly	Wastewater generated in the bank is of domestic nature. For this reason, it discharges directly to the municipal sewer line. Since there is no industrial use, the characterization of wastewater does not change. Pollutants were classified and defined by taking samples with the methodology described in the Water Pollution Control Regulation.	Wastewater arising from Garanti BBVA locations is discharged to the sewage and it ends up at the municipal treatment plants. As an organisation in the banking sector, Garanti BBVA's water use is for drinking water, cooking and cleaning purposes. Since there is no production process etc., we can say that the wastewater characterization is domestic. All the generated wastewater is discharged to the municipal sewage system. The municipality monitors all wastewater discharged to the sewage system on a monthly basis depending on where it is located, and the effluent is compared to the discharge requirements to make sure the necessary level of water quality parameters is reached. Since the municipality carries out treatment to fulfill the required wastewater discharge parameters included in the relevant local regulation. For this reason, it is neither practical nor possible to track the wastewater discharged from our locations and determine at which treatment plant it is treated.
Water discharge quality – temperature	100%	Monthly	Wastewater generated in the bank is of domestic nature. For this reason, it discharges directly to the municipal sewer line. Since there is no industrial use, the characterization of wastewater does not change. Pollutants were classified and defined by taking samples with the methodology described in the Water Pollution Control Regulation.	The municipality sewage system has been used for wastewater discharge. Since there has been no water usage for industrial purposes, no hot water discharge may cause thermal pollution by the Bank's activities. The municipality monitors all wastewater discharged to the sewage system on a monthly basis depending on where it is located, and the effluent is compared to the discharge requirements to make sure the necessary level of water quality parameters is reached.
Water consumption – total volume	100%	Monthly	Water consumption is measured monthly using a water balance which considers water withdrawals and water discharges.	The total water consumption of Garanti BBVA is the sum of consumption from various sources. Water consumption is measured by calculating the total volume withdrawn minus the total volume discharged. Water consumption at Garanti BBVA Facilities consists of the amount of water used for domestic purposes including (drinking, cooking, cleaning, lavatories and HVAC). Since the water bills are shared on a monthly basis, the frequency of monitoring is done monthly at all Garanti BBVA (Zincirlikuyu Head Office, Sivas Call Center, Pendik Technology Campus, Branches and other buildings).
Water recycled/reused	1-25	Monthly	Reused water is measured monthly based on the capacity of the collection tank.	As a financial institution, recycled, brackish and/or produced water does not have a significant impact on our financial and operational activities. However, as a best practice, Garanti BBVA collects rainwater and the wastewater of the cooling tower at its Zincirlikuyu HQ and Pendik Technology Campus for landscape irrigation. The amount of recycled water is 2%
The provision of fully-functioning, safely managed WASH services to all workers	100%	Monthly	Internal audits are conducted to measure the provision of fully-functioning, safely managed WASH services to all workers	Garanti BBVA provides fully functioning WASH services for all employees and a full-time OHS Team and Construction Department to monthly supervise the quality of these services. Garanti BBVA implemented a reverse osmosis treatment plant in the headquarter building in 2014. This treatment plant has provided good quality water used for drinking and cooking purposes since 2014. Maintenance of the reverse osmosis systems and hygiene audits are conducted regularly.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	233.1	Higher	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	<p>Total water withdrawal is calculated as the sum of water withdrawn from the municipal water system and rainwater harvesting. The total water withdrawal value in 2022 is 233.1 megaliters. Global Eco-efficiency plan is published which aims to reduce the env.l impacts of the facilities and improvements are implemented. Total water withdrawal increased by 18.2% compared to the previous year. Main reason for this increase is the easing off of the pandemic measures such as homeoffice rates, which decrease compared to previous year, in the places where employees are more populated.</p> <p>Garanti BBVA has a threshold value for the comparison. The threshold value is described as, - + 0-10% change is about the same - + 10-20% change is lower/higher - + more than 20% change is much lower/higher</p> <p>Water is used for drinking, cooking, and cleaning purposes and is used in lavatories and HVAC systems. The Bank's water management process and water withdrawal values are publicly available and verified by third-party verifiers and shared in Annual Report (*In the Report water withdrawal is referred to as water consumption). Water bills from third-party providers are used as a tracking method. The frequency of monitoring is done monthly. To closely monitor the consumption in all locations, an online data collection system is used since 2018. A hybrid working system will continue in the future. Plumbing systems are constantly renewed and replaced with water-efficient equipment. In the future, we expect to see a further decrease in our water withdrawals due to the efforts mentioned above. We have already achieved the targets for 2025 that we set in the Global eco-efficiency plan for the reporting year. By acting with a continuous improvement approach, we are updating our current targets. It is expected and targeted that our trend in the coming years will be downwards but no dramatic change is expected. All the calculations are done with the "Consumption = Withdrawal – Discharge" equation</p>

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total discharges	207.1	Higher	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	<p>The wastewater characterization generated by Garanti BBVA is considered domestic since the consumption of water is in areas such as lavatories, cooking, cleaning activities and other domestic uses. Therefore, Garanti BBVA discharges all the wastewater it generates to the related municipal sewer systems without any treatment. The total discharge is directly related to the total withdrawals from the municipalities. The total water withdrawal value in 2022 is 207.1 megaliters. Water discharge increased by 19.1% compared to the previous year. Garanti BBVA has a threshold value for the comparison. The threshold value is described as,</p> <ul style="list-style-type: none"> - + 0-10% change is about the same - + 10-20% change is lower/higher - + more than 20% change is much lower/higher <p>Water discharges are controlled with water bills from third-party providers are used. Since the water bills are shared monthly, the frequency of monitoring is done monthly. In order to closely monitor the discharge in all locations and increase its environmental performance, Garanti BBVA launched an online data collection system and has been actively using the system since 2018. In the finance sector, discharged amounts are almost the same as the withdrawal values. In our bank, water is used only for personal needs. Garanti BBVA adopted the permanent hybrid working system and a great portion of the employees will continue to work with this system in the future. However, home office rate is decrease in the places where employees are more populated in 2022. Plumbing systems are constantly renewed and replaced with water-efficient equipment. In the future, we expect to see a further decrease in our water discharges due to the efforts mentioned above. We have achieved the targets we set in 2019 for the reporting year. It is expected and targeted that our trend in the coming years will be downwards but no dramatic change is expected. All the calculations are done with the "Consumption = Withdrawal – Discharge" equation.</p>
Total consumption	26.1	Higher	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	<p>In 2022, Garanti BBVA's water consumption was calculated as 26.1 megaliters/year. Garanti BBVA has a threshold value for the comparison. The threshold value is described as,</p> <ul style="list-style-type: none"> - + 0-10% change is about the same - + 10-20% change is lower/higher - + more than 20% change is much lower/higher <p>Garanti BBVA estimates the consumption volumes under these assumptions:</p> <ul style="list-style-type: none"> • According to WHO minimum survival allocation (drinking and food preparation and cleanup) is 7.5 liters per person per day. We assume 7.5 liters per person per day water consumption for our employees. http://www.who.int/water_sanitation_health/emergencies/qa/emergencies_qa5/en/ • Bottled water consumption for drinking purposes is not included in the calculations since it is not feasible to calculate how many bottles are consumed and the source of the bottled water is different from the Garanti BBVA's withdrawal source. <p>• The consumption value is calculated with the below formula as, Employee number x water consumption per employee x working days x ratio of an employee who works in office. (since the hybrid working system is adopted, the ratio of people who works in the office is considered.)</p> <p>The consumption value increased 11.6% from previous year. Main reason for this increase is home office rate is decrease in the places where employees are more populated. A water consumption increase is expected. All the calculations are done with the "Consumption = Withdrawal – Discharge" equation.</p> <p>The future consumption figures will vary according to the employee number and working days for the hybrid system, yet Garanti BBVA does not expect dramatic increase or decrease for the future.</p>

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	100%	About the same	Increase/decrease in business activity	About the same	Increase/decrease in efficiency	WRI Aqeduct	<p>We determine the regions of water stress with the WRI Aqeduct Tool. Our used data set is water stress under PHYSICAL RISKS QUANTITY head. This dataset measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users. The use of the WRI Aqeduct tool is done by marking the regions where our bank has operations on the map or by entering latitude and longitude. For example, our bank's headquarters is located in Zincirlikuyu/Istanbul/Turkey. After the selecting location, the tool says the major basin of this region is the Adriatic Sea - Greece - Black Sea Coast, and the minor basin is the Sea of Marmara Coast and the water stress level of the location is >80%. Similarly, the operation regions or the regions where the financed projects are located are evaluated in terms of water stress in this way. The proportion is calculated as,</p> <p>Volume withdrawn in water stressed areas / Total volume of company-wide withdrawals x 100</p> <p>Also, water stress in Turkey is expected to increase in the future. Thus, the five-year forecast predicts that this amount will remain approximately the same in the coming years.</p>

