

KUVEYT TÜRK KATILIM BANKASI A.Ş.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:

Bank

(1.3.2) Organization type

Select from:

Partially privately owned and partially state owned organization

(1.3.3) Description of organization

Kuveyt Türk Katılım Bankası A.S. (“Kuveyt Türk”, or the “Bank”) is a financial institution that provides commercial and investment banking services in Türkiye. Founded in 1989, the Bank is headquartered in Istanbul. As Kuveyt Türk, we have been active in interest-free finance for 35 years. With our dynamic corporate management approach, a comprehensive roster of innovative products, and overseas forays, we contribute to the development of participation finance. We assume a pioneering role in the industry with our customer-oriented approach, as well as with our digital transformation and sustainability efforts. Driven by a deep sense of commitment to our cultural heritage, we undertake pivotal social responsibility projects. Consistent with our “We Grow with Our Values” approach, we implement numerous restoration projects; support humanitarian aid campaigns; contribute to the development of Turkish-Islamic arts; and pass down works of art to future generations. With our benefit-oriented approach to people and society, we continue to deliver consistent, reliable, and sustainable services for all whose lives we touch. Kuveyt Türk, efficiently provides a large number of financial products and services to its customers with its distinguished product and service structure, Kuveyt Türk contributes to the economy and maintains its pioneering position in the sector. The Kuveyt Türk family conducts all its financial activities within the framework of “participation banking” principles. Our Mission is, to be a bank that adheres to interest-free finance principles; abides by moral values; focuses on customer-oriented banking while adding value for all stakeholders and embraces corporate social responsibility. Our Vision is, to be the most reliable participation bank providing sustainable and profitable growth by leading the way in developing interest-free financial services. Our Quality Policy is, in line with the principles of participation banking and total quality management, we aim to be an institution that: Improves the service quality and customer satisfaction, Leads the banking sector, creates value under the leadership of senior management, and Taps into the ongoing efforts of employees throughout the organization. At Kuveyt Türk, we uphold ethical principles that align with our values to provide reliable services. • Reliability • Responsiveness • Sincerity Kuveyt Türk abides by a set of ethical principles to provide services that align with its values. These principles are: • Integrity • Impartiality • Transparency • Confidentiality • Ethical approach

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

1 year

[Fixed row]

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

549300TB3JMG64GK6X59

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

E-Swift Code KTEFTRIS

[Add row]

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:

Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

Yes, both the portfolio value and the % of revenue associated with it

(1.10.4) Portfolio value based on total assets

298179098000

(1.10.5) % of revenue

100

(1.10.6) Type of clients

Select all that apply

Asset owners

Corporate and institutional clients (companies)

- Retail clients
- Institutional investors
- Business and private clients (banking)
- Family offices / high network individuals

- Government / sovereign / quasi-government / sovereign wealth funds

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> Retail | <input checked="" type="checkbox"/> Fossil Fuels |
| <input checked="" type="checkbox"/> Apparel | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Infrastructure |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Transportation services | |
| <input checked="" type="checkbox"/> Food, beverage & agriculture | |
| <input checked="" type="checkbox"/> Biotech, health care & pharma | |

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

- No

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

- No

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

No, but we plan to do so within the next two years

(1.24.4) Highest supplier tier known but not mapped

Select from:

Tier 1 suppliers

(1.24.8) Primary reason for not mapping your upstream value chain or any value chain stages

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(1.24.9) Explain why your organization has not mapped its upstream value chain or any value chain stages

Kuveyt Türk has recently initiated efforts to better understand and manage its environmental impact, marking 2023 as the starting point for measuring the Bank's environmental footprint and participating in CDP reporting. As part of these efforts, we have introduced ESG criteria into our sustainable procurement policies and supplier contracts. Additionally, we have placed a priority on integrating clean and renewable energy sources into our energy consumption practices. To further these efforts, a Sustainable Finance team has been established to calculate emissions from our portfolio and investments, with plans to start calculating portfolio emissions soon. However, the comprehensive mapping of our value chain has not yet been completed due to the absence of well-established and tailored standards that fully align with Kuveyt Türk's operational and environmental context. Recognizing this gap, we have embedded this into our long-term strategy through the development of the 2024-2026 Sustainability Strategy. This strategy is designed to address the needs and impacts of our value chain, including environmental and social aspects, and to set the framework for value chain mapping. To support these initiatives, we have formed 6 specialized Working Groups under the Sustainability Committee, one of which is the Environmental Impact and Risk Working Group. This group is tasked with overseeing the upstream value chain mapping in alignment with the 2024-2026 Sustainability Strategy. In the coming two years, we will focus on conducting a comprehensive gap analysis of our value chain to identify areas for

improvement and establish processes for continuous monitoring and engagement with key actors. The decision to prioritize other areas of sustainability initially was made to ensure that foundational elements, such as ESG integration and emissions measurement, were in place. However, we recognize the importance of value chain mapping in fully understanding our environmental dependencies and risks. Thus, Kuveyt Türk is committed to making significant progress in this area by 2026, ensuring that our value chain is mapped and aligned with both internal sustainability goals and broader environmental standards.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Portfolios covered in mapping
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have mapped or are currently in the process of mapping plastics in our value chain	<i>Select all that apply</i> <input checked="" type="checkbox"/> Banking (Bank)

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We prioritize publishing our Sustainability Report using GRI Standards to enhance stakeholder communication and transparency in sustainability performance. We calculate and verify GHG emissions per GHG Protocols to assess our climate impact and participated in CDP reporting for further awareness and improvement. Our other short-term goal is to update our publicly published policies and integrate the scope of combating climate change into our corporate activities through Sustainability and Environmental Policies. In addition, it is planned to strengthen the infrastructure of greenhouse gas inventory data within the Bank so that Scope 1, 2 and 3 emissions can be calculated regularly and carbon and water footprints can be analyzed. Also, our waste database will be developed within the scope of the Zero Waste Project. Furthermore, projects will be carried out to offset our Scope 1 and 2 emissions. National/international renewable energy certificates will be obtained to offset Scope 2 emissions. In addition, offsetting electricity consumption with the Self-Consumption Power Plant was in our short-term strategy plan and has been realized. We began using solar energy for a significant portion of its electricity consumption in September 2024 as part of its sustainability and energy efficiency efforts. We plans to develop sustainable banking products and channels, and will publish a sustainability report in 2025, aligning with Turkish Sustainability Reporting Standards (IFRS S1&S2).

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We will improve action plan in the fight against climate change that will create physical and transition risks. To increase sustainability practices in our credit operations, we will be enhancing our Environmental and Social Credit Risk Assessment systems. We plan to establish systems that will improve our Social and Environmental data tracking processes, thereby enabling us to identify opportunities for improvement. Our goal is to establish an emission reduction plan by setting targets based on the results of annual GHG emissions inventory calculation. We plan to create a system that enables us to monitor the consumption of electricity, water, and natural gas throughout our General Directorate and Branches. By closely monitoring our consumption, we anticipate a reduction in our emissions. We aim to increase the amount of investments we have made within the scope of renewable energy and agricultural banking in the mid-term. Furthermore, we plan to extend the successful Zero Waste system from our Head Office to all our central branches, improving waste management. We will design sustainable banking products and digital solutions, while also advancing systems for the Green Asset Ratio and compliance with national climate risk regulations. In order to measure corporate sustainability performance, we will integrate sustainable KPIs across the entire organization. We plan to publish an IR that reflects our sustainability efforts, performance, risks, opportunities, and transition plan

Long-term

(2.1.1) From (years)

3

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We aim to establish our data inventory to calculate our Scope 3 emissions and to calculate our portfolio emissions regularly. We also aim to support the transformation plan of emission-intensive sectors. We also plan to increase the clean sectors in our portfolio. Also, we aim to increase the amount of investments we have made within the scope of clean sectors in the long-term. Another long-term goal is to evaluate the financial effects of climate change in our transition to a low-

carbon economy. We aim to switch to electric vehicles from fuel cars in order to reduce the amount of our GHG emissions and to take action within the scope of combating climate change.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- Climate change
- Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- Annually

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- Risk models
- Stress tests
- Internal company methods
- Enterprise Risk Management
- ISO 31000 Risk Management Standard
- COSO Enterprise Risk Management Framework

International methodologies and standards

- Environmental Impact Assessment
- ISO 14046 Environmental Management – Water Footprint

Other

- Desk-based research
- Internal company methods

(2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Wildfires
- Heat waves
- Cold wave/frost
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

- Heat stress
- Water stress
- Sea level rise
- Temperature variability
- Precipitation or hydrological variability
- Increased severity of extreme weather events
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

- Carbon pricing mechanisms
- Changes to national legislation

Market

- Changing customer behavior
- Inadequate access to water, sanitation, and hygiene services (WASH)

Reputation

- Impact on human health
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

- Stigmatization of sector

Technology

- Data access/availability or monitoring systems

Liability

- Non-compliance with regulations
- Regulation and supervision of environmental risk in the financial sector

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- Customers
- Employees
- Investors
- Regulators
- Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

(2.2.2.16) Further details of process

Within the scope of the process of identifying operational risks related to sustainability, historical events in the world, Turkey, the banking sector and the Bank are analyzed to determine risk types. Identified risk types are monitored and reported on the basis of environmental, health and safety, economic, infrastructure and technological, social and geopolitical main groups. Workshop method was adopted to carry out risk analyses. Personnel from relevant business departments in the Bank participate in the workshops. In these workshops, internal risk levels are determined by determining the internal impact and probability on the basis of risk type. The effectiveness of controls for the relevant risks is evaluated. As a result of the assessment of controls, final residual risks related to risk types are calculated and action plans are created to reduce the risk to an acceptable level.

[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

Banking (Bank)

(2.2.4.1) Process in place covering this portfolio

Select from:

- No, but we plan to within the next two years

(2.2.4.3) Primary reason for not evaluating dependencies and/or impacts related to this portfolio

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(2.2.4.4) Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to evaluate this in the future

Currently, we do not have a standardized procedure in place to consistently evaluate these dependencies and impacts across our entire portfolio. In terms of impacts, every production facility in Türkiye have to complete the EIA (Environment Impact Assessment) process carried out by the Ministry of Environment, Urbanization and Climate Change in order to become operational and in the operation process of facility the ministry regularly inspects these facilities for environmental impact. In addition to that, provincial administrations in the province where the facility will operate have made evaluations that the facility will not cause significant harm to the environment. Therefore, bank has not needed a mechanism to evaluate the effects so far. However, with increasing considerations of climate change in the current agenda, we plan to enhance our evaluation processes including dependencies and impacts to incorporate climate risk considerations by enacting ESG scorecard that is under the developing process. This may involve conducting comprehensive climate assessments of our portfolio, considering factors such as exposure to carbon-intensive industries, vulnerability to extreme weather events, upstream and downstream activities and potential regulatory changes related to climate action. By considering these dependencies and impacts, we aim to better understand and manage the climate-related risks inherent in our portfolio.

[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities

[Fixed row]

(2.2.6) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

- Climate change
- Water

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

- Risks
- Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

8

(2.2.6.4) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- Fossil Fuels
- Infrastructure
- Manufacturing
- Materials
- Power generation

(2.2.6.6) Frequency of assessment

Select from:

- Annually

(2.2.6.7) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.6.8) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- Local

(2.2.6.10) Tools and methods used

Select all that apply

- External consultants
- Internal tools/methods
- Risk models
- Stress tests

(2.2.6.11) Risk type and criteria considered

Acute physical

- Drought
- Flood (coastal, fluvial, pluvial, ground water)
- Heat waves

Chronic physical

- Heat stress
- Water stress
- Change in land-use
- Precipitation or hydrological variability
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

- Carbon pricing mechanisms
- Changes to national legislation

Market

- Availability and/or increased cost of raw materials

Reputation

- Impact on human health
- Increased partner and stakeholder concern and partner and stakeholder negative feedback

- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

- Dependency on water-intensive energy sources
- Transition to reusable products
- Transition to increasing recycled content
- Transition to lower emissions technology and products
- Transition to water efficient and low water intensity technologies and products

Liability

- Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- Customers
- Employees
- Regulators

(2.2.6.13) Further details of process

In response to evolving outlook on sustainability, our Bank has also incorporated principles for application of ESG factors in its credit policies and procedures indicating its commitment to respond climate-related risks. Within this scope, it has been decided to apply principles in its credit processes as follows: minimization of the issues that have a negative impact on sustainability, increasing energy efficiency, supporting the transition to a low carbon economy and carrying out activities to raise awareness on sustainable development. In line with these principles, financings for renewable energy projects such as solar, wind, hydropower and supply chain for renewable energy technologies, pollution prevention-control plants like recycling, waste management, fossil fuel energy replacements, energy efficiency projects, clean transportation vehicles are covered under Sustainable Finance Framework. Apart from that, our Bank is collaborating with its main shareholder to establish an ESG scoring for loan applications and a project has been started to reflect industry best practices. Kuveyt Türk has internal mechanisms to manage climate change-related risks and opportunities in the short, medium and long term. The Bank is employing these mechanisms to carry out necessary initiatives in terms of managing the anticipated risks by mitigating and minimizing as much as possible. In the macro scale, risk assessment at Kuveyt Türk is conducted in different categories including (but not limited to) credit risk, market risk, operational risk, counter party credit risk, liquidity risk, profit rate risk, concentration risk, legal risk, reputational risk, strategic risk, technology and information security risks, clean banking risk. Climate-related risks are generally covered within credit, operational, market, liquidity, reputational and strategic risks. The Sustainability Committee, which has Executive Vice President of Risk Management representation, is responsible for the oversight of achieving the targets related to mitigate climate-related risks. In order to include climate-related risks in risk inventory, risk

identification, definition, evaluation and/or measurement, monitoring, control, reporting and management of climate change risks are being done. We conducted an impact analysis on its loan portfolio regarding CBAM, focusing on cement, energy, iron-steel, aluminum, and fertilizer industries. Companies were assessed using NACE codes and classified into a 5-level risk scale.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

The process begins by identifying environmental dependencies through data collection and stakeholder engagement/communication. Next, the Bank assesses the impacts of its operations and investments via workshops. Risks associated with these factors are then identified and analyzed, prioritizing them based on residual risks. The Bank integrates results into decision-making, establishes monitoring systems, and maintains communication with stakeholders to adapt to evolving environmental challenges.

[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

- Climate change
- Water

(2.2.9.2) Type of environmental information considered

Select all that apply

- Energy usage data
- Other, please specify :Environmental Impact Assessment report (EIA)

(2.2.9.3) Process through which information is obtained

Select all that apply

- Directly from the client/investee
- From an intermediary or business partner
- Data provider
- Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Food, beverage & agriculture |
| <input checked="" type="checkbox"/> Manufacturing | <input checked="" type="checkbox"/> Biotech, health care & pharma |

Infrastructure

[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

Qualitative

Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

Capital allocation

(2.4.3) Change to indicator

Select from:

% decrease

(2.4.4) % change to indicator

Select from:

1-10

(2.4.6) Metrics considered in definition

Select all that apply

Likelihood of effect occurring

(2.4.7) Application of definition

The capital adequacy ratio in the bank is calculated using the formula "Equity / (Market Risk-Weighted Assets + Operational Risk-Weighted Assets + Credit Risk-Weighted Assets)." According to regulatory requirements, the bank's capital adequacy ratio must exceed 12%. Currently, the KTPB's capital adequacy ratio stands at 21%, and any risk that could cause it to fall below the 12% threshold is considered a substantive financial impact. These risks (e.g., foreign exchange risk, default risk) are tested annually through ICAAP stress testing under future-oriented scenarios. Additionally, within the bank's credit allocation processes, the limit amount that can be approved by the Board of Directors is approximately 10% of the capital, and risks exceeding this amount are also considered substantive financial impact. Furthermore, any operational loss exceeding 50,000,000 TL is also regarded as a substantive financial impact.