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	3.6	About the same	Maximum potential volume reduction already achieved	The rainwater collection systems at our Zincirlikuyu Office and Operation Center are used for landscape irrigation purposes. There is a water tank with a volume of 70 m3. The excess rainwater is discharged to the municipal sewage system. There is also a feed from the cooling tower to this tank. During the dry seasons (summer), the landscape irrigation is done by using wastewater supplied from the cooling tower (approximately 20m3) to prevent additional water consumption. The amount of recycled water is around %1. Garanti BBVA aims to increase the number of branches with a rainwater collection system. Therefore, an increase in this value is expected in the coming years. The rainwater collection systems are improved and the amount of rainwater is much higher when we compare it with the previous year. The threshold value is described as, - +/- 0-10% change is about the same - +/- 10-20% change is lower/higher - +/- more than 20% change is much lower/higher
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	There is no use of brackish surface water and sea water at Garanti BBVA facilities. Consumed water is supplied from municipal networks. In the future scenarios and targets, there is no issue such as changing the water withdrawal resources as long as facilities can reach the municipal water networks.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	There is no use of groundwater at Garanti BBVA facilities. Consumed water is supplied from municipal networks. In the future scenarios and targets, there is no issue such as changing the water withdrawal resources as long as facilities can reach the municipal water networks.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	There is no use of groundwater at Garanti BBVA facilities. Consumed water is supplied from municipal networks. In the future scenarios and targets, there is no issue such as changing the water withdrawal resources as long as facilities can reach the municipal water networks.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	There is no extraction, processing, or use of any raw material within the operation of the bank. So there is no produced/entrained water use at Garanti BBVA facilities. Consumed water is supplied from municipal networks. In future scenarios and targets, there is no issue such as changing the water withdrawal resources as long as facilities can reach the municipal water networks.
Third party sources	Relevant	229.5	Higher	Increase/decrease in business activity	Water withdrawal is calculated based on the invoices provided by the suppliers and verified by third-party verifiers. Water is used for domestic purposes. The amount of water withdrawal is higher when we compare it with the previous year. Main reason for this increase is home office rate is decrease in the places where employees are more populated. Garanti BBVA has a threshold value for the comparison. The threshold value is described as, - +/- 0-10% change is about the same - +/- 10-20% change is lower/higher - +/- more than 20% change is much lower/higher Water bills from third-party providers are used as a tracking method for water withdrawal and the frequency of monitoring is done monthly. To closely monitor the consumption in all locations and increase its environmental performance, Garanti BBVA implemented an online data collection system in 2018.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Any of the Garanti BBVA facilities do not discharge any water to fresh surface water. Garanti BBVA uses water for domestic purposes (drinking, cooking, cleaning, lavatories and HVAC). Wastewater generated as a result of usage and consumed water has a domestic wastewater characterization. Generated wastewater is discharged to the sewerage system of the municipalities where each Garanti BBVA branch is located.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Any of the Garanti BBVA facilities do not discharge any water to brackish surface water. Garanti BBVA uses water for domestic purposes (drinking, cooking, cleaning, lavatories, and HVAC). Wastewater generated as a result of usage and consumed water has a domestic wastewater characterization. Generated wastewater is discharged to the sewerage system of the municipalities where each Garanti BBVA branch is located.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Any of the Garanti BBVA facilities do not discharge any water into groundwater. Garanti BBVA uses water for domestic purposes (drinking, cooking, cleaning, lavatories and HVAC). Wastewater generated as a result of usage and consumed water has a domestic wastewater characterization. Generated wastewater is discharged to the sewerage system of the municipalities where each Garanti BBVA branch is located.
Third-party destinations	Relevant	207.1	Higher	Increase/decrease in business activity	Water is used for domestic purposes. Generated wastewater has a domestic wastewater characterization. Generated wastewater is discharged to the municipal sewerage system of the municipalities where each Garanti BBVA branch is located. Water discharge increased by 19.1% compared to the previous year. Garanti BBVA has a threshold value for the comparison. The threshold value is described as, - +/- 0-10% change is about the same - +/- 10-20% change is lower/higher - +/- more than 20% change is much lower/higher Water discharges are tracked with water bills from third-party providers used. Main reason for this increase is home office rate is decrease in the places where employees are more populated. Garanti BBVA has a threshold value for the comparison. Plumbing systems are constantly renewed and replaced with water-efficient equipment. The collected rainwater was used for irrigation. Collected rainwater (2%) is less than 5%, so collected rainwater is excluded from discharge accounting.

W1.2j

(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Generated wastewater from Garanti BBVA has a domestic character. So, water is discharged directly to the municipal sewage system in each facility. Therefore, no tertiary treatment applied.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Generated wastewater from Garanti BBVA has a domestic character. So, water is discharged directly to the municipal sewage system in each facility. Therefore, no secondary treatment applied.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Generated wastewater from Garanti BBVA has a domestic character. So, water is discharged directly to the municipal sewage system in each facility. Therefore, no primary treatment applied.
Discharge to the natural environment without treatment	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Generated wastewater from Garanti BBVA has a domestic character. So, water is discharged directly to the municipal sewage system in each facility. Therefore, no wastewater originating from Garanti BBVA's operations is discharged into the natural environment without treatment.
Discharge to a third party without treatment	Relevant	207.1	Higher	Increase/decrease in efficiency	100%	Generated wastewater from Garanti BBVA has a domestic character. So, water is discharged directly to the municipal sewage system in each facility.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	Generated wastewater from Garanti BBVA has a domestic character. So, water is discharged directly to the municipal sewage system in each facility. Therefore, no additional treatment applied.

W1.2k

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included	Please explain
Row 1	0.21	Phosphates	<Not Applicable>	The wastewater produced by Garanti BBVA is domestic. While phosphorus is found in the form of phosphate in domestic wastewater, the main source of this parameter is the detergents used. This is the main reason for the presence of phosphate in wastewater discharged as a result of cleaning activities. However, the phosphate concentration does not affect the domestic character of the wastewater.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	133311376000	233.1	571906374.946375	Water withdrawal efficiency is calculated as revenue per total water withdrawal volume in the 2022. We expect an increase in this figure in the future. Water consumption will be decreased because of the remote working and employees' awareness. Garanti BBVA attaches utmost importance to awareness and mindfulness activities and organizes training on environmental issues. Also, there is an increase in our annual revenues from year to year. The figure is calculated as Revenue/Total withdrawal.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Garanti BBVA operates in the financial sector. While it cannot demonstrate its products in a tangible way, it does not contain any substances classified as dangerous by a regulatory agency.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)

Number of suppliers identified as having a substantive impact

1050

% of total suppliers identified as having a substantive impact

51-75

Please explain

Garanti BBVA is also managing its water-related risks in the supply chain by asking all of its suppliers to comply with the Code of Conduct for Suppliers (which includes ISO14001) through an additional protocol; and this is how we raise their awareness. Garanti BBVA shares the link of the Code of Conduct for Suppliers with each supplier along with the purchasing orders. We have many suppliers of different sizes. It is also noteworthy to mention that the Bank has around 1858 suppliers in total, all assessed for a number of matters including ESG data. As it is not realistic to collect information and data on water management from all suppliers. We define suppliers having a substantive impact as a purchase volume above 150000 TRY. With this declaration, the supplier will comply with the "Garanti BBVA Supplier Code of Conduct". You can access the principles from the link below. (Title 4.3.) <https://assetsgaranti.com/assets/pdf/tr/garanti-bankasi-tedarikci-davranis-ilkeleri.pdf>

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

100%

Mechanisms for monitoring compliance with this water-related requirement

Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

Within the scope of this procedure, information such as water source, withdrawn water volume, treatment systems, discharge points, effluent quality, the water stress level in the withdrawal area, and product-based water footprint are requested from the companies. These collected data are scored with various weightings. For suppliers, the data is used to evaluate whether the supplier company has a negative water-related situation. Companies that fall outside the standards of our bank regarding water management are warned. If the problem persists, it is removed from the supplier list.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Information collection

Details of engagement

Collect water management information at least annually from suppliers

% of suppliers by number

51-75

% of suppliers with a substantive impact

51-75

Rationale for your engagement

We request information and data on water management from our suppliers. This information helps us evaluate whether our suppliers are within the framework of compliance with our bank's specifications. As Garanti BBVA, we have social and environmental rules and procedures. We expect our suppliers to adapt to the issues we comply with in order to create integrity. Garanti BBVA released its Code of Conduct for Suppliers, which requires full compliance with Garanti BBVA's Environmental Policy and EMS. It is also publicly available in the Bank's website: https://surdurulebilirik.garantibbva.com.tr/media/1405/garanti_bank_code_of_conduct_for_suppliers-ib.pdf.

In 2019 we released our new Procurement Policy that has even more detailed compliance criteria. Moving forward, Garanti BBVA may also consider requesting regular reporting for water-related data from its suppliers

Impact of the engagement and measures of success

Monitoring of success and the current situation is provided by the KPIs we have determined in our supplier evaluation regulation. The performance of the suppliers in water management is followed from year to year. Thus, we can monitor and manage our indirect impacts. We also encourage them to develop themselves. Thanks to these activities, our suppliers develop themselves and create successful outputs. Garanti BBVA has a Code of Conduct for Suppliers. In order to embed the code of conduct into all the procurement activities. It is also noteworthy to mention that the Bank has around 2,500 suppliers in total.

Comment

Garanti BBVA Code of Conduct for Suppliers, based on its Supply Chain Policy published, is also publicly available here: <https://surdurulebilirik.garantibbva.com.tr/garanti-bbva-sustainability-approach/garanti-bbva-and-sustainability/other-esg-policies/garanti-bbva-code-of-conduct-forsuppliers/>

The Bank is also planning to develop a sustainability training program for suppliers in the upcoming years.

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

Rationale for your engagement

We believe that most of material risks associated to water along the value chain for banking sector are related to loan portfolio, especially customers and partners are engaged. ESLP was updated in line with the Bank's sector-leading environmental and social risk management approach. This policy define the our methodology and strategy how we engage with value chain. Please see, "ESLP" section: <https://www.garantibbvainvestorrelations.com/en/images/pdf/ESLP-short-version.pdf>

In addition, we calculate the carbon&water footprints of our customers based on their consumption, with the ecological status in our mobile application. We encourage our customers to raise awareness about sustainability and to reduce their consumption.

For details: <https://www.garantibbva.com.tr/en/digital-banking/my-ecological-status>

Impact of the engagement and measures of success

One of the beneficial results of carbon&water footprint calculation is to raise awareness about sustainability and to reduce their consumption. Also, with the ESLP, a common awareness is created. In this way, it is ensured that the attention of customers are drawn to the issue and steps are taken for improvement.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Turkey	Other, please specify (All Basins)
--------	------------------------------------

Type of impact driver & Primary impact driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary impact

Impact on company assets

Description of impact

In the reporting year, flood disasters are occurred in Turkey. In this flood disaster, 8 bank branches in the provinces of Antalya, Bursa and İzmir were flooded. Financial costs were incurred due to the discharge of water and cleaning operations as a result of the flood disaster. Water leakages gave damage to some of branches equipments. So primary impact is defined as impact on company assets. Since, some capital goods were damaged, financial cost is occurred, which had to be covered by the insurance. The scale of the financial impact is considered as immaterial when it compared to the revenue. However, construction works caused disruptions in working areas.

Primary response

Improve maintenance of infrastructure

Total financial impact

16868

Description of response

Improvements are made in infrastructure maintenance to combat floods. For the branches that has experienced flood, immediate actions are taken, and renewed systems implemented. For the ones that are under risk, renovations and improvements are planned to be done gradually. Improvement strategies are controlled under Garanti BBVA Construction & Premises Unit.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	No additional comment.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	For Garanti BBVA, water is not considered a direct input in its operations, because as a BankGaranti BBVA operates in the finance sector, and water is used for employee consumption, cleaning activities, garden irrigation and lavatories. For this reason, the wastewater generated is of domestic nature and can be discharged to the municipal sewerage system in the relevant region. The control of wastewater after discharge is under the management of the relevant municipality. The pollutants were sampled and classified by the water administration of the relevant municipalities, using the methodology described in the Water Pollution Control Regulation. Garanti BBVA follows an established government standard called Water Pollution Control for the classification and identification of water bodies and ecosystems. As stated in the regulation, Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Suspended Solids (SS) and pH are the main indicators used to determine the characteristics of wastewater.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts

The Chemical oxygen demand (COD) analysis is used as an indirect measure of pollutants (organics) in a water sample. COD is an great way of monitoring the water treatment plants efficiency. If untreated, or partially treated wastewater discharged to the receiving environment, effluent organics can compete with downstream organisms for oxygen. This oxygen demand can kill or inhibit life of the discharge area.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Please explain

Wastewater characteristics of Garanti BBVA is domestic and discharged to the relevant municipality's sewer line with permits. Assessment of critical infrastructure and storage condition and their resilience are constantly monitored in the efficiency perspective of Garanti BBVA. Garanti BBVA Construction & Premises Department systematically plans maintenance, repair and renovation works in all facilities. In this way, no negativity is encountered. Impacts are minimized by implementing emergency plans in unexpected accidents and disasters.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

International methodologies and standards

Databases

Other

Tools and methods used

WRI Aqueduct

Enterprise Risk Management

Environmental Impact Assessment

Regional government databases

Internal company methods

Materiality assessment

Nation specific databases, tools, or standards

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Comment

The new sustainability training and a separate ISO 14001 Environmental Management System training were started by Sustainability Team and Efficiency Team, back in 2020 and continue with updates to its program in 2022. These trainings aim to increase the knowledge and awareness of employees about environmental and social problems and how Garanti BBVA mitigates them. We manage our direct env. footprint by using our online Env. Management Database. This new online tool enables us to manage our water footprint more systematically at each location, allowing us to track our water and environment-related data throughout this database.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

International methodologies and standards

Databases

Other

Tools and methods used

WRI Aqueduct

Enterprise Risk Management

Environmental Impact Assessment

Regional government databases

Internal company methods

Materiality assessment

Nation specific databases, tools, or standards

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Comment

We manage indirect impacts through our world-class E&S risk management system and utilize national and international databases provided by governments and NGOs as well for assessments. Garanti BBVA suppliers make a commitment to comply with the "Code of Conduct for Suppliers" for the procurement.

Value chain stage

Other stages of the value chain

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

International methodologies and standards

Databases

Other

Tools and methods used

WRI Aqueduct

Enterprise Risk Management

Environmental Impact Assessment

Regional government databases

Internal company methods
Materiality assessment

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Investors
Local communities
NGOs
Regulators
Water utilities at a local level

Comment

E&S Impact Assessment Model (ESIAM) which is an internal company method, is applied in the value chain. ESIAM is developed to systematically assess the projects in terms of classification and risk according to their nature, scale, sensitivity, location, and environmental and social impacts. ESIAM is applicable for the five main financial transactions,

1. Project Finance
2. Corporate Loans utilized for a Particular Project or Investment
3. Bridge Loans
4. Consultancy Service
5. Refinancing or acquisition loans used for a specific project or investment

W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Garanti BBVA carries out water-related risk assessments across the whole of their operations, supply chain or other value chain stage. So, the coverage is chosen as full. The Bank uses WRI Aqueduct to detect water-stressed areas and evaluate their operations and integrates them into decision-making processes. This risk assessment provides support for future water planning at the facility level and portfolio management. Internal company methods like env. management database is used to track the facility's related data.</p> <p>Garanti BBVA believes that the main water risks related to the Bank lie with the downstream impacts arising from financing activities. One of our strategic priorities is having an effective systematic risk management practice where financial&non-financial issues are assessed in an integrated manner. The basis of identifying and assessing water-related risks on both transaction & portfolio level is the Materiality Analysis. The Bank ranked each risks & opp. according to the magnitude, likelihood and time frame of their impact in terms of; 1.direct financial impact and risk,2.legal, regulatory and policy drivers,3.opp. for innovation,4.industry norms, practices and competitive advantage. Compliance to all loan policies including those related to E&S criteria are checked to approving a loan request. Furthermore, KYC questionnaire is updated. E&S related questions are embedded in KYC process. We apply ESIAM and Sector Norms in line with international best practices.</p>	<p>Since Garanti BBVA has detailed and comprehensive E&S risk management for the projects that it provides financing in line with international best practices, the selected tools and contextual issues are included in all relevant E&S due diligence processes. Internal tools like ESLP and the ESIAM and National Online Basin Database are used for such assessments. The project location and current stakeholder views are considered for the project. If there is a huge level of stakeholder conflict, the project is whether directly rejected or applicable actions are taken to avoid conflicts. Annually, the ESIAP was updated based on the current regulatory changes including, EIA and other water-related regulations. Ecosystem and habitat characteristics is assessed within the requirements of ESIAP. If there is no necessary study related to the ecosystem and habitats, the client is required to conduct an additional study for the baseline ecosystem/habitat or ESIA including a detailed ecosystem /habitats section. As one of our greatest assets, we continuously invest in our Human Capital. We go to great lengths to provide a safe, healthy and sanitary working environment with high standards that go beyond regulations. Implications of water is assessed as part of integrated water management practices for projects that we finance. So, the implication of water on key commodities/raw materials is relevant and included in E&S due diligence processes.</p>	<p>Customers are important stakeholders for the Bank's direct operations and value chain. Garanti BBVA is implementing an E&S Risk management framework for lending operations. So, customers are valuable stakeholders within the scope of water-related risk assessments. When Garanti BBVA runs a project through its ESIAP, one of the most important stakeholders is always the local community which are consulted as part of the stakeholder engagement processes of environmental and social impact assessment. During our materiality analysis, we engaged with many NGOs to learn their perspective and studies about water risks. Regulators are important stakeholders for direct and indirect operations. Regulators are consulted by the Ministry of Environment and Urbanization during the local EIA processes. Moreover, regulators ask the banks via Turkish Banks Ass. or Turkish Industry and Business Ass., or directly while drafting the regulations, from time to time. The bank is also managing its water-related risks in supply chain by asking its suppliers to comply with its Code of Conduct. Water utilities at a local level is an important stakeholder for the us since the bank supplies its water from them</p>	<p>Projects that comply with the Environmental and Social Impact Assessment Model (ESIAM) are primarily evaluated for their compliance with the Sectoral Principles, which are defined separately for each sector. Projects that are eligible according to the ESIAM and Sectoral Guidelines, with a total investment value of 10 million USD or more, are first classified into categories (A, B or C) according to the degree of their environmental impact. These projects are then evaluated under the ESIAM and the risk rating of the project (R1, R2, R3 or R4) is determined.</p> <p>Projects are classified according to their risk levels and categories using the evaluation matrix created by the Bank within the scope of ESIAM, and the Final Action Grade (1, 2 or 3) of the project is determined at the end of this evaluation. Garanti Bank requests specific actions to be taken according to the action note determined by the ESIAM application. Also, stakeholder views are considered for the project. If there is a huge level of stakeholder conflict, the project is whether directly rejected or applicable actions are taken to avoid conflicts.</p>

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

The main water risks related to the Bank lie with the downstream impacts arising from financing activities, rather than Garanti BBVA's own facilities. However, Garanti BBVA evaluates in its direct operations, the long-term availability and quality used in its facilities. One of our strategic priorities is having an effective systematic risk management practice where financial and non-financial issues are assessed in an integrated manner. The basis of identifying and assessing climate-related and water risks on both transaction and portfolio level is the Materiality Analysis explained on p62 of our 2022 Integrated Annual Report. In the assessment of water related risks, Garanti BBVA ranked each risks & opportunities according to the magnitude, likelihood and time frame of their impact in terms of; (i)direct financial impact and risk, (ii)legal, regulatory and policy drivers, (iii)opp. for innovation, (iv)industry norms, practices and competitive advantage. This ranking constitutes the basis for what the Bank assumes as "substantial". We identify and assess our climate-related risks including water in 3 levels: (1)Transaction Level; (2)Sector Level; (3)Portfolio Level. The Sustainability Team monitors current and potential regulatory impacts and plans the necessary actions for compliance. During the assessment several international tools were used to identify water stress and risks. For a deeper understanding, we define (1) the negative impact of water-related risks on the financial or non-financial performance (such as reputation) of the projects which fall under the scope of our E&S risk assessment framework, and (2) loss of revenues due to service interruption originating from a water-related disaster such as flooding regardless of the duration of interruption as substantive changes in our business. We track these risks through metrics such as % of projects prone to water risks in Project Finance portfolio. Quantifiable indicator(s) like ESLP is used to define substantive financial or strategic impact. . ESLP is applied to all loan portfolio(100%). Compliance to all loan policies including those related to E&S criteria are checked by the loan officers prior to approving a new loan request without any thresholds. Furthermore, we launched an updated KYC questionnaire E&S related questions are embedded to our standard KYC process. We apply an E&S Impact Assessment Model (ESIAM) and Sector Norms in line with international best practices. ESIAM, in line with international best practices(i.e. Equator Principles, IFC Performance Standards, etc., is applied to loans fall under the limits defined in Equator Principles on a minimum and Sector Norms are applied to all CIB loans. For water-related risks in addition to above-mentioned tools, national and international online databases for water-related issues are also utilized. We published our Climate Change Action Plan (2015) to support Turkey's transition to a low-carbon economy, focusing on 4 issues: (1)prioritizing RE investments and putting a shadow price on carbon, (2)reducing deforestation, (3)water management for climate adaptation, (4)establishing green office standards. Garanti BBVA supports its customers to better manage their water-related risks, along with all the other E&S risks. Furthermore, it is also important to highlight that the Bank favors wind&solar projects since hydro-electricity power plant projects are more vulnerable to such risks and have more negative impact on the environment. The ratio of financing provided to projects prone to water-related risks in 2022 is 100% in our 2022 Project Finance portfolio. ESIAM is applied to these projects in order to manage E&S risks including those that are water related.