Opportunities

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Revenue

(2.4.3) Change to indicator

Select from:

- % increase

(2.4.4) % change to indicator

Select from:

- 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

(2.4.7) Application of definition

We consider an effect substantive if there is an increase in revenue resulting from sustainability-related opportunities, particularly when linked to climate-related investments or regulations such as CBAM. We monitor these opportunities on an ongoing basis, reviewing them annually as part of our sustainability action plan. Metrics such as customer demand, product capacity, and competency are evaluated to determine the feasibility and scale of sustainable investments. With our customer-focused solution principle, we see this as a development opportunity since we need to create different alternative solutions by determining our carbon-intensive and strategic customers. In addition, when we look at our own operations, we define using environmentally friendly products that will reduce our emissions and reduce our operational costs as an opportunity.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

Yes, both within our direct operations or upstream value chain, and within our portfolio

Water

(3.1.1) Environmental risks identified

Select from:

Yes, both within our direct operations or upstream value chain, and within our portfolio

Plastics

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Kuveyt Türk has concluded that it is not exposed to significant environmental risks related to plastics due to the nature of its business operations. As a bank operating within the financial services sector, Kuveyt Türk's core activities primarily involve financial transactions, investments, and services that do not directly engage with the production, consumption, or disposal of plastic materials. While the bank recognizes that environmental risks related to plastics exist, such risks are more pertinent to industries involved in manufacturing, retail, or supply chain logistics where plastic use is integral. In our upstream and downstream value chain, plastic usage is minimal and not central to our operations or services. We have, however, implemented responsible practices to reduce plastic consumption within our operations, such as minimizing single-use plastics, purchasing recyclable plastics material for credit cards and promoting sustainable alternatives. Despite these measures, the environmental risks associated with plastics do not have a substantive effect on our financial stability or operational continuity. Consequently, while Kuveyt Türk remains vigilant regarding environmental impacts, plastics-related risks are not considered material to our business.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Policy and legal risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

As Turkey aligns itself with international climate agreements like the Paris Agreement, the introduction of carbon pricing mechanisms—such as carbon taxes or emissions trading schemes—poses a policy and legal risk to Kuveyt Türk's direct operations. Although Kuveyt Türk is part of the financial services sector and not a direct emitter of carbon-intensive activities, carbon pricing impacts can still affect operational costs and the overall business environment. The bank's operational infrastructure, particularly energy consumption within its branches and headquarters, contributes to Scope 2 emissions. With carbon pricing mechanisms potentially affecting electricity costs, this could lead to increased operational expenses.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Carbon pricing, through mechanisms such as carbon taxes or emissions trading, will likely increase electricity costs, affecting operational expenses across the bank's branches and headquarters. This could lead to a rise in utility costs, impacting operational expenditure in the short, medium, and long terms. In the short-term, Given Kuveyt Türk's nationwide presence and the reliance on electricity in its operational infrastructure, these costs could have a notable effect on overall operating expenditure. The increase in energy costs due to carbon pricing has not been quantified financially, as the effects are not separately identifiable at this stage. However, these costs are expected to account for a small but notable percentage of the bank's total operational costs. In the medium-term, as carbon pricing mechanisms become more established and emissions-related regulations become stricter, Kuveyt Türk may face additional expenses related to maintaining energy-efficient infrastructure and potentially adopting renewable energy sources. Investments in technology, infrastructure upgrades, and energy-efficient systems could be required to mitigate these operational costs, leading to potential cash outflows.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater compliance with regulatory requirements

(3.1.1.29) Description of response

To mitigate the risks posed by carbon pricing mechanisms, Kuveyt Türk's primary response will be to ensure greater compliance with evolving regulatory requirements related to emissions and climate change. The bank's approach will focus on enhancing energy efficiency across its operations, aligning with national and international frameworks such as the Paris Agreement, and preparing for carbon pricing regulations that are anticipated to affect operational costs in the coming years. So far, Kuveyt Türk has implemented several initiatives to manage this risk. The bank has invested in energy-efficient technologies in its branches and headquarters to reduce its Scope 2 emissions. Additionally, Kuveyt Türk has adopted renewable energy sources by transitioning a significant portion of its electricity consumption to solar power, which began in September 2024. This effort not only reduces the bank's carbon footprint but also mitigates future increases in energy costs from carbon taxes.

Water

(3.1.1.1) Risk identifier

Select from:

Risk14

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

Tigris & Euphrates

(3.1.1.9) Organization-specific description of risk

Kuveyt Türk recognizes drought as a significant environmental risk within its direct operations, particularly in Turkey, where water scarcity has become a growing concern due to climate change. As a financial institution, our operations depend on resources such as water for day-to-day functions in branches and offices. A

prolonged drought could impact infrastructure efficiency, increase operational costs, and disrupt service delivery in regions where water scarcity is acute. The Bank is closely monitoring national and regional water policies to ensure compliance and proactive adaptation to water-related risks.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption to workforce management and planning

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the short-term, operational disruptions related to workforce management may arise, particularly in regions where water shortages impact infrastructure. This could lead to increased operational costs due to necessary adjustments, such as implementing water-saving measures or relocating staff to areas with adequate resources. While the magnitude of these disruptions is expected to be low, the effect on employee productivity and increased overheads may marginally impact the Bank's operational expenses, although these effects are currently difficult to quantify. Over the medium-term, ongoing water scarcity could potentially increase costs related to facility management and energy consumption, especially as the Bank may need to invest in water-efficient technologies or rely on alternative water sources for business continuity. The added expenditure on infrastructure could modestly reduce cash flows and affect net income, but these expenses would likely be offset by increased operational resilience in the long run.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.29) Description of response

Kuveyt Türk's primary response to managing drought-related risks is to implement environmentally best practices in credit allocation and customer evaluation processes. One of the key strategies is developing sectoral heat maps to assess drought risks within the Bank's portfolio. These heat maps allow the Bank to identify and visualize high-risk sectors and clients that are more vulnerable to water scarcity, particularly in agriculture, manufacturing, energy and tourism sectors. By doing so, Kuveyt Türk can take a proactive approach in evaluating the financial stability of customers and sectors that are sensitive to drought conditions.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Policy

Changes to national legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Policy and legal risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

Turkey's regulatory landscape is evolving rapidly to address climate change, with new policies aimed at reducing carbon emissions and promoting sustainable practices across industries. For financial institutions like Kuveyt Türk, compliance with emerging legislation, such as increased reporting obligations, stricter environmental standards, and climate-related financial disclosures, could lead to operational adjustments and potential financial impacts. The upcoming implementation of national climate regulations, such as carbon pricing mechanisms, will affect businesses across sectors, including banks, by imposing new legal requirements. The bank will also need to integrate climate-related legal risks into its broader strategic planning to remain compliant while supporting Turkey's transition to a low-carbon economy. These legislative shifts present policy and legal risks that require continuous monitoring and adaptation to ensure Kuveyt Türk remains compliant and competitive in a changing regulatory environment.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Fines, penalties or enforcement orders

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Meeting compliance requirements with evolving national regulations to address climate change, particularly related to carbon emissions and sustainability, could increase the Bank's liabilities and directly impact its financial condition. In the short term the Bank's investments in new systems, staff training and external consulting fees to improve environmental risk assessment systems in credit allocation, implement more rigorous reporting requirements and comply with regulatory requirements may be impacted.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater compliance with regulatory requirements

(3.1.1.29) Description of response

Kuveyt Türk's primary response to mitigating the climate change-related risks and complying with environmental laws and standards is to ensure greater compliance with regulatory requirements. The Bank has taken proactive steps to align its operations with evolving climate-related policies and regulations, particularly concerning carbon emissions and sustainability. This response strategy is centered around enhancing internal compliance systems, adjusting policies, and ensuring that the Bank operates within the regulatory framework to avoid penalties and promote sustainable practices. In the coming years, the Bank will continue improving its data tracking systems to monitor greenhouse gas emissions, electricity and water consumption, and waste generation. These improvements will help to refine its reporting and compliance measures, allowing for better alignment with both national regulations and global best practices.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Heat wave

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

Kuveyt Türk has identified heat waves as a significant climate-related risk that could affect its direct operations in Turkey. As temperatures rise due to climate change, prolonged periods of extreme heat can lead to increased energy consumption for cooling systems in our offices and branches. This poses operational challenges, including higher electricity costs and potential strain on infrastructure, especially during peak demand periods. Additionally, heat stress can affect employee productivity and health, especially in regions where the intensity and duration of heatwaves are more pronounced. This could lead to increased absenteeism and reduced workforce efficiency, further impacting the bank's daily operations.

(3.1.1.11) Primary financial effect of the risk

Select from:

Disruption to workforce management and planning

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Extreme heat may lead to higher energy costs due to increased use of cooling systems in our offices and branches. The additional cost of maintaining cooling systems may marginally impact operational expenses. While the adoption of energy efficient systems and renewable energy continues, operating costs are expected to increase during peak demand periods. However, potential disruptions in employee welfare and workforce planning may have some impact on overall productivity and service efficiency.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

- Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

Key measures include investing in energy-efficient infrastructure, such as upgrading cooling systems and using renewable energy sources like solar power to reduce the energy consumption required for cooling during heat waves. This initiative started in September 2024 when we began sourcing a large portion of our electricity from solar energy. By doing so, we aim to significantly decrease our reliance on non-renewable energy sources, reduce greenhouse gas emissions, and contribute to the global transition towards a low-carbon economy.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Cold wave/frost

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

In the context of Kuveyt Türk's operations, cold waves and frost present a significant environmental risk, particularly impacting our business continuity in Turkey. These extreme weather conditions, driven by climate change, can cause operational disruptions such as power outages, damage to physical assets, and challenges in maintaining optimal working conditions. Our branches, data centers, and critical infrastructure may face increased maintenance costs and reduced efficiency due to the strain from cold weather.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated financial effect of cold waves and frost on Kuveyt Türk is primarily related to workforce management and planning disruptions, which could manifest across short, medium, and long-term time horizons. These disruptions may arise due to operational interruptions, such as temporary closure of branches or a reduced ability for employees to commute, leading to delays in key banking operations and services. In the short term, the immediate effect may include increased costs related to maintaining operations during extreme weather events, such as investing in infrastructure resilience, temporary relocation of staff, and emergency operational measures. In the medium and long-term, the effects are likely to be more subtle but could increase costs related to insurance premiums, higher maintenance expenses, and the need for ongoing investments in climate resilience measures such as backup power sources or enhanced building insulation. This

risk could also lead to a reduced operational capacity in affected regions, which in turn could slightly impact revenue growth in these areas. However, the overall magnitude of this risk is considered low, and it is unlikely to severely disrupt the financial performance or cash flows of the organization as a whole. Quantifying this effect remains challenging, as the specific financial impacts are not easily distinguishable from other operational costs, and the level of uncertainty in predicting the frequency and severity of cold waves makes precise measurement difficult. As a result, the financial effect has not been quantified financially. However, the effects would likely involve line items such as operational expenses (e.g., maintenance, staff relocation, emergency management) and insurance costs. The relative impact on Kuveyt Türk's overall financial position is expected to remain minor due to the low magnitude of the risk.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

One of the key responses is upgrading the physical infrastructure to withstand adverse weather conditions, including improving insulation in branches and data centers, installing backup power sources, and ensuring critical systems can operate during power outages caused by severe cold. These improvements reduce the risk of operational disruption, safeguard key services, and minimize energy wastage, contributing to both environmental sustainability and operational continuity. Additionally, Kuveyt Türk has implemented an energy efficiency program focused on reducing electricity and heating consumption, promoting the use of renewable energy, and optimizing building management systems across its branches. This initiative helps lower greenhouse gas emissions while ensuring that the bank's operations are less vulnerable to fluctuations in energy availability due to cold weather conditions. Another notable response has been enhancing workforce flexibility through remote working capabilities. By equipping employees with the necessary digital tools and infrastructure, Kuveyt Türk ensures that essential functions can continue uninterrupted even when commuting is impacted by extreme weather, reducing workforce disruptions while maintaining service quality.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

- Wildfires

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

Kuveyt Türk has identified wildfires as a significant operational risk due to the increasing frequency and intensity of climate change-related events in Turkey. Wildfires can disrupt branch operations, damage property, and impact service delivery, leading to potential business continuity challenges. Such events may also lead to power outages, disrupt communication systems, and limit access to banking services, affecting the bank's ability to serve its customers. In the event of severe wildfires, there may be increased costs related to emergency preparedness, insurance premiums, and potential recovery efforts.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term

Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

These costs are primarily related to mitigating operational disruptions, enhancing fire prevention and safety measures, and potential recovery efforts should a wildfire directly impact the bank's physical infrastructure. In the short term, the financial impact could include expenditures on emergency preparedness, such as the installation of fire safety equipment, evacuation plans, and employee training. Increased insurance premiums for fire and natural disaster coverage may also result in elevated costs. In the medium term, the costs associated with potential operational disruptions due to wildfires could increase. These disruptions may include temporary branch closures, damage to equipment, and communication or IT infrastructure failures. Recovery costs, including branch repairs or relocation, could also elevate operational expenses. In this case, the financial effect might manifest as reduced operational efficiency and higher operational costs, though the level of impact is anticipated to remain low due to the limited number of branches affected. In the long term, the financial impact could manifest as capital expenditures to retrofit or enhance facilities in regions prone to wildfires, alongside operational costs for ongoing disaster preparedness and climate adaptation initiatives. These actions may help reduce future financial risk, but they are likely to slightly increase operational costs over time.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

Fire safety protocols have been established in all branches, including regular employee training, fire drills, and the installation of fire prevention systems. Additionally, Kuveyt Türk has enhanced its energy efficiency by incorporating renewable energy sources, such as solar power, reduces the reliance on electricity sources that may be vulnerable during wildfire events. This transition also ensures continuous operations during wildfire incidents, which can lead to power disruptions. Kuveyt Türk is continuously improving its risk management procedures by evaluating and upgrading its disaster recovery and business continuity plans. This includes ensuring the availability of backup systems and communication channels to minimize service interruptions in case of branch closures due to wildfires.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk6

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

Turkey, where Kuveyt Türk operates, has experienced an increase in the frequency and intensity of extreme weather events due to climate change, particularly in the form of heavy precipitation. These events pose an operational risk to the bank's physical infrastructure, such as branches and data centers, which may face disruptions due to flooding, damage to facilities, or power outages. Such disruptions can negatively impact the bank's ability to provide services to its customers and ensure business continuity, especially in regions more prone to these weather conditions. Additionally, the potential for increased maintenance costs, property damage, and insurance claims due to weather-related incidents adds further financial and operational pressures.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The primary financial effect of the identified climate-related risk, specifically heavy precipitation, is an increase in direct costs. Kuveyt Türk anticipates this risk to affect the organization across short, medium, and long-term horizons. This impact will likely manifest through higher expenses related to the maintenance and repair of

facilities, increased insurance premiums, and potential interruptions in operations that may reduce service availability. In the short-term, we expect incremental costs associated with damage to physical infrastructure such as branches, ATMs, and data centers. These facilities are exposed to the risk of flooding and other weather-related damage, leading to increased expenditure on repairs, recovery operations, and preventive measures. Additionally, emergency response costs may arise due to the need to ensure business continuity during extreme weather events. While the financial impact in the short term is anticipated to be low, the cumulative effect of recurrent events may lead to higher operational costs. Due to the uncertainty in predicting the frequency and intensity of future weather events, the effect of this risk on Kuveyt Türk's financial position has not been quantified financially. The long-term implications will be continuously monitored, and we will adjust our strategies as needed to mitigate the financial and operational risks posed by extreme weather conditions.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