Definition of substantive financial impact: We define substantive financial impacts' magnitude up to TRY 1 million as Low, TRY 5-20 million as Medium, and TRY 50 million and over as High impact.

Additionally, BBVA has created a new sustainable loan that focuses on reducing companies' water footprint, a key priority in many companies' sustainability policies. The 'water footprint' loan is a sub-type of loan that considers specific water indicators. CDP Water score of companies is second indicator for assessing besides water consumption. As a group member, Garanti BBVA will implement this loan structure. For details: <https://www.bbva.com/en/sustainability/bbva-creates-the-water-footprint-loan-and-launches-it-worldwide-together-with-iberdrola/>

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	125	1-25	Garanti BBVA has 829 branches within the country. The RCP 2.6 and RCP 8.5 physical climate risk analysis looked into the exposure of these facilities to heavy precipitation, drought and heatwaves. An analysis of matching the bank's branches with the regions with high risk shows that 15% of the banks facilities are located in these areas and exposed to water-related risks such as floods.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey	Other, please specify (East Black Sea)
--------	--

Number of facilities exposed to water risk

35

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Revenue is calculated accepting that all branches will not be affected at the same time.

Country/Area & River basin

Turkey	Other, please specify (Antalya Basin)
--------	---------------------------------------

Number of facilities exposed to water risk

45

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Revenue is calculated accepting that all branches will not be affected at the same time.

Country/Area & River basin

Turkey	Other, please specify (Meriç Ergene Basin)
--------	--

Number of facilities exposed to water risk

31

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Revenue is calculated accepting that all branches will not be affected at the same time.

Country/Area & River basin

Turkey	Other, please specify (West Black Sea)
--------	--

Number of facilities exposed to water risk

14

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Revenue is calculated accepting that all branches will not be affected at the same time.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (All river basins in Turkey)
--------	--

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Impact on company assets

Company-specific description

Increasing heavy rainfall due to climate change is among the causes of the flood disaster. While the total amount of precipitation is decreasing, there is an increase in flood disasters due to the irregularity in the precipitation regime. Similarly, flood disasters have increased in 2022. According to the flood map of the General Directorate of Meteorology, the Marmara Region is one of the regions with a flood potential. The Marmara region is the region where 33% of the bank's branches and headquarters are located. So, primary risk driver is chosen as flood. Flood disasters in this region are very important since it has a impact on the continuity of operations. Any disruption in operations may lead to a loss of reputation by creating a negative perception for stakeholders.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

19846

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The invoice amount for the damages incurred as a result of the flood disaster in 2022 for Marmara Basin branches is 9681 TRY. The calculated financial figure is obtained by multiplying the damage amount in 2022 with the margin factor in case of greater disasters in the following years due to inflation and increasing climate change events.

$9681 \text{ TRY} \times 1.64 \times 1.25 = 19846 \text{ TRY}$

flood-related expense in 2022 for Marmara Basin: 9681 TRY

inflation coefficient: 1.64 (Source: The Central Bank of the Republic of Türkiye)

margin of safety: 1.25

Primary response to risk

Increase insurance coverage

Description of response

Business continuity is important for the operation and reputation of the Bank. When company assets, especially those related to the IT department, are damaged, business continuity can be disrupted. Therefore, Garanti BBVA has expanded its insurance coverage.

Cost of response

8717184

Explanation of cost of response

Offers were received from insurance companies against the related risk. Garanti BBVA insured its automation systems which are under risk. An insurance cost of approximately 8,717,184 TRY is foreseen for automation systems.

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (All river basins in Turkey)
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Stage of value chain

Other, please specify (Portfolio)

Type of risk & Primary risk driver

Acute physical	Drought
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Primary potential impact

Reduced revenues from lower sales/output

Company-specific description

While climate change and its effects continue to be felt day by day, the areal precipitation in Turkey in 2022 decreased by 12.1% compared to the long-term average. Compared to the precipitation in 2021, a 4% decrease was observed. So, risk is identified as drought in this case. Since, changes in precipitation patterns due to climate change result in reduced electricity production in our hydro power plant portfolio. Functioning hydropower plants are expected to be under this risk of reduced production due drought in terms of operation and financial return. This might affect the borrower's ability to repay the loan. So, primary potential impact of drought to company will be loss of revenue. As the end of December 2022, the total installed capacity of hydroelectric power plants (HEPP) in our Project Finance Renewable Energy Portfolio's total installed capacity was 40%. In 2022, the drought led to a revenue loss of USD 36mn (TRY 595 mn) in cash flows of our HEPP portfolio. This means that a significant portion of our renewable energy portfolio was directly impacted by climate-related risks, especially drought-related ones. This is a substantive financial risk for the Bank. To better manage this risk, we apply our E&S Impacts Assessment Model in line with the strictest international standards, and for HEPP projects we have a further set of questions and criteria to also analyse the cumulative effects in the basin.

Timeframe

4-6 years

Magnitude of potential impact

Medium-high

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

595000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Drought in 2022 led to a revenue loss of about TRY 595 million in cash flows of our HEPP portfolio.

Calculation formula:

Plant - 1 : (Real Production in 2022 (2022 12m/Δ) GWh - Real Production in 2021 (2021 12m/Δ) GWh) x Price (cent/kwh) = Revenue Loss (TL)

Total Potential financial impact figure : Sum of plant – n with above formula

Primary response to risk

Direct operations	Develop new products and/or markets
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Description of response

The continuity and efficient operation of the projects we finance is important for the regular and complete repayment of the loans. For this reason, projects that carry risks related to water are evaluated under our Environmental and Social Policies. Loans are not preferred for hydroelectric power plants located on lands with low productivity and dryness. In addition, loan rates and payment terms are arranged according to the size of the risk. Timescale of implementation is about 3-4 months.

While all these studies are being carried out, it has become important to diversify the portfolio and turn to products that are less dependent on water in order to reduce risks. While moving away from fossil sources, we prefer to strengthen other renewable energy source. As a response to this risk, we balance the installed capacity of our renewable energy portfolio as WPP, SPP, GTPP, BPP, and HEPP.

Cost of response

5254

Explanation of cost of response

Our efforts (Implementation of E&S Impact Assessment Model (ESIAM), site visits, meetings and project management studies) to respond the risk cost TRY 5,254. This cost has been calculated as a result of the sum of the invoice costs of the expenses related to ESIAM. In addition, water stress and water availability analysis are performed. As these are free tools such as WRI tools, there is no additional cost.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

As Garanti BBVA, we are pioneers in the sector also with the financing we provide to renewable energy investments. We have financed one out of every four wind energy power plants; we are the market leader in this area with 25.3% share. In the period ahead, we will continue to work to make green transformation broad-based. So, increasing sales of existing products and balancing portfolio will create positive impact on bank. This benefit will have a company-wide benefit. The opportunity originates from renewable energy portfolio. As a partner in Turkey's transition to a low-carbon economy, increasing renewable portfolio and energy-saving projects in the investments are considered strategic.

Actions such as WRI Aqueduct Tool, site visits, E&S Impact Assessment Model (ESIAM) are used to realize the water related opportunity. Garanti BBVA takes these items into account when assessing water-related risks and portfolio management. It takes actions to balance HEPP projects, which have the highest share in the renewable energy portfolio, with alternative energy types such as WPP, SPP, GTPP and BPP.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

58292400000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

According to various authorities, Türkiye will face with water scarcity in short or middle period. This situation will effect whole water-used sectors in Türkiye. When we consider that over 40% of the installed capacity of our renewable energy in project finance portfolio is hydro power systems, where efficiency will decrease from year to year due to water-scarcity; Garanti BBVA has to take a decisive step to avoid water-scarcity risk. Therefore, Garanti BBVA has enhanced its support to the other renewable energy sectors such as wind or solar. When compared with last year installed capacity of the solar energy systems increased 20%, and installed capacity of the wind power systems increased 5% in Türkiye. According to the government's official National Energy Plan, the installed capacity of solar energy systems will increase 8 times by 2035 and the installed capacity of wind energy systems will increase 3.5 times by 2035. Studies show that, the needed investment is 20.7 billion USD to fulfill the Türkiye's rooftop solar energy systems potential. In line with these study, Garanti BBVA has 3,72 billion USD (58292400000 TRY with average USD/TRY ratio in 2022)) green mobilization potential for solar energy systems in Türkiye. There is some legal incentives to spread the solar power systems in Türkiye. Garanti BBVA started to train its employees on the importance of transition to low-carbon energy technologies and informs its customers about advantages of the solar energy systems to increase awareness of the solar energy systems and increase finance to lower-climate risk non-water renewable energy sectors.