In response to the risk posed by heavy precipitation and other climate-related risks, Kuveyt Türk has implemented a series of environmental best practices aimed at minimizing the environmental impact of its direct operations while enhancing operational efficiency. These initiatives are designed to mitigate the operational risks associated with extreme weather events, such as damage to infrastructure and service disruptions, and to contribute to a broader sustainability strategy. One key response has been the development and application of a system which ensures that the bank is prepared to handle disruptions caused by extreme weather conditions. This system includes disaster recovery plans, facility upgrades to make infrastructure more resilient to weather events, and performing regular maintenance to reduce the risk of operational shutdowns.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk7

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

- Sea level rise

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

Sea level rise, driven by climate change, poses a potential operational risk for Kuveyt Türk in Turkey. As a bank with various branches and operational centers located in coastal areas, there is a growing concern over the long-term impacts of rising sea levels on infrastructure, business continuity, and customer access. While the immediate effects are not yet significant, the gradual encroachment of water, increased flooding, and coastal erosion could affect our branches in vulnerable areas. This could lead to higher operational costs due to physical damage, disruptions in service, or increased expenditures for relocation and infrastructure reinforcement.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The impact of sea level rise will primarily affect operational costs due to potential damages to coastal branch locations and the need for mitigation measures to ensure continuity of services. In the short term, the bank may face initial expenditures related to preventive actions, such as reinforcing structures, improving drainage systems, and implementing early warning systems to reduce the risk of operational disruptions. This could result in modest increases in capital expenditures aimed at enhancing the resilience of our coastal branches. In the medium and long term, the financial impact could escalate if sea level rise accelerates, leading to more frequent flooding events or permanent damage to coastal infrastructure. In such cases, operational costs may rise due to potential branch relocations, repairs, and insurance premium increases. The effect on financial performance could also extend to increased spending on technology and infrastructure to maintain service levels for affected clients. While we anticipate a low magnitude of financial impact, Kuveyt Türk continues to monitor this risk closely and integrate it into our operational planning, ensuring that we allocate sufficient resources to mitigate long-term disruptions without significantly affecting our financial health. Thus, while direct costs may increase over time, the overall financial position and performance of the bank remain stable, with sufficient provisions and strategies in place to manage this evolving risk.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

- Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

Our primary response focuses on proactive mitigation measures, particularly at coastal branch locations, to ensure operational resilience. This includes infrastructure improvements such as strengthening buildings, improving drainage systems to prevent flood damage, and implementing water and energy saving technologies.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk8

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Temperature variability

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Upstream value chain

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

The increasing frequency and intensity of extreme temperature can lead to higher energy demands for heating and cooling systems in our branches and headquarters, resulting in increased operational costs. Prolonged exposure to extreme temperatures can also impact the physical infrastructure of our buildings, leading to higher maintenance and repair costs over time. Furthermore, temperature variability can affect employee productivity and well-being. The Bank is actively monitoring these risks and implementing measures to improve energy efficiency, strengthen infrastructure resilience, and ensure the well-being of employees and customers during periods of temperature extremes.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption to workforce management and planning

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the short-term, temperature variability is likely to result in increased operational costs, particularly in areas such as energy consumption for heating and cooling. This could affect general administrative expenses, as the Bank will need to adjust energy usage based on temperature fluctuations, leading to higher utility bills. If extreme temperature variations persist, it may create the need for investments in improved building infrastructure, such as enhanced HVAC systems and insulation, to maintain optimal working conditions. This could lead to higher capital expenditures and a possible reallocation of funds initially intended for other business

initiatives. Disruptions in employee productivity and attendance due to discomfort or health issues caused by temperature extremes may also affect the Bank's ability to maintain seamless operations, further impacting operational efficiency and performance.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

Kuveyt Türk has also launched a broader sustainability strategy that includes reducing its carbon footprint by increasing the use of renewable energy. As part of this initiative, the Bank started sourcing a significant portion of its electricity from solar energy in 2024, which helps mitigate the impact of temperature variability on energy demand. This shift towards renewable energy reduces reliance on non-renewable sources, further supporting the Bank's sustainability goals. The effects of actions include reduced energy costs, improved infrastructure resilience, and enhanced sustainability performance, ensuring long-term benefits for the Bank.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk9

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Precipitation or hydrological variability

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

As a bank with an extensive branch network, unpredictable shifts in precipitation patterns, including heavy rainfall or prolonged droughts, could lead to operational disruptions such as physical damage to infrastructure, power outages, and water shortages, all of which could negatively impact business continuity. Turkey's geographical location and susceptibility to climate variability increase the likelihood of extreme weather events, which pose risks to the bank's facilities, data centers, and critical service points. For instance, heavy precipitation and flooding can cause damage to physical branches, disrupt transportation and communication networks, and hinder employees' ability to commute or work effectively, potentially affecting customer service delivery. On the other hand, droughts or water scarcity could strain resources and heighten operational costs, impacting facilities' daily functioning.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Kuveyt Türk has identified the potential impact of precipitation and hydrological variability as part of its climate-related risk assessment. In the short term, the direct costs could arise from immediate damage to physical infrastructure, such as branch offices and data centers, as well as disruptions to the transportation and communication networks that could hinder the ability of employees to commute or access critical systems. In the medium to long term, ongoing variability in precipitation patterns may result in additional costs related to the maintenance and upgrading of infrastructure to improve resilience to climate-related events. Bank anticipates that expenses related to infrastructure maintenance, emergency preparedness, and insurance premiums will continue to rise as the likelihood of extreme weather events increases.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

In response to the risks associated with precipitation or hydrological variability, including heavy rainfall, Kuveyt Türk has adopted a range of environmental best practices to reduce the environmental footprint of its operations and enhance overall efficiency. These measures are part of the bank's broader sustainability strategy, aimed at mitigating operational risks such as infrastructure damage and service disruptions caused by extreme weather conditions. A key initiative has been the implementation of a robust system designed to prepare the bank for potential disruptions. This includes comprehensive disaster recovery plans, infrastructure upgrades to improve resilience to weather-related events, and regular maintenance to minimize the likelihood of operational shutdowns.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk10

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Increased severity of extreme weather events

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

Kuveyt Türk recognizes that the increased severity of extreme weather events due to climate change poses a significant operational risk to its direct operations in Turkey. As a bank with extensive branch networks and physical infrastructure across the country, extreme weather conditions such as floods, storms, and heatwaves have the potential to disrupt our operations, damage assets, and cause service interruptions. For example, floods may affect data centers and branch locations, leading to downtime and potential financial loss, while heatwaves can increase energy consumption and reduce efficiency in critical systems. The geographical spread of Kuveyt Türk's branches across different regions of Turkey also means that exposure to such extreme weather events varies, but it remains a critical risk factor to consider. As a result, the bank has integrated climate-related risk assessment into its overall risk management strategy.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption to workforce management and planning

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

These events, such as floods, heatwaves, and storms, can lead to branch closures, temporary service interruptions, or delays in workforce availability, particularly in regions severely affected by such weather patterns. Operational disruptions from extreme weather events could impact the Bank due to limited access to branch services or operational delays. Which could result in increased operational costs related to repairing damaged infrastructure, investing in climate-resilient facilities, and maintaining business continuity measures.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

- Implementation of environmental best practices in direct operations

(3.1.1.29) Description of response

One of the key actions we have taken is the transition towards renewable energy use, particularly solar energy, to power a significant portion of our branches and facilities. By integrating renewable energy into our operations, we aim to reduce greenhouse gas emissions and limit our reliance on fossil fuels, thus mitigating the environmental risks associated with climate change. In the context of operational resilience, Kuveyt Türk aims strengthened its infrastructure by implementing climate-resilient technologies, such as reinforced building materials and flood-proofing mechanisms for branches located in high-risk areas.

Climate change

(3.1.1.1) Risk identifier

Select from:

- Risk11

(3.1.1.3) Risk types and primary environmental risk driver

Technology

- Lack of access to data or monitoring systems

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

The lack of robust and reliable climate-related data can hinder our ability to make informed decisions regarding the integration of environmental risks into our risk management processes. This challenge can impact various aspects of our operations, such as accurately assessing climate-related financial risks, setting appropriate targets for emissions reductions, and tracking progress towards sustainability goals. Without comprehensive data, there is an increased likelihood of gaps in understanding the full extent of climate-related risks, particularly in relation to extreme weather events, regulatory changes, and the broader transition to a low-carbon economy. These gaps can lead to delays in implementing necessary risk mitigation strategies and aligning our operational activities with sustainability objectives.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Constraint to growth

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- About as likely as not

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Over the short, medium, and long-term, the bank may face additional costs associated with improving its data systems, integrating new technologies, and enhancing internal processes to address gaps in climate risk assessment and management. These costs may include investments in software, hardware, staff training, and external expertise to ensure that the necessary data is available for robust environmental risk assessments. While the immediate financial impact of insufficient data and monitoring systems is expected to be limited, the potential for more significant effects in the medium and long-term exists if these gaps are not addressed. Kuveyt Türk remains committed to improving its data systems to minimize future financial risks and ensure continued alignment with its sustainability objectives.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater due diligence

(3.1.1.29) Description of response

Kuveyt Türk has responded to the risk of insufficient data and monitoring systems by implementing recognized sustainable methods across its operations. The bank has taken several measures to minimize its environmental impact while enhancing operational efficiency. These practices are integrated into day-to-day operations, aiming to improve data quality, reduce resource consumption, and better align with sustainability goals. In terms of long-term risk management, the bank is in the process of strengthening its data monitoring and reporting infrastructure, allowing for more accurate tracking of emissions and resource consumption. This will enable Kuveyt Türk to continuously assess and improve its environmental performance, ensuring the bank remains resilient to climate-related risks in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk12

(3.1.1.3) Risk types and primary environmental risk driver

Liability

- Non-compliance with legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Policy and legal risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

As part of the global response to climate change, both international and national regulations, such as the Paris Agreement and Turkey's Green Deal Action Plan, have led to a significant tightening of legal frameworks concerning greenhouse gas emissions and environmental performance. These regulations may impact Kuveyt Türk's operations if not fully adhered to, particularly in terms of compliance with reporting and sustainability requirements. Failure to meet these evolving regulations could result in financial penalties, reputational damage, or operational disruptions, especially as new climate policies are implemented across various industries. The Carbon Border Adjustment Mechanism (CBAM) in the European Union, for example, indirectly affects Turkish financial institutions that support sectors subject to carbon pricing. Additionally, increased scrutiny by regulatory bodies poses a potential risk, necessitating ongoing adjustments to internal policies, risk assessments, and reporting mechanisms to align with climate regulations. Kuveyt Türk is therefore proactively adapting to these regulations to minimize exposure and ensure continued compliance in its direct operations.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Fines, penalties or enforcement orders

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The costs of upgrading infrastructure, enhancing data collection and reporting capabilities, and aligning with stricter environmental requirements will increase to the operating expenses. Failure to comply with climate-related regulations could result in a reduced ability to attract investment or engage with environmentally-conscious customers. Moreover, non-compliance could hinder the Bank's ability to capitalize on sustainable finance opportunities, leading to a loss of competitive advantage.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

- Greater compliance with regulatory requirements

(3.1.1.29) Description of response

In response to the risk of non-compliance with environmental regulations, Kuveyt Türk is committed to ensuring greater adherence to evolving regulatory standards. This proactive approach focuses on aligning the Bank's operations with national and international environmental laws to avoid penalties and promote sustainable business practices. The primary response to this risk has been the enhancement of internal compliance processes. Kuveyt Türk has implemented a robust framework for monitoring and assessing compliance with environmental regulations, which includes periodic audits and the integration of environmental criteria into its risk management systems. Additionally, the Bank has updated its Environmental, Social, and Governance (ESG) policies to ensure all operational activities and investment strategies align with sustainability goals. This includes ongoing training and awareness programs for employees to ensure compliance at all levels. One of the significant actions taken by Kuveyt Türk is the creation of a dedicated Environmental Impact and Risk Working Group. This group is responsible for monitoring regulatory changes, assessing risks related to climate change, and advising on necessary adjustments to ensure compliance.

Climate change

(3.1.1.1) Risk identifier

Select from:

- Risk13

(3.1.1.3) Risk types and primary environmental risk driver

Liability

- Regulation and supervision of environmental risk in the financial sector

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Policy and legal risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

In Turkey, regulatory authorities, including the Banking Regulation and Supervision Agency (BRSA), have increasingly focused on the financial sector's role in managing climate-related risks. The adoption of new regulations, such as the guidelines on effective management of climate-related financial risks and the introduction of stricter environmental risk assessments, could impose additional compliance requirements on the Bank. As a financial institution, Kuveyt Türk is directly affected by these regulations, as they require the integration of environmental risks into our credit risk assessments, investment strategies, and overall risk management framework. Failure to comply with these emerging standards could result in legal liabilities, reputational damage, and potential financial penalties. Additionally, regulatory shifts may necessitate changes in our operational processes and investment policies, leading to increased costs. To mitigate this risk, Kuveyt Türk proactively monitors regulatory changes and continuously adapts its environmental risk management practices to align with both national and international standards.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Fines, penalties or enforcement orders

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As environmental regulations evolve in Turkey, particularly those driven by the Banking Regulation and Supervision Agency (BRSA) and international climate accords such as the Paris Agreement, the Bank is likely to face increased scrutiny regarding compliance with climate-related financial risk management. In the short term, Kuveyt Türk may incur additional costs related to adapting its internal systems and processes to meet new regulatory standards. This could involve revising credit risk assessments, incorporating environmental data into decision-making, and enhancing climate-related reporting and disclosures. The financial impact has not been fully quantified but is expected to be manageable within operational budgets. In the medium term, Kuveyt Türk anticipates more substantial effects on its financial performance. Stricter environmental risk regulations could increase compliance costs as the Bank may be required to enhance its risk management practices, offer green financial products, or divest from high-carbon sectors. In the long term, the financial effects are expected to stabilize, as Kuveyt Türk transitions to a more sustainable operating model. However, failure to adapt to the evolving regulatory landscape could result in reputational damage, and reduced investor confidence. Kuveyt Türk remains proactive in monitoring regulatory changes and adjusting its business model to minimize the long-term impact of these risks on its financial performance and cash flow.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater compliance with regulatory requirements

(3.1.1.29) Description of response

Kuveyt Türk's primary response to climate-related risks is to ensure greater compliance with evolving environmental laws and regulations. As the financial sector in Turkey faces increasing scrutiny from regulatory bodies, such as the Banking Regulation and Supervision Agency (BRSA), the Bank is taking proactive steps to align with these standards. This involves integrating environmental risk assessments into our credit risk, investment strategies, and overall risk management practices. By doing so, we aim to avoid penalties, ensure compliance, and contribute to sustainable banking practices. In addition to internal adjustments, Kuveyt Türk collaborates with external stakeholders, including regulatory bodies and industry associations, to stay informed about new policies and best practices. Our participation in initiatives like the CDP and adherence to guidelines such as the Paris Agreement and the Green Deal Action Plan underscore our commitment.

Water

(3.1.1.1) Risk identifier

Select from:

Risk15

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

- Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

- Kizilirmak

(3.1.1.9) Organization-specific description of risk

Flooding presents a significant environmental risk for Kuveyt Türk, particularly in Turkey, where extreme weather events, including heavy rainfall and flooding, have increased in recent years due to climate change. This risk affects the Bank's direct operations, as flooding can disrupt business continuity by damaging infrastructure, IT systems, and key facilities, potentially leading to service interruptions, increased operational costs, and regulatory implications.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of flood risk on Kuveyt Türk's financial position, financial performance, and cash flows over the short, medium, and long-term time horizons is expected to result primarily in increased direct costs. These costs could arise from damage to physical infrastructure, including branches, data centers, and other key facilities, as well as increased maintenance and repair expenses related to flood incidents. While the magnitude of the risk is currently considered low, the likelihood of flood events is very high due to the increasing intensity and frequency of extreme weather conditions in Turkey. In the short-term, these increased costs may affect operating expenses as the bank invests in immediate repairs, preventive infrastructure enhancements, and business continuity measures. In the medium to long-term, the need for additional investments in flood resilience, such as upgrading infrastructure or relocating branches in high-risk areas, could place further pressure on operational budgets.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- No

(3.1.1.26) Primary response to risk

Policies and plans

- Develop flood emergency plans

(3.1.1.29) Description of response

Kuveyt Türk has developed proactive response strategies to ensure preparedness for flooding events, prioritizing the protection of lives and property while minimizing damage. One of the primary responses is the development of comprehensive flood emergency plans across the organization. These plans focus on enhancing disaster readiness, safeguarding critical infrastructure, and ensuring business continuity during and after flooding incidents. As part of this initiative, Kuveyt Türk is also working on a long-term flood preparedness plan that includes retrofitting branches in vulnerable areas with more resilient structures, enhancing flood barriers, and implementing water-resistant technology systems. The bank aimed to continuously evaluating and improving its flood emergency response to ensure its effectiveness as climate conditions evolve.

Water

(3.1.1.1) Risk identifier

Select from:

- Risk16

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

- Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

- Tigris & Euphrates

(3.1.1.9) Organization-specific description of risk

Kuveyt Türk operates in Turkey, a country experiencing growing water stress due to climate change, population growth, and inefficient water management practices. This environmental risk has direct implications for our operations, as water scarcity can affect the continuity of our physical branches, data centers, and critical infrastructure. In regions prone to water stress, there is an increased risk of operational disruptions caused by limited water availability, higher utility costs, and potential regulatory constraints. While Kuveyt Türk direct water usage is minimal, the broader impacts of water stress in the economy present operational risks. As part of our risk management strategy, we monitor water usage within our operations, develop resilience measures for critical infrastructure, and encourage water-efficient practices among our clients and partners. Addressing water stress is essential to maintaining business continuity and minimizing operational risks in the future.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption to workforce management and planning

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- About as likely as not

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As an operational risk, the primary financial impact is related to potential disruptions to workforce management and planning, particularly in areas where water shortages may affect branch operations or the availability of critical resources. While water stress can affect specific regions in Turkey, the likelihood of significant disruptions to our entire operation remains relatively low, as we have implemented measures to mitigate the effects. While water stress poses an operational risk, the anticipated financial effect on Kuveyt Türk's financial position, performance, and cash flows remains low due to the nature of our business, existing mitigation efforts, and our limited reliance on water resources in direct operations. This risk is being closely monitored, and any necessary adjustments will be made as part of our ongoing risk management strategy.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.29) Description of response

In response to the operational risk posted by water stress, Kuveyt Türk has adopted a comprehensive strategy centered on water efficiency, reuse, recycling, and conservation practices. Our goal is to minimize our environmental footprint, conserve vital water resources, and reduce waste across our operations. This strategy involves optimizing water use in our physical branches, data centers, and corporate offices by incorporating best practices for water management.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

'Kuveyt Türk has identified carbon pricing mechanisms as a climate-related risk with potential substantive effects on its portfolio. As carbon pricing becomes more prominent globally and in Turkey, the cost of emissions for businesses operating in carbon-intensive sectors is expected to rise. This presents a direct credit risk to the bank's portfolio, as companies in sectors such as iron and steel, aluminum, cement and chemicals may face increased operational costs, reducing their profitability and ability to repay loans. In Turkey, carbon pricing initiatives, including potential carbon taxes or market-based mechanisms like emissions trading, are expected to be implemented as part of the country's commitment to global climate agreements, such as the Paris Agreement. The introduction of these mechanisms could affect businesses' financial stability, particularly those in industries heavily dependent on fossil fuels. This, in turn, may impact Kuveyt Türk's exposure to credit risks, especially for clients operating in carbon-intensive industries. To manage this risk, Kuveyt Türk is actively monitoring regulatory developments and working on integrating carbon-related risk assessments into its credit evaluation processes. The bank aims to support its clients in transitioning to more sustainable business models, thereby mitigating the financial impact of future carbon pricing mechanisms.'

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the short term, the financial effect may be relatively low, given that carbon pricing mechanisms are still evolving in Turkey. However, as regulations are implemented and businesses begin to incur costs related to carbon pricing or taxes, Kuveyt Türk's loan portfolio could be exposed to heightened credit risk. The bank's clients, particularly in sectors like iron and steel, aluminum, cement and chemicals, may struggle with maintaining financial health as they adapt to these new cost structures. Over the medium term, as the carbon pricing mechanism becomes more firmly established, the credit risk may increase moderately, impacting the bank's financial performance. Some clients may experience reduced cash flows, resulting in delayed or defaulted loan payments. It is anticipated that line items such

as provisions for credit losses and non-performing loans could be affected, along with net interest income in the case of client defaults. Kuveyt Türk continues to monitor this evolving risk and will update financial projections as more data becomes available.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Pricing and credits

Other pricing or credit, please specify :Implementation of best practices in credit allocation and customer evaluation process.

(3.1.1.29) Description of response

The bank has introduced measures to ensure that carbon-related risks are considered when assessing clients' financial health and creditworthiness. This involves evaluating clients' current carbon footprints and their efforts to transition to low-carbon operations. Clients operating in carbon-intensive sectors are encouraged to purchase carbon credits, either as part of their sustainability strategy or to offset their unavoidable emissions. This helps clients remain compliant with emerging carbon pricing mechanisms and reduces the likelihood of financial distress due to regulatory changes. One example of the bank's efforts in this area includes collaborating with renewable energy and carbon offset project developers, offering financing options for clients to participate in these projects.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk14

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

As Turkey is highly vulnerable to the impacts of climate change, including increased frequency and intensity of droughts, this poses a direct threat to sectors reliant on water resources, such as agriculture, manufacturing, energy production and tourism. Since a considerable portion of the Bank's portfolio includes clients from these industries, prolonged droughts could lead to reduced agricultural yields, operational disruptions, and higher costs for businesses, affecting their financial stability and ability to meet credit obligations. This climate-induced risk has the potential to increase credit defaults, especially in the agricultural sector, which is highly exposed to water scarcity. Kuveyt Türk's risk management approach includes regularly monitoring the impacts of drought on key sectors within its portfolio, engaging clients in water-sensitive industries, and incorporating environmental factors into credit risk assessments.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

Medium-term

Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

More likely than not

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This risk can lead to defaults in industries that face operational disruptions and reduced output due to water scarcity, especially in agricultural production and water-intensive industries. In the short term, Kuveyt Türk may experience an increase in non-performing loans in these sectors as borrowers struggle to meet their credit obligations due to reduced revenue. This could lead to higher loan loss provisions and a slight impact on profitability, particularly in areas heavily reliant on stable water supply. It is expected that line items related to loan loss provisions, credit risk management, and non-performing loans would be the most affected if drought conditions persist over the long term.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater due diligence

(3.1.1.29) Description of response

Kuveyt Türk's primary response to managing drought-related risks is to implement environmentally best practices in credit allocation and customer evaluation processes. One of the key strategies is developing sectoral and customer-based heat maps to assess drought risks within the Bank's portfolio. These heat maps allow the Bank to identify and visualize high-risk sectors and clients that are more vulnerable to water scarcity, particularly in agriculture, manufacturing, energy and tourism sectors. By doing so, Kuveyt Türk can take a proactive approach in evaluating the financial stability of customers and sectors that are sensitive to drought conditions.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk17

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Other chronic physical risk, please specify :Rising temperatures

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Turkey

(3.1.1.9) Organization-specific description of risk

As a participation bank, Kuveyt Türk serves diverse industries, some of which, such as agriculture, energy, and infrastructure, are directly vulnerable to climate change. The rise in temperatures can lead to physical risks such as increased operational costs, reduced productivity, and damage to assets, which may result in higher default rates on loans, especially in sectors which are highly vulnerable to climate variability. Additionally, rising temperatures heighten the risk of wildfires, which can cause direct damage to physical assets, further depreciating collateral values. In sectors reliant on physical infrastructure, such as real estate and energy, this depreciation can lead to reduced loan security and increased credit risk. This risk translates into a growing credit risk for the Bank, as clients in affected sectors may face financial challenges that impair their ability to repay loans.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

More likely than not

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The primary effect of this risk is an increase in credit risk, as businesses in vulnerable sectors, such as agriculture and infrastructure, face financial difficulties due to physical climate impacts like reduced crop yields, water stress, and potential asset damage from wildfires. The sectors most affected by climate change risks, particularly agriculture and energy, could see reduced revenues, which may lead to delayed loan repayments. As a result, the Bank could experience higher loan defaults and a reduction in the value of collateral, which may weaken the quality of its loan portfolio.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater due diligence

(3.1.1.29) Description of response

Kuveyt Türk will implement a proactive approach to mitigating the climate-related risks associated with rising temperatures by incorporating environmentally best practices in credit allocation and customer evaluation processes. One key strategy is the ongoing development of sectoral heat maps, which will allow the Bank to assess and predetermine the chronic physical risks that climate change poses to its portfolio. These heat maps provide detailed insights into how specific industries and customers are exposed to climate risks, such as rising temperatures, droughts, or wildfires. By utilizing this data, Kuveyt Türk can better evaluate the financial stability of its customers and the sectors they operate in, particularly those more vulnerable to climate impacts. The process enables the Bank to identify high-risk sectors and customers in advance and take appropriate measures, such as adjusting loan terms, increasing provisions, or offering support for climate adaptation strategies.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk15

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

- Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

Flood risk is a significant physical risk that can have extensive implications for a bank's portfolio and the collateral securing its loans. Floods can directly damage properties and infrastructure, disrupt business operations, and adversely affect the financial stability of borrowers. This has a cascading effect on the bank's financial health, as borrowers who experience operational disruptions due to flood-related damage may face difficulties in repaying loans. The collateral used to secure these loans, often in the form of real estate or other assets, may also lose value if located in flood-prone regions, further increasing the risk to the bank. Industries such as agriculture, construction, and manufacturing are particularly vulnerable, given their reliance on physical infrastructure. Kuveyt Türk recognizes the potential for increased credit risk stemming from these vulnerabilities, as defaults and delays in loan repayments may rise in the aftermath of flood-related damage.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Devaluation of collateral and potential for stranded, illiquid assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Flood risks can have both direct and indirect financial implications for Kuveyt Türk, affecting its financial position, performance, and cash flows across the short, medium, and long-term horizons. Due to the nature of this risk, one of the primary financial effects is the potential devaluation of collateral, particularly in regions highly susceptible to flooding. This could lead to stranded or illiquid assets, which may lose their marketability or value if properties securing loans are affected by floods. In the short term, the necessity to revalue assets, especially real estate, could lead to lower collateral values, negatively impacting the loan-to-value ratios of certain loans in flood-prone areas. While the immediate effect may not result in large-scale defaults, the reduced value of collateral could impair the bank's capacity to recover loans in the event of borrower defaults, affecting the balance sheet. In the medium term, there may be a rise in non-performing loans, particularly in industries like agriculture, real estate, and construction that are heavily reliant on physical assets exposed to flood risks. Borrowers in these sectors could experience financial difficulties if flood events disrupt their operations or lead to significant property damage, further affecting the bank's cash flows through delayed or defaulted loan repayments. In the long term, frequent flood events might force the bank to reassess its lending strategy in high-risk regions, limiting growth opportunities in certain sectors.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater due diligence

(3.1.1.29) Description of response

Kuveyt Türk will respond to flood-related risks by implementing environmentally best practices in its credit allocation and customer evaluation processes. This proactive approach ensures that potential climate-related risks, such as floods, are thoroughly evaluated before extending credit, thereby minimizing the bank's exposure to environmental risks. The bank will integrate flood risk assessments into its credit approval processes by using geographic and environmental data to assess the vulnerability of the collateral and the borrower's operational facilities. This approach enables Kuveyt Türk to assess the likelihood of flood risks affecting specific sectors, properties, or regions. For instance, industries such as agriculture, construction, and real estate are carefully evaluated for their flood exposure, which helps inform credit decisions. In the future, Kuveyt Türk plans to continue refining these processes by incorporating advanced technologies for flood risk mapping and exploring collective initiatives with government agencies and industry bodies to further enhance climate resilience.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk16

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Turkey

(3.1.1.9) Organization-specific description of risk

As water stress intensifies, sectors reliant on water resources, such as agriculture, manufacturing, and energy production, face operational disruptions and reduced productivity. This, in turn, could impact the financial stability of businesses within these sectors, affecting their ability to meet loan obligations and increasing the likelihood of defaults. As borrowers in water-dependent sectors experience higher operational costs, production delays, or the need for significant capital investment in water-saving technologies, their financial performance may decline, leading to a deterioration in their creditworthiness. Consequently, Kuveyt Türk is exposed to potential loan impairments, affecting profitability and liquidity.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

More likely than not

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Water stress presents a potential risk to Kuveyt Türk's financial position, financial performance, and cash flows over the medium and long term, particularly due to its impact on sectors reliant on water resources such as agriculture, manufacturing, and energy. As these sectors face increased operational challenges due to water scarcity, the likelihood of loan defaults may rise, leading to increased credit risk for the Bank. In the medium term, this risk could manifest as a slight increase in loan impairments within sectors vulnerable to water stress. Over the long term, as water scarcity continues to escalate, particularly in Turkey, the risk to Kuveyt Türk's credit portfolio may become more pronounced. If industries reliant on water cannot adapt or mitigate the effects of water stress, their ability to generate revenue and repay debts could deteriorate further.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

Greater due diligence

(3.1.1.29) Description of response

Kuveyt Türk will implement a comprehensive response to reduce the risk of water stress by integrating environmental best practices into loan allocation, customer evaluation processes and pre-determination of customers' chronic physical risks. The bank's strategy includes the assessment of customers' environmental and water-related vulnerabilities, especially in sectors prone to water stress, such as agriculture and manufacturing. By evaluating these risks during the loan allocation process, Kuveyt Türk is able to proactively manage its credit exposure and minimize possible financial losses.