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

By proactively addressing climate change and other social and environmental concerns, we can exceed stakeholder expectations and enhance our reputation. Ability to meet these expectations could result in an increased level of collaboration with international financial institutions as well as increased investor support and customer loyalty. This can facilitate to access larger funds. Therefore, this opportunity has been considered strategic as our profitability will also increase..

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

19024330000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

In 2022, Garanti BBVA secured ESG-linked syndicated loan of USD 573 million 9494610000 TRY with average USD/TRY ratio in 2022) and EUR 548 million(9529720000 TRY with average EUR/TRY ratio in 2022), from banks and international financial institutions, which accounts for 100% of the total financing the Bank secured in 2022. Garanti BBVA signed two new loan agreements in May and November 2022. The facility in May, the syndicated loan secured from international markets under its foreign borrowing program had a rollover ratio of 100%. The syndicated loan deal in June 2022, consists of two tranches of USD 283,5 million and EUR 290,5 million with a maturity of 367 days. In this deal, the Bank committed to provide sustainable finance in the amount of TL 2 billion in 2022 to increase cumulative financial commitment towards social mobilisation finance supporting women-owned enterprises in line with Turkiye’s threshold under the BBVA Inclusive Growth Standard and cumulative financial commitment towards social mobilisation finance supporting micro small and medium sized enterprises, thirdly commitment in continuing to be listed under the Bloomberg Gender-Equality Index in 2023,which is actualized as 100%.

The syndicated loan secured in December, which consisted of two tranches for USD 155 million and EUR 238.5 million with a maturity of 367 days. Under these deals, Garanti BBVA took on more challenging targets and committed to augment its sustainable finance volume of TL 2.6 billion from year-end 2022 to TL 7.25 billion by August 2023 and to to increase cumulative financial commitment towards social mobilisation finance supporting women-owned enterprises in line with Turkiye’s threshold under the BBVA Inclusive Growth Standard and cumulative financial commitment towards social mobilisation finance supporting micro small and medium sized enterprises more. The Bank is working to motivate its customers to employ sustainable finance mechanisms in their borrowings and to adopt sustainable business models. Garanti BBVA’s track record on the management of environmental and social issues, as well as it’s capability to tailor existing products according to SDGs play an important role in benefiting from IFI funding.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Zincirlikuyu Head Office

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)
--------	--

Latitude

41

Longitude

29

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

17.84

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.686

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

17.15

Total water discharges at this facility (megaliters/year)

15.98

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

15.98

Total water consumption at this facility (megaliters/year)

1.86

Comparison of total consumption with previous reporting year

Much higher

Please explain

The threshold value is described as,

- +/- 0-10% change is about the same

- +/- 10-20% change is lower/higher

- +/- more than 20% change is much lower/higher

The 3rd party source is the local mains water system for withdrawals and the 3rd party discharge destination is the municipal sewage system. The withdrawals volumes are sourced from bills and the consumption and discharge volumes are calculated. (C=W-D)

WRI Aqueduct Water Risk tool was used for determining the water stress area. According to WRI Aqueduct Water Risk, Marmara Basin is an extremely high/high water-stressed area.

The water withdrawal value is increased by 39.5% compared to the previous year. The main reason for this increase is home office rates decrease.

The water consumption value is increased by 62% compared to the previous year. The consumption value is a value calculated over the number of people and the rate of working from the office. The percentage increase was calculated as remote working decreased slightly compared to the previous year.

Facility reference number

Facility 2

Facility name (optional)

Sivas Call Center

Country/Area & River basin

Turkey	Other, please specify (Kızılırmak Basin)
--------	--

Latitude

39

Longitude

37

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

4.82

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

4.82

Total water discharges at this facility (megaliters/year)

4.66

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

4.66

Total water consumption at this facility (megaliters/year)

0.16

Comparison of total consumption with previous reporting year

Lower

Please explain

The threshold value is described as,

- +/- 0-10% change is about the same
- +/- 10-20% change is lower/higher
- +/- more than 20% change is much lower/higher

The 3rd party source is the local mains water system for withdrawals and the 3rd party discharge destination is the sewage system. The withdrawals volumes are sourced from bills and the consumption and discharge volumes are calculated. (C=W-D)

WRI Aqueduct Water Risk tool was used for determining the water stress area. According to WRI Aqueduct Water Risk, Kızılırmak Basin is an extremely high/high water-stressed area.

The water withdrawal value is increased by 14.8% compared to the previous year. There are two main reasons for this decrease the first reason is the pandemic and remote working in Facility 3. After the pandemic, employees started work with the permanent hybrid system.

The water consumption value is decreased compared to the previous year. The consumption value is a value calculated over the number of people and the rate of working from the office. Employee number is decreased compared to the previous year.

Facility reference number

Facility 3

Facility name (optional)

Operation Center

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)
--------	--

Latitude

41

Longitude

29

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

63.01

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2.93

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

60.08

Total water discharges at this facility (megaliters/year)

58.71

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

58.71

Total water consumption at this facility (megaliters/year)

4.3

Comparison of total consumption with previous reporting year

Lower

Please explain

The threshold value is described as,

- +/- 0-10% change is about the same
- +/- 10-20% change is lower/higher
- +/- more than 20% change is much lower/higher

The 3rd party source is the local mains water system for withdrawals and the 3rd party discharge destination is the sewage system. The withdrawals volumes are sourced from bills and the consumption and discharge volumes are calculated. (C=W-D)

WRI Aqueduct Water Risk tool was used for determining the water stress area. According to WRI Aqueduct Water Risk, Marmara Basin is an extremely high/high water-stressed area.

The water withdrawal value increased by 31% compared to the previous year. The main reason of increase is home office rate is decreased and employee number is increased in Facility 3.

The water consumption value decreased by 15.7% compared to the previous year. The consumption value is a value calculated over the number of people and the rate of working from the office. Remote working ratio is decreased compared to the previous year.

Facility reference number

Facility 4

Facility name (optional)

Branches and other buildings

Country/Area & River basin

Turkey	Other, please specify (All river basins in Turkey)
--------	--

Latitude

41

Longitude

29

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

147.49

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

147.49

Total water discharges at this facility (megaliters/year)

127.75

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

127.75

Total water consumption at this facility (megaliters/year)

19.74

Comparison of total consumption with previous reporting year

Higher

Please explain

The threshold value is described as,

- +/- 0-10% change is about the same

- +/- 10-20% change is lower/higher
- +/- more than 20% change is much lower/higher

The 3rd party source is the local mains water system for withdrawals and the 3rd party discharge destination is the sewage system. The withdrawals volumes are sourced from bills and the consumption and discharge volumes are calculated. (C=W-D)

WRI Aqueduct Water Risk tool was used for determining the water stress area. According to WRI Aqueduct Water Risk, almost all branches are in the water-stressed area.

The water withdrawal value decreased by 10% compared to the previous year. Main reason for this increase is branches and other buildings started to work in offices 100% in Facility 4.

The water consumption value is increased by 17% compared to the previous year. The consumption value is a value calculated over the number of people and the rate of working from the office.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Garanti BBVA collects environmental indicators data for its EMS system from every single building and branch through its Sustainability Representatives. Garanti BBVA's total water withdrawal for all buildings and branches and the volume by sources were verified by EY within the scope of limited assurance in 2022 Integrated Annual Report under assurance standard ISAE 3000. Integrated Annual Report page: 240-249

<https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf>

Rainwater collected in Zincirlikuyu Head Office and Operations Center is not included in the scope of verification. Rainwater corresponds to a ratio of 2% in the water balance.

Please explain

<Not Applicable>

Water withdrawals – volume by source

% verified

76-100

Verification standard used

In 2022, Garanti BBVA continued to maintain roughly 100% coverage for its ISO14001 certified Environmental Management System covering nearly all of its employees. Garanti BBVA collects environmental indicators data for its EMS system from every single building and branch through its Sustainability Representatives. Garanti BBVA's total water withdrawal for all buildings and branches and the volume by sources were verified by EY within the scope of limited assurance in 2022 Integrated Annual Report under assurance standard ISAE 3000. Integrated Annual Report page: 240-249

<https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf>

Rainwater collected in Zincirlikuyu Head Office and Operations Center is not included in the scope of verification. Rainwater corresponds to a ratio of 2% in the water balance.

Please explain

<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified

76-100

Verification standard used

Garanti BBVA provides all water withdrawals from the municipal networks. Relevant municipalities regularly take samples and verify water quality parameters and share them publicly on their websites. The samples taken are examined in accredited laboratories according to the General Conditions for the Sufficiency of TS EN ISO / IEC 17025 Test and Calibration Laboratories.

Please explain

<Not Applicable>

Water discharges – total volumes

% verified

76-100

Verification standard used

Garanti BBVA collects environmental indicators data for its EMS system from every single building and branch through its Sustainability Representatives. Garanti BBVA's total water withdrawal for all buildings and branches and the volume by sources were verified by EY within the scope of limited assurance in 2022 Integrated Annual Report under assurance standard ISAE 3000. Integrated Annual Report page: 240-249

<https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf>

Rainwater collected in Zincirlikuyu Head Office and Operations Center is not included in the scope of verification. Rainwater corresponds to a ratio of 2% in the water balance.

Please explain

<Not Applicable>

Water discharges – volume by destination

% verified

76-100

Verification standard used

Garanti BBVA discharges all of the generated wastewater to the sewer lines of the relevant municipalities. After the discharge, the treatment process is carried out under the control of the relevant municipality. For the wastewater to be discharged into the sewer line of the municipality, the wastewater characteristics must be domestic. Necessary verifications have been provided in this context.