[Add row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	<i>Select from:</i> <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.8) Organization specific description

Digitalized and Sustainable Agriculture Banking In order to provide digital and smart solutions for each and every partner of the ecosystem, we completely overhaul our agriculture banking system. Our operations and key strategies are mainly focused on digital solutions. We are aiming to integrate with agtechs that provide smart solutions and e-commerce ecosystem for farmers and consumers, actively supporting and developing new areas for such companies. Additionally, Kuveyt Türk made smart agreements with pressured irrigation systems and smart farming equipment providers. Actively promoting drone usage in agriculture through our customers. Our Agriculture Banking team focuses on supporting every aspect of sustainable agriculture. Toward that end, Kuveyt Türk plans to increase its total share of Sustainable Agriculture Finance amounts. We aim to provide better rates and elasticity for sustainable agricultural projects. Make local and global agreements with different shareholders of the ecosystem in order to provide more diverse product-based financial products.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

- Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

In the reporting year, the shift toward sustainable agricultural practices has positively impacted Kuveyt Türk's financial position, financial performance, and cash flows. Specifically, our Agricultural Production Grant Fund totaled 3,986,599,783 TL in 2023, which includes support for sustainable agricultural practices such as irrigation systems and solar energy solutions. While the effects of this opportunity on individual financial statement line items are not separately identifiable, the increased allocation of funds toward sustainable agriculture has resulted in increased revenues from growing demand for sustainable financial products. This momentum aligns with global and domestic trends toward sustainability. Moreover, our strategy to promote smart agriculture and enter new partnerships with agtech companies has helped diversify our portfolio, contributing to long-term financial resilience. In qualitative terms, the focus on sustainable agriculture is projected to continue driving growth, as we offer more flexible and favorable financial products tailored to this sector. The continued development of new financial instruments for sustainable business models is expected to further enhance the bank's overall financial performance, supporting both short- and long-term revenue growth.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.26) Strategy to realize opportunity

To fully capitalize on the opportunity presented by sustainable agriculture, Kuveyt Türk has developed a comprehensive strategy that prioritizes innovation, digitalization, and partnerships. The core of our approach is centered on modernizing our Agriculture Banking system to offer smart, digital solutions tailored to the needs of every stakeholder in the agricultural ecosystem. Our primary efforts focus on integrating with agtech companies that provide advanced solutions, such as smart irrigation systems and drone technologies, to enhance operational efficiency for farmers and agricultural businesses. In 2023, we initiated several partnerships with leading providers of pressured irrigation systems and smart farming equipment, ensuring that our clients benefit from cutting-edge technology. We have also facilitated favorable financial terms for these technologies, encouraging widespread adoption of sustainable practices. Additionally, we are developing an e-commerce ecosystem for farmers and consumers, creating a seamless platform where agricultural products can be traded with greater transparency and efficiency. This digital approach supports not only the financial growth of our clients but also contributes to sustainable agricultural development, aligning with global sustainability trends. To ensure we remain at the forefront of sustainable agriculture, Kuveyt Türk has committed to increasing its allocation of sustainable agricultural finance. Our Agriculture Banking team is actively expanding our portfolio of products and services tailored to environmentally conscious farming. In prioritizing this opportunity, we have placed significant emphasis on the potential long-term benefits of sustainable agriculture compared to other sectors. As global and domestic trends increasingly favor environmentally responsible practices, we view this sector as a key driver of future growth.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

- Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.8) Organization specific description

Entrepreneurship Banking Kuveyt Türk's initiative KT Portföy is an investment fund management network that continuously provides new capital to the ecosystem by making direct investments. Our other initiative Lonca is a venture program that provides direct grants for startups, private working space, mentorship, access to our investment funds, education, and advisory services for all accepted startups. As part of our strategic perspective, we differ in our startup sector focus depending on Türkiye's sectoral needs. On specific sectors that rely heavily on carbon-related resources, Kuveyt Türk mainly focuses on digitalization and environment-friendly startups. We are planning to expand our support for environment-friendly fintech and agtechs in the future. Lonca accepts all types of applications from various sectors throughout the year.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Since 2017, Lonca has provided more than 4 million TL in cash grants to startups. 15 startups graduated. Lonca provided 1.7 million TL in cash grants to startups. One of the startups that graduated from the Lonca Program in 2023 and received investment from Kuveyt Türk Portföy is a startup that produces more affordable, health-friendly and environmentally friendly building facade thermal insulation material by recycling textile waste. It benefited from the supports in the Long program in 2023 and Kuveyt Türk Portföy, a Kuveyt Türk subsidiary, invested 200K in this startup. The startup received a total investment of 350K.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.26) Strategy to realize opportunity

Kuveyt Türk has implemented a multi-faceted strategy to realize the environmental opportunities stemming from climate change, particularly through our Lonca Entrepreneurship Program and Kuveyt Türk Portföy. These initiatives focus on supporting startups in sectors such as Fintech, Agriculture Technology, and environmentally friendly building materials. By investing in green innovation, we aim to capitalize on the rising demand for sustainable products and services, while also driving economic growth within our portfolio.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Other products and services opportunity, please specify :Development and/or expansion of low emission goods and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.8) Organization specific description

Renewable Energy Investments Kuveyt Türk has provided TL 3 billion in finance support to the industry with its Framework SPP financing product. Supporting the industry by financing the installation of various Solar Energy Power Plants, Kuveyt Türk will pioneer the financing of energy investments based on an environmentally friendly approach in 2024 as well. Also, the Bank extended the financing of TL 1.3 billion rooftop solar power plants by mediating the financing of 95 MW rooftop solar power plants in 2023. 12.98% of the intermediated financial leasing transaction volume was realized as part of rooftop SPP.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

- Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As Kuveyt Türk continues to expand its financing portfolio into low-emission sectors, such as renewable energy, the opportunity for increased revenues through product and service demand is significant. With financing packages supporting the installation of Solar Energy Power Plants (SPP) and rooftop solar systems, the bank has already provided TL 3 billion in support, with TL 1.3 billion specifically allocated to rooftop solar projects in 2023. The financial performance is projected to improve, driven by the demand for sustainable energy financing, leading to increased revenue streams. In particular, the higher uptake of solar financing is expected to increase leasing volumes, with 12.98% of intermediated financial leasing already being tied to rooftop SPPs, indicating a growing market share in renewable energy financing. The cash flows of Kuveyt Türk are likely to benefit from the expansion of this opportunity as the demand for renewable energy projects continues to rise. The increased revenue from financing these projects will provide a steady and growing stream of cash inflows. Additionally, as solar investments typically carry long-term contracts, the stability and predictability of these cash flows will positively impact overall liquidity and financial planning.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.26) Strategy to realize opportunity

Kuveyt Türk has developed a comprehensive strategy to capitalize on the identified opportunity related to renewable energy investments, particularly in solar energy. The bank's primary approach focuses on expanding its financing portfolio to support environmentally sustainable projects. One key component of the strategy is Kuveyt Türk's long-term commitment to providing financial support for solar energy investments. For example, the bank has provided TL 3 billion in financing for solar energy projects and plans to continue pioneering the financing of new energy investments through an environmentally responsible approach in 2024. Additionally, in 2023, the bank allocated TL 1.3 billion to rooftop solar power plants, resulting in the financing of 95 MW of energy capacity.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.8) Organization specific description

Self-consumption Solar Power Plant Kuveyt Türk, which is working on improving its energy efficiency and sustainability activities of its own operations within the scope of combating climate change, started to supply a large portion of the electricity it consumed from solar energy, a type of renewable energy, in September 2024. The solar power plant has an installed power of 10 kW and meets 80% of Kuveyt Türk's energy needs.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of Kuveyt Türk's investment in a self-consumption solar power plant on its financial position, financial performance, and cash flows is expected to be significant, particularly over the long term. By utilizing renewable energy, specifically solar power, the bank will reduce its reliance on traditional energy sources, leading to a reduction in operating costs related to electricity consumption. This shift directly impacts the bank's financial performance by lowering indirect expenses and contributing to overall cost savings. The solar power plant is anticipated to meet 80% of the bank's energy needs, which will significantly reduce the need for external energy procurement, improving cash flow stability by lowering utility expenditures. Although it is challenging to provide a precise quantitative figure due to the variability in energy prices and future expansion possibilities, the long-term financial benefits of this investment are substantial. The impact of this opportunity may not be immediately quantifiable in monetary terms due to factors such as fluctuating energy demands and potential external conditions affecting solar power production. However, in relative terms, the reduction in energy costs will likely contribute to improved operational efficiency, which may account for a significant portion of Kuveyt Türk's future operating budget reductions.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.26) Strategy to realize opportunity

To realize the opportunity presented by the self-consumption solar power plant, Kuveyt Türk has implemented a well-defined strategy focused on maximizing the environmental and financial benefits of renewable energy. The primary focus of this strategy is to reduce operating costs, improve energy efficiency, and contribute to the organization's long-term sustainability goals.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

- Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- Turkey

(3.6.1.8) Organization specific description

Electric/Hybrid Vehicles In order to support environmentally friendly transportation options, we provide financing support for the purchase of electric and hybrid vehicles. This service facilitates the transition to vehicles with high energy efficiency and low carbon footprint.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The anticipated effect of Kuveyt Türk's support for electric and hybrid vehicles on the organization's financial position, financial performance, and cash flows over the medium term is expected to be positive. By offering financing support for environmentally friendly transportation options, Kuveyt Türk taps into the growing market demand for vehicles with high energy efficiency and lower carbon footprints. Given the positive market outlook for electric and hybrid vehicles, the bank anticipates that this opportunity will substantively impact its financial performance, cash flows, and overall financial position. In terms of financial performance, the primary effect will be increased revenues as a result of higher demand for these specific loan products. Although the current market for electric and hybrid vehicles in Turkey is still developing, its growth trajectory indicates that this product will generate sustainable cash flows over time. As electric and hybrid vehicle adoption grows in Turkey, this demand is likely to expand, potentially increasing.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.26) Strategy to realize opportunity

To fully realize the opportunity presented by the financing of electric and hybrid vehicles, Kuveyt Türk has developed a comprehensive strategy that focuses on expanding its portfolio of environmentally friendly financial products while aligning with the broader sustainability goals of the bank. This strategy is built around the growing demand for cleaner transportation solutions, which is expected to significantly increase in the coming years as Turkey transitions to greener energy practices. One of the key initiatives to exploit this opportunity is the development of tailored financing packages for electric and hybrid vehicles. Kuveyt Türk has launched a financing support aimed specifically at individuals and businesses looking to purchase environmentally friendly vehicles.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

969632350.34

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

1-10%

(3.6.2.4) Explanation of financial figures

Among the banking products that we see as an opportunity for environmental issue in our bank, rooftop solar energy is as our renewable energy financing product. In addition, our agricultural banking products will contribute to our sustainability finance projections. At the same time, one of our environmentally friendly products with increasing demand is our hybrid and electric vehicle financing. Kuveyt Türk's revenue in 2023 from these opportunities for environmental issues was 969,632,350.34 TL.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

No

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Executive Officer (CEO)
- Chief Sustainability Officer (CSO)
- Chief Credit Officer (CCO)
- Other C-Suite Officer
- Other, please specify :Executive Vice President of Corporate and International Banking Officer Executive Vice President of Banking Services

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Other policy applicable to the board, please specify :Kuveyt Türk has a Sustainability Committee document approved by the BoD. The duties and responsibilities of the Sustainability Committee members are written.

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Monitoring the implementation of the business strategy
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding public policy engagement
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures

(4.1.2.6) Scope of board-level oversight

Select all that apply

- Risks and opportunities to our own operations
- Risks and opportunities to our banking activities
- The impact of our investing activities on the environment

- The impact of our own operations on the environment
- Risks and opportunities to our investment activities
- The impact of our banking activities on the environment

(4.1.2.7) Please explain

Kuveyt Türk's Board of Directors (BoD) recognizes the critical importance of climate change and environmental sustainability. To address these challenges, the BoD established a Sustainability Committee (SC) directly under its oversight. The SC is chaired by the CEO (who is also a Director on the BoD) and includes EVPs responsible for key business areas such as Strategy, Treasury, Credits, and Banking Services. The SC's mandate includes setting sustainability goals, approving the Sustainability Policy, and ensuring the integration of environmental factors into the Bank's broader strategy and risk management. The SC plays a central role in overseeing environmental issues by determining the Bank's priorities in response to climate change risks and opportunities, and ensuring alignment with the 2024-2026 Sustainability Strategy. The SC also supports various Working Groups (WGs) that focus on specific areas such as Climate-related Financial Risks, Sustainable Finance, and Environmental Impact and Risk. These WGs are responsible for assessing environmental risks, monitoring compliance, and proposing actions to minimize the Bank's climate-related financial and operational risks. The SC oversees several governance mechanisms, including:

- Monitoring progress toward climate-related targets: The SC regularly reviews reports from the Sustainable Finance team and the WGs on key environmental KPIs and initiatives.*
- Risk assessment: The SC supports climate-related financial risk analysis, which is integrated into the Bank's overall risk management framework.*
- Approving corporate policies: The SC submits policies related to sustainable banking and climate risk to the BoD for approval, ensuring alignment with ESG commitments.*
- Overseeing reporting and audits: The SC monitors the reporting and verification of Kuveyt Türk's environmental impacts, including greenhouse gas emissions, in line with ISO 14064:2018 standards. One recent decision by the SC was to initiate the calculation and third-party verification of the Bank's organizational greenhouse gas emissions, reflecting Kuveyt Türk's commitment to transparency and reducing environmental impacts. Additionally, Kuveyt Türk is working towards developing a climate transition plan, which will be overseen by the SC and BoD as part of the Bank's ongoing efforts to manage climate risks and drive sustainability. The BoD remains actively involved in ensuring Kuveyt Türk's business strategy incorporates environmental concerns, aligning long-term business goals with sustainability objectives to mitigate risks and capitalize on opportunities in the evolving regulatory and environmental landscape.*

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Executive Officer (CEO)
- Chief Sustainability Officer (CSO)
- Chief Credit Officer (CCO)
- Other C-Suite Officer
- Other, please specify :Executive Vice President of Corporate and International Banking Officer Executive Vice President of Banking Services

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Other policy applicable to the board, please specify :Kuveyt Türk has a Sustainability Committee document approved by the BoD. The duties and responsibilities of the Sustainability Committee members are written.

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Monitoring the implementation of the business strategy
- Overseeing reporting, audit, and verification processes
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding public policy engagement
- Overseeing and guiding public policy engagement
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures

(4.1.2.6) Scope of board-level oversight

Select all that apply

- Risks and opportunities to our own operations
- Risks and opportunities to our banking activities
- The impact of our own operations on the environment
- Risks and opportunities to our investment activities
- The impact of our banking activities on the environment
- The impact of our investing activities on the environment

(4.1.2.7) Please explain

Kuveyt Türk's Board of Directors (BoD) recognizes the critical importance of climate change and environmental sustainability. To address these challenges, the BoD established a Sustainability Committee (SC) directly under its oversight. The SC is chaired by the CEO (who is also a Director on the BoD) and includes EVPs responsible for key business areas such as Strategy, Treasury, Credits, and Banking Services. The SC's mandate includes setting sustainability goals, approving the Sustainability Policy, and ensuring the integration of environmental factors into the Bank's broader strategy and risk management. The SC plays a central role in overseeing environmental issues by determining the Bank's priorities in response to climate change risks and opportunities, and ensuring alignment with the 2024-2026 Sustainability Strategy. The SC also supports various Working Groups (WGs) that focus on specific areas such as Climate-related Financial Risks, Sustainable Finance, and Environmental Impact and Risk. These WGs are responsible for assessing environmental risks, monitoring compliance, and proposing actions to minimize the Bank's climate-related financial and operational risks. Also, focuses on measuring and transparently reporting Kuveyt Türk's water footprint and greenhouse gas emissions in line with national and international standards, including ISO 14046. This group is tasked with improving water efficiency within the Bank's operations, monitoring compliance with corporate policies, and guiding certification processes to enhance sustainability practices. The SC and the Environmental Impact and Risk Working Group ensure that key governance mechanisms are in place:

- *Monitoring water-related targets: The SC reviews regular reports on water footprint and wastewater management, ensuring progress toward water efficiency goals.*
- *Risk assessment: The Working Group assesses water-related risks, particularly in relation to climate change, and integrates these risks into the Bank's strategic decision-making.*
- *Overseeing compliance and reporting: The SC ensures adherence to water management standards and oversees the audit and verification of water-related data, ensuring accuracy and alignment with international best practices. One significant decision made by the SC was to initiate the verification of Kuveyt Türk's water footprint under ISO 14046 standards. Additionally, annual wastewater analysis is conducted as per regulatory guidelines, ensuring compliance, despite the Bank's relatively low water usage compared to production industries. The BoD and SC continuously review and guide the Bank's water management strategies, ensuring they align with Kuveyt Türk's broader sustainability goals. By monitoring water-related risks and opportunities, the Bank remains committed to minimizing its environmental impact and promoting water conservation as part of its long-term strategy.*

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Executive Officer (CEO)
- Chief Sustainability Officer (CSO)

- Chief Credit Officer (CCO)
- Other C-Suite Officer
- Other, please specify :Executive Vice President of Corporate and International Banking Officer Executive Vice President of Banking Services

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Other policy applicable to the board, please specify :Kuveyt Türk has a Sustainability Committee document approved by the BoD. The duties and responsibilities of the Sustainability Committee members are written.

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Reviewing and guiding annual budgets | <input checked="" type="checkbox"/> Overseeing and guiding public policy engagement |
| <input checked="" type="checkbox"/> Overseeing and guiding scenario analysis | <input checked="" type="checkbox"/> Overseeing and guiding public policy engagement |
| <input checked="" type="checkbox"/> Overseeing the setting of corporate targets | <input checked="" type="checkbox"/> Reviewing and guiding innovation/R&D priorities |
| <input checked="" type="checkbox"/> Monitoring progress towards corporate targets | <input checked="" type="checkbox"/> Approving and/or overseeing employee incentives |
| <input checked="" type="checkbox"/> Approving corporate policies and/or commitments | <input checked="" type="checkbox"/> Overseeing and guiding major capital expenditures |
| <input checked="" type="checkbox"/> Monitoring the implementation of the business strategy | |
| <input checked="" type="checkbox"/> Overseeing reporting, audit, and verification processes | |
| <input checked="" type="checkbox"/> Monitoring the implementation of a climate transition plan | |
| <input checked="" type="checkbox"/> Overseeing and guiding the development of a business strategy | |
| <input checked="" type="checkbox"/> Overseeing and guiding acquisitions, mergers, and divestitures | |

- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.6) Scope of board-level oversight

Select all that apply

- Risks and opportunities to our own operations
- Risks and opportunities to our banking activities
- Risks and opportunities to our investment activities
- The impact of our own operations on the environment
- The impact of our banking activities on the environment

(4.1.2.7) Please explain

Kuveyt Türk's Board of Directors (BoD) recognizes the critical importance of climate change and environmental sustainability. To address these challenges, the BoD established a Sustainability Committee (SC) directly under its oversight. The SC is chaired by the CEO (who is also a Director on the BoD) and includes EVPs responsible for key business areas such as Strategy, Treasury, Credits, and Banking Services. The SC's mandate includes setting sustainability goals, approving the Sustainability Policy, and ensuring the integration of environmental factors into the Bank's broader strategy and risk management. Our bank's 2024-2026 Sustainability Strategy includes carrying out at least one biodiversity project. The SC plays a central role in overseeing environmental issues by determining the Bank's priorities in response to climate change risks and opportunities, and ensuring alignment with the 2024-2026 Sustainability Strategy. The SC also supports various Working Groups (WGs) that focus on specific areas such as Climate-related Financial Risks, Sustainable Finance, and Environmental Impact and Risk. Also, Sustainable Finance team was established under Credit Policies and Decision Support Systems Department that Works under EVP of Credits. This team will determine green assets of the Bank to the Green Asset Ratio Communiqué published by the BRSA and set up the Environmental Social Governance Risk Assessment System in credit allocation processes. According to The Environmental, Social And Governance Principles Implementation Principles approved by General Manager, Deputy General Managers and Credit Policies and Decision Support Systems Manager of Kuveyt Türk, the activity areas that will not be financed in our bank have been determined. "Activities that do not comply with local legislation and international agreements regarding the protection of biodiversity resources and cultural heritage" are not financed by our Bank. Our procedures and principles based on this and our ESG policies are monitored by SC Committee. Kuveyt Türk's BoD and SC continue to lead efforts in safeguarding biodiversity, ensuring that the Bank's operations and portfolio align with its long-term environmental sustainability goals.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

Training in an environmental subject by a certified organization, please specify :It is planned to provide training to the Board of Directors on ESG risks, the global sustainability agenda and sustainable banking strategies within two months.

Experience

Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group

- Engaging regularly with external stakeholders and experts on environmental issues
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

- Training in an environmental subject by a certified organization, please specify :It is planned to provide training to the Board of Directors on ESG risks, the global sustainability agenda and sustainable banking strategies within two months.

Experience

- Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues
- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan
- Implementing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues

- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance
- Other, please specify :Providing that significant climate-related financial risks are incorporated into the Bank's strategy and risk management, and considering necessary changes on remuneration policies.

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks, and opportunities related to our investing activities
- Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Kuveyt Türk's Board of Directors (BoD) recognizes the importance of addressing climate change and has established the Sustainability Committee (SC), chaired by the CEO, with responsibility for overseeing climate-related strategies. The SC is tasked with setting sustainability targets, managing risks, and ensuring compliance with the Bank's Sustainability Policy, approved by the BoD. The SC regularly assesses the Bank's environmental dependencies, risks, and opportunities, including climate-related financial risks, and integrates these into strategic decision-making processes. The SC also oversees the Climate-related Financial Risks Working Group and the Environmental Impact and Risk Working Group, which focus on identifying and managing physical and transition risks associated with climate change. These groups regularly provide updates to the SC and BoD. The SC convenes more frequently than quarterly annually to review progress towards climate goals, including the integration of climate-related risks into the Bank's risk management framework. The committee plays a central role in developing and monitoring the Bank's climate transition plan, as well as aligning business strategy with environmental goals. Key achievements include Kuveyt Türk's commitment to ISO 14064 and 14046 standards for greenhouse gas and water footprint reporting. In 2024, the Bank plans to implement a climate transition plan, identifying climate risks through scenario analyses and stress tests. Additionally, the Bank has begun sourcing a significant portion of its electricity from solar power and reduced its paper consumption through a Paperless Banking initiative, directly contributing to resource conservation. By embedding climate-related responsibilities within the highest levels of management, Kuveyt Türk ensures that environmental issues are closely monitored, with clear governance mechanisms in place to address emerging risks and opportunities.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues
- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan
- Implementing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

- Providing employee incentives related to environmental performance
- Other, please specify :Providing that significant climate-related financial risks are incorporated into the Bank's strategy and risk management, and considering necessary changes on remuneration policies.

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks, and opportunities related to our investing activities
- Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Kuveyt Türk's Board of Directors (BoD) established a Sustainability Committee (SC), chaired by the CEO, to ensure oversight and management of environmental issues, including water-related dependencies, risks, and opportunities. The SC, supported by the Environmental Impact and Risk Working Group, is responsible for setting and approving policies and strategies to integrate environmental factors, including water management, into the Bank's broader strategy. The SC ensures regular monitoring and compliance with environmental targets, including the measurement of Kuveyt Türk's water footprint in line with ISO 14046 standards. Water-related risks, such as water stress, are evaluated by the SC through regular reports from the Working Groups. The SC meets more frequently than quarterly to assess progress and update strategies based on these assessments. The Environmental Impact and Risk Working Group focuses on reducing the Bank's environmental footprint by improving water efficiency and reporting greenhouse gas emissions and water usage transparently. It also oversees the implementation of water-saving initiatives, such as reducing paper consumption through technological advancements, and transitioning to renewable energy sources, like solar power. The SC aligns its actions with the Bank's 2024-2026 Sustainability Strategy, focusing on minimizing direct and indirect negative impacts on natural resources, promoting sustainable practices, and ensuring that water management efforts are fully integrated into the Bank's risk management and operational framework. By incorporating these environmental concerns, the Bank remains committed to addressing both current and future water-related challenges, ensuring sustainable resource use.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities

- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing engagement in landscapes and/or jurisdictions
- Managing public policy engagement related to environmental issues
- Managing supplier compliance with environmental requirements
- Managing value chain engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan
- Implementing a climate transition plan
- Conducting environmental scenario analysis
- Managing annual budgets related to environmental issues
- Implementing the business strategy related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing environmental reporting, audit, and verification processes
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues
- Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks, and opportunities related to our investing activities
- Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

Kuveyt Türk's Board of Directors established a Sustainability Committee (SC), chaired by the CEO, to ensure oversight and management of environmental issues, including water-related dependencies, risks, and opportunities. The SC, supported by the Environmental Impact and Risk Working Group, is responsible for setting and approving policies and strategies to integrate environmental factors, including biodiversity, into the Bank's broader strategy. Our bank's 2024-2026 Sustainability Strategy includes carrying out at least one biodiversity project. The SC plays a central role in overseeing environmental issues by determining the Bank's priorities in response to climate change risks and opportunities, and ensuring alignment with the 2024-2026 Sustainability Strategy. The SC also supports various Working Groups that focus on specific areas such as Climate-related Financial Risks, Sustainable Finance, and Environmental Impact and Risk. Also, Sustainable Finance team was established under Credit Policies and Decision Support Systems Department that Works under EVP of Credits. This team will set up the Environmental Social Governance Risk Assessment System in credit allocation processes. This team includes employees who have conducted academic studies on sustainability and ESG risks. According to The Environmental, Social And Governance Principles Implementation Principles approved by General Manager, Deputy General Managers and Credit Policies and Decision Support Systems Manager of Kuveyt Türk, the activity areas that will not be financed in our bank have been determined. Activities that do not comply with local legislation and international agreements regarding the protection of biodiversity resources and cultural heritage are not financed by Bank. Our procedures and principles based on this and our ESG policies are monitored by SC Committee. Biodiversity will continue to be a prominent issue in sustainability-related decisions and credit allocation systems at the Bank.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.3) Please explain

One of the fundamental factors in combating climate change is to foster the awareness and innovation on this issue. In line with this, Kuveyt Türk has implemented programs to not only enhance its employees' motivation, but also raise the awareness among the society and its customers in this regard. We provide incentives from Kuveyt Türk's top management to all employees, and from customers to students.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.3) Please explain

One of the fundamental factors in combating water security is to foster the awareness and innovation on this issue. In line with this, Kuveyt Türk has implemented programs to not only enhance its employees' motivation, but also raise the awareness among the society and its customers in this regard. We provide incentives from Kuveyt Türk top management to all employees, and from customers to students.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- Bonus – set figure

(4.5.1.3) Performance metrics

Targets

- Organization performance against an environmental sustainability index

Strategy and financial planning

- Other strategy and financial planning-related metrics, please specify :Compliance Sustainability Strategy and ESG KPIs

Emission reduction

- Increased share of renewable energy in total energy consumption

Resource use and efficiency

- Reduction in total energy consumption

Pollution

- Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

Policies and commitments

- Increased supplier compliance with environmental requirements
- New or tighter environmental requirements applied to purchasing practices

Engagement

- Increased engagement with customers on environmental issues
- Increased engagement with clients on environmental issues
- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Kuveyt Türk has established a short-term incentive plan that provides monetary rewards, including bonuses and financial incentives, based on the achievement of sustainability-related performance metrics. These metrics are measured annually and linked to specific goals such as increasing the share of renewable energy, reducing total energy consumption, and improving compliance with environmental regulations in both direct operations and supply chains. A key initiative supporting these incentives is the Fikr'inn Platform, an innovation platform developed by Kuveyt Türk to encourage environmental, social, and business process improvements. Employees, customers, and students can propose innovative ideas aimed at sustainability, with top ideas being financially rewarded, typically in grams of gold. The metrics for these incentives include engagement with environmental issues, development of eco-friendly solutions, and contributions toward Kuveyt Türk's sustainability goals. In addition to this platform, the CEO and all employees receive annual bonuses based on the overall environmental and financial performance of the bank. Key performance indicators (KPIs) include compliance with the bank's Sustainability Strategy and ESG KPIs, increased engagement with environmental issues, and enhanced supplier compliance with new environmental requirements. These incentives drive short-term results but are also aligned with the bank's long-term sustainability goals.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Fikr'inn Platform plays a central role in incentivizing innovative approaches to climate change mitigation and adaptation at Kuveyt Türk. By financially rewarding employees and participants for their contributions, the platform encourages the development of practical solutions that reduce environmental impact and foster sustainable business practices. This platform's emphasis on idea generation and awareness directly supports the bank's environmental aims by integrating eco-friendly initiatives into everyday business operations. Incentives for the CEO and employees are linked to environmental KPIs, such as increasing revenue from low-carbon products and services, promoting the use of renewable energy, and enhancing supplier engagement on environmental issues. These incentives not only motivate staff to meet sustainability targets but also contribute to the bank's long-term strategy of transitioning to a low-carbon economy. The CEO's performance is tied to the achievement of organizational goals, including expanding the portfolio of green financing products and increasing compliance with climate-related objectives. This alignment ensures that senior leadership is directly incentivized to push forward the bank's climate transition plan. In addition, employee incentives foster a culture of accountability and engagement in the bank's sustainability goals, ensuring that all staff members are active participants in the organization's environmental agenda. Kuveyt Turk has had its 2024-2026 Sustainability Strategy approved by the BoD and all C-level. According to this plan, a sustainability-related KPI list was created for all C-level directorates and employees, and target sets were distributed. These target sets were assigned to the ESG areas according to the business plan of the units. Incentives will be made at the end of the year depending on the KPI realizations.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- Bonus – set figure

(4.5.1.3) Performance metrics

Targets

- Organization performance against an environmental sustainability index

Strategy and financial planning

- Other strategy and financial planning-related metrics, please specify :Compliance Sustainability Strategy and ESG KPIs

Emission reduction

- Increased share of renewable energy in total energy consumption

Resource use and efficiency

- Reduction in total energy consumption

Pollution

- Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

Policies and commitments

- Increased supplier compliance with environmental requirements
- New or tighter environmental requirements applied to purchasing practices

Engagement

- Increased engagement with customers on environmental issues
- Increased engagement with clients on environmental issues
- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Kuveyt Türk has established a short-term incentive plan that provides monetary rewards, including bonuses and financial incentives, based on the achievement of sustainability-related performance metrics. These metrics are measured annually and linked to specific goals such as increasing the share of renewable energy, reducing total energy consumption, and improving compliance with environmental regulations in both direct operations and supply chains. A key initiative supporting these incentives is the Fikr'inn Platform, an innovation platform developed by Kuveyt Türk to encourage environmental, social, and business process improvements. Employees, customers, and students can propose innovative ideas aimed at sustainability, with top ideas being financially rewarded, typically in grams of gold. The metrics for these incentives include engagement with environmental issues, development of eco-friendly solutions, and contributions toward Kuveyt Türk's sustainability goals. In addition to this platform, the CEO and all employees receive annual bonuses based on the overall environmental and financial performance of the bank. Key performance indicators (KPIs) include compliance with the bank's Sustainability Strategy and ESG KPIs, increased engagement with environmental issues, and enhanced supplier compliance with new environmental requirements. These incentives drive short-term results but are also aligned with the bank's long-term sustainability goals.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Fikr'inn Platform plays a central role in incentivizing innovative approaches to climate change mitigation and adaptation at Kuveyt Türk. By financially rewarding employees and participants for their contributions, the platform encourages the development of practical solutions that reduce environmental impact and foster sustainable business practices. This platform's emphasis on idea generation and awareness directly supports the bank's environmental aims by integrating eco-friendly initiatives into everyday business operations. Incentives for the CEO and employees are linked to environmental KPIs, such as increasing revenue from low-carbon products and services, promoting the use of renewable energy, and enhancing supplier engagement on environmental issues. These incentives not only motivate staff to meet sustainability targets but also contribute to the bank's long-term strategy of transitioning to a low-carbon economy. The CEO's performance is tied to the achievement of organizational goals, including expanding the portfolio of green financing products and increasing compliance with climate-related objectives. This alignment ensures that senior leadership is directly incentivized to push forward the bank's climate transition plan. In addition, employee incentives foster a culture of accountability and engagement in the bank's sustainability goals, ensuring that all staff members are active participants in the organization's environmental agenda. Kuveyt Turk has had its 2024-2026 Sustainability Strategy approved by the BoD and all C-level. According to this plan, a sustainability-related KPI list was created for all C-level directorates and employees, and target sets were distributed. These target sets were assigned to the ESG areas according to the business plan of the units. Incentives will be made at the end of the year depending on the KPI realizations.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- Other senior-mid manager, please specify :All employees