Please explain

<Not Applicable>

Water discharges – volume by final treatment level

% verified

76-100

Verification standard used

Garanti BBVA discharges all of the generated wastewater to the sewer lines of the relevant municipalities. After the discharge, the treatment process is carried out under the control of the relevant municipality. Municipalities share their treatment methods publicly in the websites. For the wastewater to be discharged into the sewer line of the municipality, the wastewater characteristics must be domestic. Necessary verifications have been provided in this context.

Please explain

<Not Applicable>

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

Garanti BBVA discharges all of the generated wastewater to the sewer lines of the relevant municipalities. After the discharge, the treatment process is carried out under the control of the relevant municipality. For the wastewater to be discharged into the sewer line of the municipality, the wastewater characteristics must be domestic. Necessary verifications have been provided for the discharge quality standards.

Please explain

<Not Applicable>

Water consumption – total volume

% verified

76-100

Verification standard used

Our water consumption is calculated based on the number of employees and remote working rates. These data have been verified by EY. Detailed information can be found in our 2022 integrated report. <https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf>

Please explain

<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>Garanti BBVA's water policy is integrated into its environmental and sustainability policies. The policy is a worldwide public document and communication is made with written and verbal notification of all stakeholders. Implementation of the policy is followed by KPIs and observations. Garanti BBVA has to comply with the policies published by BBVA in addition to the policies it has published. Garanti BBVA considers SDGs in all its activities and policies. With the policies, we aim to clarify our commitment to stakeholders and to give a definition of the Bank's dependency on water and its management. Garanti BBVA supports the steps through policy. In this context, all branches have ISO14001 certification to manage their direct effects. For policy details, visit the link below.</p> <p>Sustainability Policy: https://rb.gy/eqslj Environmental Policy: https://rb.gy/mfhatt</p> <p>While trying to minimize our water consumption through policies and management systems; indirect impacts are managed through E&S Loan Policies, E&S Impact Assessment System (ESIAP), Sector Norms and its Climate Change Action and Global Eco-efficiency Plans. The Bank's business dependency and business impact on water arise from the lending activities. Our goal is to minimize direct & indirect water impact. The Bank undertakes an E&S risk assessment during due diligence of greenfield projects under the scope of frameworks. Garanti BBVA monitors, reports and publicly discloses its performance in various platforms. The Bank's indicators have been verified by an independent third party within the scope of limited assurance. In addition, our E&S Risk Management System including the ESIAP and model aligned with international practices such as the Equator Principles and IFCs' performance standards, is intended to inform corporate and commercial customers on best practices in this area. This system requires to conduct assessments in terms of E&S including water related risks to establish a risk management plan. Additional Due Diligence processes to check whether the loan request or the existing loan is in compliance with its specific policies and/or commitments, i.e. E/S bond issuance guidelines, etc. may be applied if needed. As a member of the BBVA Group, the Bank also adopts the latest Sector Norms including the management of water-related risks released by BBVA. In line with our Human Rights Declaration, the Bank strives to provide a working environment with the best sanitation and hygiene conditions.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	The President and CEO, who is also a Board Member, is a member of the Responsible Banking and Sustainability Committee (RBSC). RBSC formally reviews and approves the activities related to sustainable and responsible banking and meets regularly to monitor the progress to provide input to all efforts. RBSC is deliberately structured to integrate water-related risks and opp. into all operations, products and services. RBSC meets to review and take decisions on recommendations raised by the Sustainability Team and Representatives, and RBSC meets to oversee the progress on the implementation of the Bank's RB Plan, covering sustainability-ESG efforts including portfolio decarbonisation community investment programs, reputation, TCR (transparent, clear, responsible) principles in customer experience, etc. To date, with the contribution of our CEO, The RBSC approved and initiated several sustainability policies and solutions such as Sustainability Policy & Strategy, Climate Change Action Plan, Global Eco-Efficiency Plan, prioritizing renewable investments, increasing the scope of the Bank's E&S Impact Assessment Model, announcing commitment to set a science-based target, etc. Installing drinking water treatment systems to selected locations can be given for an example for water-related decisions that the committee made in 2022. The goal is to provide better quality water to its employees and reducing plastics consumption by installing drinking water treatment systems in the regions where it operates.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1 Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing the setting of corporate targets Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	<p>The Responsible Banking and Sustainability Committee (RBSC) meets 4 times a year under the chairmanship of the CEO. The committee reports to the Board annually. In the RBSC, sustainability strategy, action plans, priorities, corporate responsibility strategy, risk and opp. management, policies, sustainability expenditures, targets and other related information is approved by the board. Two important decisions are taken at the RBSC committee meeting.</p> <p>1. Pledge to exit coal: Taking its pioneering position in renewable energy finance one step further, Garanti BBVA authored another sector-steering first in Türkiye and declared its pledge to exit coal in March 2021. Updating its E&S Loan Policies, the Bank committed that it will not finance new investments in coal-fired power plants and coal mines and that it will zero its coal exposure in its portfolio by 2040 at the latest. The Bank proved its pioneering stance in the sector and its sustainable development vision by being the first bank to declare this commitment in Turkey</p> <p>2. Signature of the Net-zero Banking Alliance (NZBA): Garanti BBVA keeps working towards managing its risks and emissions arising from its portfolio in keeping with its commitment to align its portfolio with net-zero emissions by becoming a signatory of NZBA. The Bank takes part in the PACTA (Paris Agreement Capital Transition Assessment) along with BBVA Group to measure climate risks and to encourage its customers for going green. PACTA is an approach that seizes opportunities for banks to steer their portfolios to finance a lower-carbon society. With this methodology, the Bank aims to set guiding targets for its customers in their transition by defining specific criteria for each field of activity in carbon-intensive industries with this initiative that is part of a low-carbon transition roadmap. It's among the short-term targets of Garanti BBVA to announce 2030 interim targets in 3 more sectors and establish strategies regarding the financing of carbon-intensive industries in 2023 .</p> <p>3. Installing drinking water treatment systems to selected locations is an example for water-related decisions that the RBSC made in 2022. The goal is to provide better quality water to the Bank's employees and reducing plastics consumption by installing drinking water treatment systems in the regions where it operates .</p> <p>4. Targeting to embed its sustainability vision in each structure of its organization, The Bank enhanced its sust. governance in 2022, adopting a more responsible and effective business model with its new organizational structure that separates the responsibility for sustainability strategy and communication from the mobilization of sustainable financing. The strategic sust. Unit is also the secretary of the RBSC and oversees the monitoring and Reporting of all ESG matters</p>

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Garanti BBVA's effective Board of Directors is at the heart of the Bank's well-functioning governance structure and goes beyond fiduciary responsibilities. It acts as the ultimate internal monitor and contributes an outside view to corporate strategy, oversees performance against the strategy set out and helps Garanti BBVA thrive in the long run. To ensure effective risk management, the Board monitors compliance, internal control and risk management policies and systems that are aligned with the Bank's strategy and risk appetite, as well as subsequently performing its oversight function. For the oversight function, there are several committees established within the Bank, and the Board of Directors monitors and audits the entire Bank through these committees.</p> <p>In addition, Risk Management training is provided regularly to non-executive Board members, ensuring that non-executive Board members are informed about the latest risk management practices and are equipped to assess various forms of risk. Training content planned for these members is revised and improved regularly and continuously by following best practices and regulations. Since 2022, this training includes a module on climate risk to improve their knowledge in its physical impacts including water scarcity and related regulatory and technical developments. These criteria are used in assessing the climate-related competence of board members regarding climate change.</p> <p>For success in a sustainable future, it is important that the people in the decision-making and supervisory bodies have expertise in relevant fields. Relevant competencies at the board level demonstrate a company's commitment to understanding and responding to risks, opportunities, and impacts. For this reason, Garanti BBVA evaluates senior management and board of directors with its competency matrix. Here, the competence, education, knowledge, skills, attitudes, and behaviours of the people are taken into consideration.</p>	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Financial Officer (CFO)

Water-related responsibilities of this position

- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Monitoring progress against water-related corporate targets
- Integrating water-related issues into business strategy
- Managing annual budgets relating to water security
- Providing water-related employee incentives

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The responsible Business and Sustainability Committee follows a holistic approach for sustainability and the committee is responsible for the overall water management at Garanti BBVA. Both the direct and indirect impacts that are rising from operations and activities. Sustainability strategy, action plans, priorities, corporate responsibility strategy, risk and opportunity management, policies, sustainability expenditures, targets and other related issues are considered as Responsible Business and Sustainability Committees' responsibility.

Issues related to the meeting agenda are discussed and reported regularly. Reports are submitted to the management.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	No additional comment

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Board chair Chief Executive Officer (CEO)	Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations Reduction of water withdrawal and/or consumption volumes – supply chain Improvements in water efficiency – direct operations Improvements in wastewater quality – direct operations Increased access to workplace WASH – direct operations	Reported performance indicators are linked to progress on Garanti BBVA's water commitments, water policy, targets, and strategy. The variable remuneration of BBVA and Garanti BBVA's CEO and BBVA's Executive Chairman is linked to a sustainability indicator: Mobilization of sustainable financing. In 2021, sustainable mobilization KPI is integrated to all employees including the Board and the Senior Management. This mobilization aims to reduce env. impact of the bank from direct & indirect operations and increasing lending water efficiency activities. Especially the sectors that are water intensive, Garanti BBVA is leading an advisory role in order to cope with water scarcity. Please see the "BBVA's Sustainability approach: building a greener and more inclusive future" document pages 14 &22 (https://rb.gy/b8gwof) for details that are also applicable for all Garanti BBVA employees. This KPI is directly linked to the activity carried out by the Group to comply with the commitments made to the market regarding water security, to reinforce the commitment, to enable BBVA to achieve its sustainable development targets in line with the Bank's strategic priority of supporting customers in the transition to a sustainable future. The KPI is incorporated into the executive directors' variable remuneration scheme and will have a weight of 10% in the variable remuneration.	The timeframe of the performance indicators is linked to the achievement of targets end year. Sustainability mobilization covers activities related to sustainability, especially sustainable finance products, wastewater treatment, water and sewage investments, sustainable agriculture loans
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	There is only monetary reward incentive.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

To ensure compliance and consistency with its water commitments, Garanti BBVA performs limited assurance of water consumption data annually in accordance with ISAE 3000 (Revised). Relevant data and verification reports are shared in the integrated report. Moreover, "Water Consumption Information Management System Handbook" has been published to calculate and report water consumption at the organization level. Controls are conducted to ensure the accuracy of water consumption data, to identify errors and omissions and to correct them, to document them. Garanti BBVA assigns relevant personnel for each parameter it monitors, and these parameters are recorded as part of the personnel's performance evaluation. In case of inconsistency, the relevant department tries to improve the result and align it with the commitment. Here, deficiencies and sanctions are discussed in RBSC, and the improvement process is initiated and followed up. For more details and flowchart is given in ESIAP. Projects that comply with the principles of ESLP are first evaluated for their compliance with "Sectoral Principles" which are individually defined for each sector. Projects with a total investment value of US\$10 million or more, which comply with ESLP and Sector Principles are first categorized (A, B or C) based on the extent of their environmental impact. These projects are then rated under the ESIAM and project risk rating (R1, R2, R3 or R4) is determined.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

- Yes (you may attach the report - this is optional)
- [garanti-bbva-integrated-annual-report-2022.pdf](#)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	We integrate water-related physical&transitional risks into our portfolio management and supply chain activities. The physical climate risk assessment is reported in Physical Climate Risk Assessment Report (PCRAR) including water related issues. Based on the outputs, PCRAR is published and adaptations&actions are integrated into banks' business strategies. Our long-term objectives on water-related issues are reflected in our strategic pillars on three main pillars: A- 1. Positively influence stakeholders by being the leading bank in sustainability; continue to use our social role effectively to raise increased awareness of this matter 2. Observe climate related risks&opp.; integrate them into our business processes. 3. Increase our sustainable product diversity, which UN SDGs inspire. B- 4. Constantly improve our operations, model&processes with operational and env. efficiency point of view while pursuing cost and revenue synergies 5. Ensure effective risk management through world-class integrated management of financial and non-financial risks. C- 6. Aligned with our values, form teams. We supported our client with 88M TRY to contribute to sustainable finance including water-related BAT. We also embed water-related questions in our KYC processes and incentivize our clients to act more responsibly. For instance, we provide sustainability-linked and green loans to our clients, through which we link environmental and social KPIs (incl. water issues) to the margin of the loans.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	In order to realize our long term objectives: (1) We manage water risks in loan portfolio through ESIAP & Sector Norms & KYC processes (incl. water-related issues) and env. provisions in our loan/service agreements. (2) Moreover, Garanti BBVA has 55 sustainable products and credit lines, including loans for efficient irrigation systems and green/sustainability-linked (incl. water criteria) loans. (3) In line with the BBVA Group and the EU taxonomy, we have Sustainable Finance Standards that explain which products and solutions are considered to be sustainable. This will play a key role in achieving our long-term objective of financing SDGs and supporting our clients in improving their sustainability performance. (4) The Bank constantly invests in HR to increase its capacity of managing sustainability-related risks/opp. For instance, Our Sustainability Unit has 7 people incl. env. eng. experienced in E&S risks/opp. incl. water. Almost 1,000 Sust.Representatives are responsible for supporting these teams in achieving env.-related goals and are incentivized through monetary and recognition mechanisms. (5) Awareness-raising activities and support mechanisms are one of the indispensable factors to achieve the goals. In this context, as a bank, we organize trainings such as Sustainability at Garanti BBVA, Sustainability Retail, E&S Credit Policies, etc. Also, we are supporter of the TCFD Recommendations and is part of the core team of the UN Principles for Responsible Banking.
Financial planning	Yes, water-related issues are integrated	11-15	Financial planning of water related issues will be made more effectively with the risk assessment. Garanti BBVA believes that the main water risks related to the Bank lie with the downstream impacts arising from financing activities, rather than Garanti BBVA's own facilities. So, Garanti BBVA integrate its water related physical and transitional risks and stress testing into its credit risk modelling. To improve its management strategy, Garanti BBVA adopts recommendation of TCFD. In addition, Garanti BBVA allocates a certain budget for the margin decrease offered through Sustainability-linked and Green loans in which the margin is linked to the env. performance of the borrower. All these activities are budgeted as part of annual planning. BBVA is to channel €300 billion in sustainable funding through 2025, tripling the initial €100-billion target announced in February 2018. Garanti BBVA aims to provide 150 billion TRY of support to the group target until 2025 as a part of BBVA Group. The volume of financing channelled by BBVA in sustainable transactions grew at a rate that was 44 percent higher than expected. In addition, the financial plan of our bank branches located in flood risk zones is updated on the risk scale. The Bank also allocated a certain budget to support water-related organizations (such as WWF and CDP Turkey) or events held by sustainability business platforms.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

-0.2

Anticipated forward trend for OPEX (+/- % change)

-0.2

Please explain

Despite the fact that the hydrophore was renewed in the headquarters and minor works were carried out in the branches, there was no change in CAPEX compared to the previous year. Main reason for this Garanti BBVA renovated the plumbing system tab, pipeline, etc. in 2019. In order to reduce the water flow time, studies are carried out in the headquarters and branches. Garanti BBVA attaches utmost importance to awareness and mindfulness activities. It regularly organizes training on issues such as the environment, sustainability, water and savings. As a result of the trainings, improvements were observed in areas such as waste generation, water consumption and energy saving. Our water consumption generally tends to decrease. Therefore, OPEX is expected to show a downward trend.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	To highlighting central elements of a possible future and drawing attention to key factors or critical elements, Garanti BBVA uses WRI Aqueduct and conduct Physical and Climate Risk Assessment based on RCP2.6 and RCP8.5 scenarios which are the lowest and highest CO2 emissions scenarios covered in the IPCC's AR5 reports. Garanti BBVA uses these tools for the decision-making processes of direct and indirect operations.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	<p>The assessment of climate change and water related physical risks for Garanti-BBVA's portfolio has the following characteristics. Analyses were completed with three different future time horizons and two different main sectors under two global climate scenarios. The climate change impacts were examined for the scenarios RCP2.6 and RCP8.5, which are the lowest and highest CO2 emissions scenarios covered in the IPCC's AR5 reports. RCP2.6 represents a scenario that is likely below 2°C above pre-industrial temperatures and is thereby in line with the goals of the Paris Agreement. RCP8.5 is a high emissions scenario and refers to the "without climate policy" scenario.</p> <p>As analytical choice, MPI-ESM (Max Planck Institute-Earth System Model) global climate model was used with two spatial resolutions (coarse and high) and short-term (2023-2042), medium-term (2043-2062) and long-term (2081-2100) time horizons. The physical climate risk assessment was conducted for the renewable energy sector sub-sectors Hydroelectric Energy Power Plants (HEPP), Wind Energy Power Plants (WPP) and Solar Energy Power Plants (SEPP) and Garanti BBVA's own operations.</p> <p>The physical climate risk scores were calculated by aggregating the hazard, exposure, and vulnerability components. The results of the risk assessment are shown in the physical climate risk assessment report. WRI Aqueduct is used to assess future risk of water stress in terms of quantity only.</p>	<p>The physical climate risk assessment and WRI Aqueduct for Garanti BBVA shows clear and important results. For Garanti BBVA's own operational assets some regions have very low to medium risk scores; however, some regions, like Mediterranean, Southeast Anatolia and Black Sea regions, have high to very high risks for different hazards for both spatial resolutions. Drought and heatwave risks are higher in the Mediterranean and South-eastern Anatolia Regions, while heavy precipitation risks are more likely in the Black Sea region. The differences between the RCP2.6 and RCP8.5 climate scenarios are very small. Both scenarios show similar patterns for Garanti BBVA's own operational assets. One of the possible or probable water-related impacts associated with the future scenarios is drought. Drought risk is the emerging risk with high priority, followed by the heatwave risk.</p> <p>The renewable energy assets of Garanti BBVA risk assessment for the short-term time horizon shows more than 70% of the WEPPs and 84% of SEPPs have either a low or very low risk score. Due to the sensitivity of HEPPs to heavy precipitation, this number is 50% for the HEPPs. Also, projects with higher credit values are mostly in the very low or low risk score. Medium and long-term results are like the short-term results.</p>	<p>Based on the physical climate risk assessment and WRI aqueduct, Garanti BBVA set up a plan to adapt to the identified physical climate and water risks in existing and new operations. For the existing operations, which fall under the high to very high-risk range, implementation of adaptation plans is a high priority. So, Physical Climate Risk Adaptation and Action Report is published as an operational or strategic response to the water-related outcomes described. Report includes risks and adaptation plan for the Garanti BBVA's own operation and renewable energy assets. The scope of the risk assessment and plan includes adaptation of physical climate risks is 100% share of the Banks's existing operations and renewable energy assets. In the meantime, for the new and upcoming operations, having a risk assessment before starting the operations and having adaptation plans are highly beneficial for Garanti BBVA. Another operational /strategic response is giving more priority to the risk assessment right after the physical climate risk assessment report and implement the outcomes of the report to its business strategy. The anticipated timescale of our response is about 5-10 years.</p>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Garanti BBVA is aware of water scarcity and exploring ways to better reflect all climate-related impacts including water risks in its business decisions. For nearly a decade, Garanti BBVA has been applying a shadow price on carbon. A similar mechanism could be developed for projects and assets prone to water risks as well. As Blue Economy concept and supporting financial mechanisms such as blue bonds, the Bank explores water valuation practices to contribute the efforts in this area.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	<p>Garanti BBVA intends to make its know-how concerning sustainable finance available to all customer segments and sustain its support to Turkey's green transformation with loan structures that address sustainability in all aspects. Garanti BBVA does not have direct products. However, while approving the projects that we include in our portfolio and finance, we pay attention to the water impact. We put water consumption reduction as KPI in SLL (Sustainable linked loan) transactions. The bank shows its customers ecological footprints as a result of their activities. On the Ecological section under the "My Status" menu on Garanti BBVA Mobile shows customers' carbon footprint calculated based on their bills and gas expenses and expressed as CO2, water, and tree equivalent. Sustainable finance products include wastewater treatment, irrigation loans within the scope of sustainable agriculture loans, and water and sewerage investments within the scope of social investments.</p>	<Not Applicable>	<p>Additionally, BBVA has created a new sustainable loan that focuses on reducing companies' water footprint, a key priority in many companies' sustainability policies. The 'water footprint' loan is a sub-type of loan that considers specific water indicators and CDP Water score. As a group member, Garanti BBVA will implement this loan structure. For details: https://bbva.info/3QgvDBH</p>