(4.5.1.2) Incentives

Select all that apply

- Bonus – set figure

(4.5.1.3) Performance metrics

Targets

- Organization performance against an environmental sustainability index

Strategy and financial planning

- Other strategy and financial planning-related metrics, please specify :Compliance Sustainability Strategy and ESG KPIs

Emission reduction

- Increased share of renewable energy in total energy consumption

Resource use and efficiency

- Reduction in total energy consumption

Pollution

- Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

Policies and commitments

- Increased supplier compliance with environmental requirements
- New or tighter environmental requirements applied to purchasing practices

Engagement

- Increased engagement with customers on environmental issues
- Increased engagement with clients on environmental issues
- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Kuveyt Türk has established a short-term incentive plan that provides monetary rewards, including bonuses and financial incentives, based on the achievement of sustainability-related performance metrics. These metrics are measured annually and linked to specific goals such as increasing the share of renewable energy, reducing total energy consumption, and improving compliance with environmental regulations in both direct operations and supply chains. A key initiative supporting these incentives is the Fikr'inn Platform, an innovation platform developed by Kuveyt Türk to encourage environmental, social, and business process improvements. Employees, customers, and students can propose innovative ideas aimed at sustainability, with top ideas being financially rewarded, typically in grams of gold. The metrics for these incentives include engagement with environmental issues, development of eco-friendly solutions, and contributions toward Kuveyt Türk's sustainability goals. In addition to this platform, the CEO and all employees receive annual bonuses based on the overall environmental and financial performance of the bank. Key performance indicators (KPIs) include compliance with the bank's Sustainability Strategy and ESG KPIs, increased engagement with environmental issues, and enhanced supplier compliance with new environmental requirements. These incentives drive short-term results but are also aligned with the bank's long-term sustainability goals.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Fikr'inn Platform plays a central role in incentivizing innovative approaches to climate change mitigation and adaptation at Kuveyt Türk. By financially rewarding employees and participants for their contributions, the platform encourages the development of practical solutions that reduce environmental impact and foster sustainable business practices. This platform's emphasis on idea generation and awareness directly supports the bank's environmental aims by integrating eco-friendly initiatives into everyday business operations. Incentives for the CEO and employees are linked to environmental KPIs, such as increasing revenue from low-carbon products and services, promoting the use of renewable energy, and enhancing supplier engagement on environmental issues. These incentives not only motivate staff to meet sustainability targets but also contribute to the bank's long-term strategy of transitioning to a low-carbon economy. The CEO's performance is tied to the achievement of organizational goals, including expanding the portfolio of green financing products and increasing compliance with climate-related objectives. This alignment ensures that senior leadership is directly incentivized to push forward the bank's climate transition plan. In addition, employee incentives foster a culture of accountability and engagement in the bank's sustainability goals, ensuring that all staff members are active participants in the organization's environmental agenda. Kuveyt Turk has had its 2024-2026 Sustainability Strategy approved by the BoD and all C-level. According to this plan, a sustainability-related KPI list was created for all C-level directorates and employees, and target sets were distributed. These target sets were assigned to the ESG areas according to the business plan of the units. Incentives will be made at the end of the year depending on the KPI realizations.

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- Other senior-mid manager, please specify :All employees

(4.5.1.2) Incentives

Select all that apply

- Bonus – set figure

(4.5.1.3) Performance metrics

Targets

- Organization performance against an environmental sustainability index

Strategy and financial planning

- Other strategy and financial planning-related metrics, please specify :Compliance Sustainability Strategy and ESG KPIs

Emission reduction

- Increased share of renewable energy in total energy consumption

Resource use and efficiency

- Reduction in total energy consumption

Pollution

- Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

Policies and commitments

- Increased supplier compliance with environmental requirements
- New or tighter environmental requirements applied to purchasing practices

Engagement

- Increased engagement with customers on environmental issues
- Increased engagement with clients on environmental issues
- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

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(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Fikr'inn Platform plays a central role in incentivizing innovative approaches to climate change mitigation and adaptation at Kuveyt Türk. By financially rewarding employees and participants for their contributions, the platform encourages the development of practical solutions that reduce environmental impact and foster sustainable business practices. This platform's emphasis on idea generation and awareness directly supports the bank's environmental aims by integrating eco-friendly initiatives into everyday business operations. Incentives for the CEO and employees are linked to environmental KPIs, such as increasing revenue from low-carbon products and services, promoting the use of renewable energy, and enhancing supplier engagement on environmental issues. These incentives not only motivate staff to meet sustainability targets but also contribute to the bank's long-term strategy of transitioning to a low-carbon economy. The CEO's performance is tied to the achievement of organizational goals, including expanding the portfolio of green financing products and increasing compliance with climate-related objectives. This alignment ensures that senior leadership is directly incentivized to push forward the bank's climate transition plan. In addition, employee incentives foster a culture of accountability and engagement in the bank's sustainability goals, ensuring that all staff members are active participants in the organization's environmental agenda. Kuveyt Turk has had its 2024-2026 Sustainability Strategy approved by the BoD and all C-level. According to this plan, a sustainability-related KPI list was created for all C-level directorates and employees, and target sets were distributed. These target sets were assigned to the ESG areas according to the business plan of the units. Incentives will be made at the end of the year depending on the KPI realizations.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Water
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

Kuveyt Türk's sustainability policy aims to ensure a high quality of life for future generations by respecting the environment and all living beings while reducing waste and increasing savings. The policy focuses on environmental, social, and governance (ESG) dimensions, aiming to integrate sustainable practices into banking operations. Kuveyt Türk seeks to lead in sustainable banking by developing eco-friendly products and services with minimal negative impact on the environment. The bank emphasizes reducing greenhouse gas emissions and supporting the transition to a low-carbon economy. Environmental awareness is promoted among stakeholders through training, infrastructure improvements, and waste reduction initiatives, including recycling and support for the "Zero-Waste" initiative. In the social domain, Kuveyt Türk focuses on increasing corporate social responsibility (CSR) projects and maintaining high employee satisfaction, having been recognized as the best employer in finance. Governance principles, such as fairness, transparency, and accountability, are embedded into the corporate culture, with long-term strategic planning and enhanced information security systems. Additionally, the bank incorporates ESG principles into its lending processes, with a focus on reducing environmental impacts and supporting sustainable development. Kuveyt Türk updates its credit policies and procedures to align with international standards and enhance its contribution to sustainability.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to a circular economy strategy
- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to no trade of CITES listed species
- Commitment to stakeholder engagement and capacity building on environmental issues
- Commitment to respect legally designated protected areas
- Other environmental commitment, please specify :**Ensures recycling of operational wastes like paper and plastic, proper disposal of hazardous and non-recyclable wastes, and supports "Zero-Waste" and circular economy by developing processes to reduce waste generation.**
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance

Climate-specific commitments

- Other climate-related commitment, please specify :Carries out activities to prevent climate change and to support climate change integration.

Social commitments

- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights
- Other social commitment, please specify :Ensures a safe, healthy, and inclusive workplace, prohibits harassment and discrimination, supports reporting via the ethics hotline, and upholds inclusivity regardless of identity or background in all stakeholder processes, following legal standards

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

Yes, in line with another global environmental treaty or policy goal, please specify :National and international environmental regulations RAMSAR CITIES

(4.6.1.7) Public availability

Select from:

Publicly available

(4.6.1.8) Attach the policy

01- Sustainability Policy.pdf

[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	<p>Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies</p>
Banking (Bank)	<p>Select from:</p> <p><input checked="" type="checkbox"/> Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies</p>

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

- Climate change
- Water
- Biodiversity

(4.7.1.2) Type of policy

Select all that apply

- Credit/lending policy

(4.7.1.3) Public availability

Select from:

- Not publicly available

(4.7.1.4) Attach the policy

09- Environmental, Social and Governance Principles IP (CP An 11)_Revise.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

- Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

- Retail
- Apparel
- Services
- Materials
- Hospitality
- Fossil Fuels
- Manufacturing
- Infrastructure
- Power generation
- International bodies

- ☑ Transportation services
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Kuveyt Türk's Sustainability Policy and Annex-11 ESG Principles Implementation Procedures for Credit Policies are designed to outline the principles for minimizing environmental impacts, addressing climate change, and enhancing energy and emission efficiency. These procedures aim to raise awareness on sustainable development and guide our interactions with stakeholders to increase the value we contribute to the environment. Through Annex-11, Kuveyt Türk ensures that its credit processes align with ESG principles. This framework helps us develop a corporate culture centered on sustainability and ensures our policies are regularly reviewed and approved according to international standards. As part of these efforts, we began updating the List of Non-Comparable Activities within Kuveyt Türk's Credit Policies and Implementation Procedures in 2024. Implementation Procedures To align credit activities with environmental, social, and governance principles, Kuveyt Türk has adopted the following procedures: We follow national and international legislative arrangements and standards, taking the necessary actions to fulfill obligations. We promote sustainable production, consumption, and innovative social initiatives. We ensure that the projects we finance have maximum ESG benefits. We prioritize credit for projects that enhance ESG conditions, including energy investments, environmentally friendly technology, waste transformation, carbon emissions reduction, increased efficiency, and access to basic services and employment. We identify and manage environmental and social risks associated with financing and require Environmental Impact Assessment Reports for renewable energy projects as necessary by the Turkish Ministry of Environment and Urbanization. We monitor activities prohibited by national legislation and international conventions to which Turkey is a party and will not finance activities listed under the List of Unfunded Activities without proper ESG assessments. List of Unfunded Activities: Production or trade of products that are illegal or subject to international prohibitions under Turkish or international law. Cross-border movement of waste prohibited by Turkish or international regulations. Production or trade of products containing PCB (polychlorinated biphenyls) a group of highly toxic chemicals. Wildlife trade or production of wildlife products regulated under CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora).

(4.7.1.12) Requirements for clients/investees

Environmental commitments

- ☑ Commitment to a circular economy strategy
- ☑ Commitment to comply with regulations and mandatory standards
- ☑ Commitment to take environmental action beyond regulatory compliance
- ☑ Commitment to no trade of CITES listed species
- ☑ Commitment to respect legally designated protected areas

Water-specific commitments

Other water-related commitment, please specify :Not financing activities carried out in wetlands designated as RAMSAR (International Wetland Conservation Treaty) areas

Social commitments

Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities

Commitment to respect internationally recognized human rights

Additional references/Descriptions

Other additional reference/description, please specify :Not financing trade or production of wildlife products regulated under CITES Not financing activities that do not comply with local legislation and international agreements regarding the protection of biodiversity resources and cultural heritage.

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

No timeframe

[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

- Other, please specify :New coal (thermal) power plant projects New coal mining (production and trade for heating purposes etc. are not included)

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

- Other, please specify :New coal (thermal) power plant projects and new coal mining (production and trade for heating purposes etc. are not included)

(4.7.2.5) Year of complete phaseout

2040

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

- Turkey

(4.7.2.7) Description

As Kuveyt Türk, we are committed to updating our processes to align with the urgent need to combat climate change. Our focus is on promoting sustainable practices in our lending procedures, improving energy efficiency, and supporting the transition to a low-carbon economy. We achieve this through Annex 11 of the Environmental, Social, and Governance Principles Implementation Procedures which guide our credit processes. internationally. We started working to update the “List of Non-Comparable Activities” in Kuveyt Türk Credit Policies and Implementation Procedures in 2022. Some of activities that Kuveyt Türk does not finance:

- Production or trade of products that are illegal or subject to international prohibitions in compliance with Turkish legal legislation or international regulations and treaties.*
- Cross-border movements of waste prohibited by Turkish legal legislation or international regulations and treaties.*
- Production or trade of weapons of mass destruction or landmines.*
- Production or trade of tobacco, cigarettes and alcoholic beverages.*
- Gambling, casinos and equivalent ventures.*
- Fishing activities with nets longer than 2.5 km, using explosives and toxic substances.*
- Projects involving forced labor or production in which child workers are employed in activities with exploitative or harmful content.*
- Activities carried out in wetlands designated as RAMSAR (Wetlands of International Importance) area.*
- Production or trade of*

products containing PCB (biphenyl with polychlorination - a group of highly toxic chemicals) regardless of sector. •Wildlife trade; Trade or production of wildlife products regulated under CITES (Convention on the International Trade in Endangered Species of Wild Flora and Fauna). •Production and trade of radioactive materials. •Trade or production of non-bonded asbestos fiber (not applied to the use and purchase of cement sheet containing fiber-free or bonded asbestos with an asbestos content of less than 20%). •Activities that do not comply with local legislation and international treaties for the protection of biodiversity resources and cultural heritage. •New coal (thermal) power plant projects and new coal mining (production and trade for heating purposes etc. are not included) Due to character limitation in this space please see the enclosed KUYEYT TÜRK's CREDIT POLICY ANNEX-11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES IMPLEMENTATION PROCEDURES.

[Add row]

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

(4.8.1) Covenants included in financing agreements to reflect and enforce policies

Select from:

No, but we plan to within the next two years

(4.8.2) Primary reason for not including covenants in financing agreements

Select from:

No standardized procedure

(4.8.3) Explain why your organization does not include covenants in financing agreements

As Kuveyt Türk, we currently do not include any clauses related to climate change in our project financing agreements. However, we recognize the significance of addressing climate change and are committed to enhancing our processes accordingly. In the next two years, we plan to incorporate clauses focused on combating climate change into our project financing agreements. In addition, as a result of the drafts Drafts of Guidelines on Effective Management of Climate-related Financial Risks and Green Asset Ratio Communique published by the BRSA within two years, we will establish an Environmental Social Governance Risk Assessment System in our credit allocation processes and request documents related to the environment and climate from our clients. In 2024, we will start working on measuring portfolio emissions and the documents we need to request from clients in the ESG Risk Assessment system. For all of this studies we will do, Sustainable Finance team was established under Credit Policies and Decision Support Systems Department in 2024. Additionally, our Sustainable Banking Working Groups (Climate-related Financial Risks, Sustainable Finance, Sustainable Product Management are also focused on environmental policies of Kuveyt Türk.

[Fixed row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

- No, due to a compulsory national/subnational scheme

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

There is no plan for our employees regarding retirement related to environmental criteria. Our Bank's provides to its employees with automatic participation in the pension system or a pension contract with institutional contributions for our employees who save in the individual retirement system. Here, employees can agree with the participation pension to evaluate the fund of this agreement, which is saved for the retirement period, in sustainable funds. However, the employee also has the right to evaluate it in another fund at his/her own initiative.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

- No, due to a compulsory national/subnational scheme

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

There is no plan for our employees regarding retirement related to environmental criteria. Our Bank's provides to its employees with automatic participation in the pension system or a pension contract with institutional contributions for our employees who save in the individual retirement system. Here, employees can agree with the participation pension to evaluate the fund of this agreement, which is saved for the retirement period, in sustainable funds. However, the employee also has the right to evaluate it in another fund at his/her own initiative.

[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

	Are you a signatory or member of any environmental collaborative frameworks or initiatives?
	<i>Select from:</i> <input checked="" type="checkbox"/> No, but we plan to within the next two years

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

- Yes, we engaged directly with policy makers
- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

- Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

- Paris Agreement

- Sustainable Development Goal 6 on Clean Water and Sanitation
- Another global environmental treaty or policy goal, please specify :National sustainianbility policies and finance framework

(4.11.4) Attach commitment or position statement

09- Environmental, Social and Governance Principles IP (CP An 11)_Revise.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

- No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

*Kuveyt Türk regularly follows national and international sustainability agendas, legal legislation, regulations and policies. We have started with an organizational structure that will adapt the Bank to current sustainability policies within the framework of official letters received. The Bank has integrated the sustainability strategy of national banking supervisory institutions such as BRSA into its own strategy and has tried to adopt its own reporting infrastructure within the framework of transparency and reliability principles according to the standards of institutions that draw the official reporting framework such as the Public Oversight Board.
[Fixed row]*

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

- Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

- Emissions – CO2
- Water pollution
- Water availability
- Emissions – methane
- Emissions – other GHGs
- Use of pesticides and agrochemicals

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers
- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Kuveyt Turk has had its 2024-2026 Sustainability Strategy includes environmental impacts, and Environmental Impact and Risk Working Group is studying on it. Also, Kuveyt Türk plans to set up systems that will identify its green assets inlight with taxonomy. The Sustainable Finance team supports work on this topic. Our active engagement, which includes submitting proposals and participating in working groups organized by policy makers, ensures that our views on climate adaptation and mitigation are integrated into the broader national agenda. Additionally, our ongoing dialogue with the Banking Regulation and Supervision Agency (BDDK) and other relevant institutions helps us stay informed on upcoming regulatory changes and prepare accordingly, mitigating risks and seizing opportunities in sustainable finance.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

Paris Agreement

Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change
- Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables

- Alternative fuels
- Renewable energy generation
- Energy efficiency requirements
- Energy attribute certificate systems
- Electricity grid access for renewables
- Minimum energy efficiency requirements
- New fossil fuel energy generation capacity
- Low-carbon, non-renewable energy generation
- Green electricity tariffs/renewable energy PPAs

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers
- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

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(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Row 3

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change
- Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental protection and management procedures

- Operations permits
- Environmental registries
- Restoration/ rehabilitation
- Transboundary water management
- Socio-economic land-use planning
- Environmental protection requirements
- Landscape (including river basin) and jurisdictional approaches

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers
- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Kuveyt Turk complies with all legal regulations and laws that will protect the environment and ensure environmental management.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Row 4

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change
- Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

- Carbon offsets
- Sustainable finance
- Emissions trading schemes
- Subsidies on infrastructure
- Taxes on products or services
- Agricultural subsidies for growing water intensive crops in water-stressed areas
- Agricultural subsidies for intensive production that may lead to water pollution (e.g., fertilizer runoff)
- Subsidies on products or services
- Subsidies for renewable energy projects
- Subsidies for fossil fuel exploration and/or extraction
- Subsidies for low-carbon, non-renewable energy projects
- Agricultural subsidies for production with high emission intensity

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers
- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Kuveyt Turk has had its 2024-2026 Sustainability Strategy includes environmental impacts, and Environmental Impact and Risk Working Group is studying on it. Also, Kuveyt Türk plans to set up systems that will identify its green assets inlight with taxonomy. The Sustainable Finance team supports work on this topic. Also our Reporting and Collaborations and Sustainable Product Management Working Group are responsible for complying and developing mechanisms. Our active engagement, which includes submitting proposals and participating in working groups organized by policy makers, ensures that our views on climate adaptation and mitigation are integrated into the broader national agenda. Additionally, our ongoing dialogue with the Banking Regulation and Supervision Agency (BDDK) and other relevant institutions helps us stay informed on upcoming regulatory changes and prepare accordingly, mitigating risks and seizing opportunities in sustainable finance.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Row 5

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change
- Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

- Circular economy
- Technology requirements
- Water use and efficiency
- Recycling and recyclability
- Sustainable production and consumption
- Low environmental impact innovation and R&D

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers
- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Kuveyt Turk has had its 2024-2026 Sustainability Strategy includes environmental impacts. Environmental Impact and Risk Working Group is studying on carbon offsetting projects. Sustainable Finance and Product Management teams set up mechanisms and services support decarbonization. Also, Kuveyt Türk always gives opportunities entrepreneurship the conduct of environmental impact innovation and R&D.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Row 6

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change
- Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Social issues

- Food security
- Public health
- Rights of Indigenous Peoples and local communities
- The human right to water and sanitation

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers
- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Our bank has features that will provide social development. Thanks to sustainable sukuk, many entrepreneurs have been supported and continue to be supported. We also seek ways to develop our society and environment in our corporate social responsibility projects. We provide support for the sustainable economic development.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation

Row 7

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Follows on national and international agenda, views on articles, communique drafts, and participation in meetings on the subject.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

- Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Transparency and due diligence

- Traceability requirements
- Transparency requirements
- Verification and audits
- Due diligence requirements

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

- National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

- Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

- Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- Participation in working groups organized by policy makers

- Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Our bank produces reports that comply with both national and international standards in terms of transparency, reliability and auditability, and supports the work of the relevant authorities for the development of these types of reporting.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

- Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

- Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

- Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Kuveyt Türk, through the Participation Bank Association of Turkey, provides opinions on policies in the banking sector, especially in the context of climate change and sustainability.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change
- Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

Kuveyt Türk closely follow the guidelines and regulations on climate change and sustainability issued by BDDK and TKBB, implementing suitable reporting and management systems. Kuvey Türk’s position on environmental policies, laws, and regulations, particularly related to climate change and water, is fully consistent with that of the Participation Bank Association of Turkey (TKBB). TKBB advocates for the integration of sustainability practices within the banking sector and supports policies that encourage climate change mitigation and adaptation.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

Paris Agreement

Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- GRI
- IFRS

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water

(4.12.1.4) Status of the publication

Select from:

- Underway - this is our first year

(4.12.1.5) Content elements

Select all that apply

- Governance
- Public policy engagement
- Strategy
- Emissions figures

(4.12.1.8) Comment

This year marks Kuveyt Türk's inaugural effort to publish comprehensive environmental disclosures, aligned with GRI standards. Our report will cover key areas such as strategy, governance, emissions figures, and public policy engagement. The report aims to provide transparency on how we address climate change and water-related challenges, highlighting our commitment to sustainability and aligning with global environmental standards. The publication is currently underway and will form part of our long-term strategy to enhance environmental reporting.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

- No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

- No standardized procedure

(5.1.4) Explain why your organization has not used scenario analysis

After an in-depth insight into our current situation analysis including both direct and indirect effects, Our Sustainability Committee will clarify our roadmap, strategies, targets and actions. The topic will be assigned to specific business unit. We are planning to use scenario analysis for our portfolio within the two years. As of 2023, our Bank has focused on this issue a lot, as some regulations support environmental scenario analysis. It continues its work. The Climate-Related Financial Risks Working Group is working for this. The 2024-2026 Sustainability Strategy Plan includes conducting climate change: 1. To integrate the Bank's operations with the Guidelines on Effective Management of Climate-related Financial Risks by Banks published by the BRSA. 2. To assess climate-related risks that may affect the Bank's strategy and business model in the short, medium and long term. 3. To create a heat map of the sectors in the Bank's portfolio for physical and transition risks.

Water

(5.1.1) Use of scenario analysis

Select from:

- No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

- No standardized procedure

(5.1.4) Explain why your organization has not used scenario analysis

After an in-depth insight into our current situation analysis including both direct and indirect effects, Our Sustainability Committee will clarify our roadmap, strategies, targets and actions. The topic will be assigned to specific business unit. We are planning to use scenario analysis for our portfolio within the two years. As of 2023, our Bank has focused on this issue a lot, as some regulations support water scenario analysis. It continues its work. The Climate-Related Financial Risks Working Group is working for this. The 2024-2026 Sustainability Strategy Plan includes conducting climate change: 1. To integrate the Bank's operations with the Guidelines on Effective Management of Climate-related Financial Risks by Banks published by the BRSA. 2. To assess climate-related risks that may affect the Bank's strategy and business model in the short, medium and long term. 3. To create a heat map of the sectors in the Bank's portfolio for physical and transition risks.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

- No, but we are developing a climate transition plan within the next two years

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

Kuveyt Türk currently does not have a climate transition plan that aligns with a 1.5C world due to a lack of internal resources, expertise, and procedures. The absence of established processes for climate change transition planning have made it difficult to initiate this effort until now. Additionally, there were limited case studies and procedural reports available to guide the development of such a plan. However, we have recognized the importance of this effort and included the development of a climate transition plan in our 2024-2026 Sustainability Strategy. Our initial focus has been on identifying operational and portfolio risks related to climate change, with these studies already underway in 2024. Once these risks are fully assessed, we will develop a comprehensive climate transition plan in alignment with a 1.5C. In 2022, Kuveyt Türk calculated its GHG emissions for the first time according to ISO 14064:2018 Standards. Building on this foundation, we are committed to

developing a robust climate transition plan through the CDP framework as outlined in our 2024-2026 strategy. The plan will be based on an in-depth analysis of our current situation, covering both direct and indirect environmental impacts. Our Sustainability Committee will then set clear strategies, targets, and actions, including scenario analyses focused on environmental and water-related risks. These efforts will shape our action plan for the transition. As a result of these initiatives, Kuveyt Türk will finalize and implement its climate transition plan within the next two years.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

To address these, we have integrated the development of sustainable, green, and digital banking products into our business model. This shift aims to mitigate physical and transition risks associated with climate change and comply with emerging national and international regulations, such as the Paris Agreement and the EU's Green Deal. For example, we have identified the need to provide financial products and services that support our clients in transitioning to more sustainable operations. In sectors that are particularly vulnerable to climate change and water-related risks, such as green asset ratio, taxonomy, agriculture and energy, we offer financing solutions aimed at helping clients invest in sustainable technologies and practices. These include renewable energy projects, water-efficient systems, and low-carbon technologies. Furthermore, Kuveyt Türk is investing in new technologies to support the development of these products and services. This includes digital platforms that allow clients to access green financial services more easily and transparently. These efforts are supported by our Sustainability Committee, which monitors environmental risks and opportunities as part of our overall strategic decision-making process.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

To mitigate risks associated with the supply chain, we are developing a sustainable purchasing and supplier policy. This policy ensures that we address risks, such as disruptions due to environmental factors, and integrate sustainability into our procurement processes. Our strategy includes offsetting emissions from electricity use by acquiring renewable energy certificates (IREC) or national certificates, further aligning our operations with climate-related goals and contributing to global efforts to combat climate change. Also we will supply our 80% electricity consumption from our self-consumption solar power which contributes cost saving and climate change combating. Additionally, as part of our climate transition plan, we are closely monitoring water risks in our upstream and downstream value chain, particularly in regions and sectors that are vulnerable to water stress. Our ongoing assessments of water-related risks influence our resource allocation and investment strategies, ensuring that we adapt to the evolving environmental landscape.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our focus is on developing sustainable digital solutions and supporting innovation that helps reduce emissions. Through our Digital Innovation team, we conduct research on software and sustainable R&D solutions aimed at measuring and reducing the bank's carbon footprint. This includes working with entrepreneurs who specialize in climate-related technologies. For example, we regularly conduct Proof of Concept (PoC) studies with entrepreneurs to test innovative products that align with our sustainability goals. The bank also organizes an internal Ideathon competition, where employees propose innovative solutions, including those focused on sustainability. This initiative encourages our internal teams to contribute to our environmental strategy by developing ideas that reduce environmental risks and promote sustainable practices. One of the most significant opportunities we've identified is the potential for growth in sectors that develop climate-friendly technologies. By supporting entrepreneurs and in-house innovators, we aim to explore new markets and capitalize on the demand for sustainability-driven products and services. This strategy is in line with our broader goal of reducing the environmental impact of our operations and supporting the transition to a low-carbon economy. In addition to these efforts, we are developing specific marketing strategies for carbon-intensive sectors, such as agriculture and renewable energy, to align with evolving environmental needs. By focusing on innovative products and supporting climate-focused entrepreneurship, we aim to enhance our market position and drive sustainable growth while managing the associated risks effectively.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Last year, Kuveyt Türk conducted an analysis of climate-related risks and threats affecting our branch operations, with a focus on extreme weather events such as floods, storms, and fires. These risks have the potential to disrupt our operations, cause financial losses, and impact the safety of our employees and assets. To manage these risks, we reported our findings to key stakeholders, outlining the potential financial impacts of such events. We are now updating this study to ensure ongoing preparedness and resilience in our branch network. One of the most substantial decisions made was to initiate the development of an action plan aimed at mitigating the impact of extreme weather events on our operations. This plan, to be implemented within the next two years, includes preventive measures, such as infrastructure upgrades in vulnerable branches, to minimize operational disruptions. This aligns with our broader strategy of enhancing operational resilience in response to climate change-related risks. In terms of opportunities, Kuveyt Türk has identified potential areas for operational improvements. This is reflected in our plans to reduce water consumption and improve energy efficiency within our branches. We are also exploring new marketing strategies focused on sustainability, such as promoting environmentally friendly products and services. These strategic decisions have been driven by our goal to protect our assets, reduce operational disruptions, and capitalize on opportunities presented by the growing demand for sustainable banking practices.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Assets
- Revenues
- Liabilities
- Direct costs
- Indirect costs
- Access to capital
- Capital allocation
- Capital expenditures

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change
- Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Assets: Climate-related risks, such as natural disasters, can damage or depreciate our physical assets. To mitigate this, we are enhancing the resilience of our branches and investing in sustainability projects like renewable energy to safeguard our asset base. Revenues: Opportunities such as increasing demand for renewable energy, energy efficiency and sustainable agriculture solutions are driving new revenue streams. These opportunities help diversify our product offerings and provide additional income from green financing. Access to Capital: Environmental opportunities, particularly in sustainable financing, have improved our access to capital. We have issued 350 million in green sukuk, and plan to increase similar borrowings, leveraging international capital markets to finance sustainability initiatives. Liabilities: Environmental risks, particularly climate-related credit risks, may impact the repayment capacity of clients, leading to increased liabilities for the bank. We are addressing this by integrating ESG considerations into our credit evaluation process, ensuring we identify and mitigate such risks early. Capital Allocation: Kuveyt Türk is reallocating capital towards climate-friendly projects, such as renewable energy investments, which will be critical for long-term sustainability. This shift is supported by our strategic decision to increase our green asset ratio and promote sustainable lending. Direct Costs: Climate-related risks are increasing direct operational costs, including energy expenses and supply chain disruptions. To counter this, we are investing in energy efficiency measures and transitioning to renewable energy sources, reducing operational costs in the long term. Indirect Costs: We anticipate increased indirect costs due to rising insurance premiums and adjustments in business processes. Climate-related risks require updates in infrastructure and operational resilience, which may lead to higher indirect costs in the near term. Capital Expenditures: Our focus on combating climate change requires increased capital expenditures, particularly in renewable energy and

energy-efficient technologies. We are also investing in R&D to develop new sustainable products and services. Our financial planning aligns with sustain. targets through a medium to long-term strategy, funded by green sukuk and partnerships. We integrate environmental risks to ensure resilience and sustainability.
 [Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Navigate regulations

(5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment with the price of a carbon tax
- Alignment with the price of allowances under an Emissions Trading Scheme
- Price/cost of voluntary carbon offset credits

(5.10.1.4) Calculation methodology and assumptions made in determining the price

To determine our internal carbon price, Kuveyt Türk uses a shadow pricing scheme, applying differentiated prices to account for various regulatory and market contexts. We aim to align with potential carbon pricing mechanisms such as the EU-CBAM. We consider factors such as the price of carbon tax, the cost of voluntary carbon offset credits, and the price of allowances under emissions trading schemes. For EU-CBAM, we have set a minimum price of