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	<Not Applicable>
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	No, and we do not plan to within the next two years	We have 3 water-related targets.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water pollution

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction in water discharges per business unit

Year target was set

2021

Base year

2019

Base year figure

13.74

Target year

2025

Target year figure

11.5

Reporting year figure

11.39

% of target achieved relative to base year

104.910714285714

Target status in reporting year

Achieved

Please explain

As a financial institution, Garanti BBVA's wastewater generation results from domestic use. However, Turkey is located in a high-drought-risk geography and the impact of climate change on its natural water resources and their replenishment cycles are already visible. Efficiency in water consumption is considered material by the Bank, therefore Garanti BBVA closely monitors and publicly shares its water-related impacts.

Since the target is applied on each unit, coverage is chosen as companywide- direct operations. This target is tracked by using m3/sqm unit in Garanti BBVA's KPI. Our 2025 target has been achieved in 2022. Therefore, an update of this is also planned for the coming years.

Target reference number

Target 2

Category of target

Water withdrawals

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction of water withdrawals from municipal supply or other third party sources

Year target was set

2021

Base year

2019

Base year figure

13.75

Target year

2025

Target year figure

11.51

Reporting year figure

12.82

% of target achieved relative to base year

41.5178571428571

Target status in reporting year

Revised

Please explain

Efficiency in water consumption is considered material by the Bank, therefore Garanti BBVA closely monitors and publicly shares its water-related impacts. Since the target is applied on each unit, coverage is chosen as companywide- direct operations. This target is tracked by using m3/per employee unit in Garanti BBVA's KPI. According to Garanti BBVA's Global Eco-Efficiency Plan (2021-2025), we set a target with water consumption per employee metric that represents water withdrawal. According to Garanti BBVA's global eco-efficiency plan, the target for 2025 has been determined as 11.51 m3 per employee. Withdrawals for 2022 were realized as 12.82 m3/FTE. For more information please see the Garanti BBVA's Global Eco-Efficiency Plan (2021-25) https://www.garantibbvainvestorrelations.com/en/images/pdf/GEP-IR-Website_07092021.pdf

Target reference number

Target 3

Category of target

Water, Sanitation and Hygiene (WASH) services

Target coverage

Country/area/region

Quantitative metric

Increase in the proportion of employees using safely managed drinking water services

Year target was set

2021

Base year

2021

Base year figure

2000

Target year

2024

Target year figure

8000

Reporting year figure

6800

% of target achieved relative to base year

80

Target status in reporting year

Revised

Please explain

Garanti BBVA sees its employees as one of its most valuable business partners. Therefore, the Bank attaches great importance to WASH services. With the motivation to create a better-quality working environment for its employees, Garanti BBVA aims to provide better quality water to its employees by installing drinking water treatment systems in the regions where it operates. Reduction in the consumption of bottled water is also a side-benefit of these installed systems and counts towards the Bank's plastics targets (Details are mentioned under the plastics section of the CDP questionnaire). In this context, the Istanbul region has been prioritized because around 40% of the bank's personnel are working out of its primary offices in here and target coverage is chosen as country/area/region. When it started, the project covered only the HQ building, but it's planned to reach three other managerial buildings in the city. Unit of the metric used to track this target is chosen as "employee".

W9. Verification**W9.1****(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

[garanti-bbva-integrated-annual-report-2022.pdf](#)**W9.1a**

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	"Total water consumption by volume" and "Total water consumption by source"	ISAE 3000	Includes total water consumption mainly coming from municipality by Garanti BBVA's operations Turkey. Here the term "water consumption" refers to "water withdrawal" which is defined as "the sum of all water drawn into the boundaries of the organization from all sources. Reported following the guidance in GRI 303-3 total water withdrawal by source in the Appendix A.2: Environmental Performance Data of 2022 Integrated Annual Report Garanti BBVA's non-financial performance metrics were verified by EY within the scope of limited assurance in its 2022 Integrated Annual Report under assurance standard ISAE 3000 in pages 240-249. https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf
W3 Procedures	Environmental and Social Impact Assessment Process	ISAE 3000	The following KPIs have been verified within the scope of third party assurance (limited assurance): Environmental and Social Impact Assessment Process applied in projects financed by Garanti BBVA - Projects evaluated in 2022, - Projects rejected in 2022, - Risk notes of projects evaluated in 2022, - Number of site visits in 2022. These KPIs and E&S Governance are reported in the 2022 Integrated Annual Report, Garanti BBVA's non financial performance metrics were verified by EY within the scope of limited assurance in its 2022 Integrated Annual Report under assurance standard ISAE 3000 in pages 240-249. https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf
W4 Risks and opportunities	Environmental and Social Impact Assessment Process	ISAE 3000	The following KPIs have been verified within the scope of third party assurance (limited assurance): Environmental and Social Impact Assessment Process applied in projects financed by Garanti BBVA - Projects evaluated in 2022, - Projects rejected in 2022, - Risk notes of projects evaluated in 2022, - Number of site visits in 2022. These KPIs and E&S Governance are reported in the 2022 Integrated Annual Report, Garanti BBVA's non financial performance metrics were verified by EY within the scope of limited assurance in its 2022 Integrated Annual Report under assurance standard ISAE 3000 in pages 240-249. https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf
W6 Governance	Sustainability Governance	ISAE 3000	The following KPIs have been verified within the scope of third party assurance (limited assurance): -Materiality Analysis, - Sustainability Governance. These KPIs and E&S Governance are reported in the 2022 Integrated Annual Report, Garanti BBVA's non financial performance metrics were verified by EY within the scope of limited assurance in its 2022 Integrated Annual Report under assurance standard ISAE 3000 in pages 240-249. https://www.garantibbvainvestorrelations.com/en/images/pdf/garanti-bbva-integrated-annual-report-2022.pdf

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	Mapping plastics in the value chain is a first stage for a bank to increase their awareness of how plastics are used and disposed of. The bank do not produce any kind of plastic, yet it provides credit card to its customers, plastic based products to its employees. So, this allows a bank to understand its plastics-related impacts on the environment and society, its exposure to plastics related business risks, and how to reduce plastic pollution. Within this context, Garanti BBVA mapped plastics in their value chain. Zero Waste Project was implemented in 2022 to evaluate operational wastes. In the buildings where we carry out our operations single-use plastics types such as plastic forks, spoons, knives, containers, and plastic bottles come to the fore. At the same time, the credit cards they give to the customer, which is one of the important products of the bank, are also important for the plastic management of the bank. Plastics, whose raw material is petroleum, have both climate and credit risks due to their negative effects on climate change and the limitation of natural resources. There are risks such as the upward pricing of limited fossil fuels, the tendency of the supply/demand balance to deteriorate due to consumer preferences, the fact that oil is among the sectors that the bank should take action towards the net zero target, and the development of awareness of plastic pollution in the society. Garanti BBVA follows a holistic management policy by considering all these risks.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	Other, please specify (Financial)	Garanti BBVA aims to increase the recycled plastic content of the credit cards it provides to customers. With climate change and increasing consumer awareness, it is very important to use recycled plastics in products that will contribute to the circular economy model rather than fossil-based raw plastics. In this context, there is a risk of increase in unit card costs in supplier companies despite the increasing demand for recycled plastics. However, this cost increase will remain at very low levels compared to the turnover.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic goods	Eliminate single-use plastic goods	The Bank pledged to reduce and avoid the usage of 318.6 tonnes of plastic by 2023 under its commitment to Business for Plastic Initiative. Commitment includes three phase which are 1- reduction in garbage bag, 2- replacing pet bottles & other single use plastics (knife, fork, spoon, bowl etc.) with alternatives 3- recycled credit cards. First two commitments are related with the elimination of single-use plastic goods. Coverage is chosen as company-wide. With the start of pandemic precautions lifting, Actions like replacing plastic cutlery at meals with Metal cutlery started to be applied. Porcelain cups began to be used instead of disposable plastic cups. Garanti BBVA reduced its pet bottles both through its remote working practice and by encouraging the use of glass bottles and water dispensers on the floors. Thanks to all these efforts, Garanti BBVA prevented the use of 130.72 tons of plastic bottles, the use of plastic cutlery weighing 42.2 tons, the use of 132.90 tons of plastic bags with long-lasting cloth bags and plastic bags that we removed from use.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	Yes	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

62.01

Raw material content percentages available to report

- % virgin fossil-based content
- % post-consumer recycled content

% virgin fossil-based content

15

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

<Not Applicable>

% post-consumer recycled content

85

Please explain

For the total weight of plastic durable goods sold in the reporting year, the plastic weight in the card is calculated by multiplying the number of cards issued in the relevant year. ((Weight of plastic/card)*(sold card amount/year))

5 gr (plastic/card) x 12,173,020 (sold card amount/year)/1000000= 62.01 tonnes

In the following years, Garanti BBVA targets to increase recycled content of its cards further, as well as assess feasibility of using alternative eco-materials.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

NA

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

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

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms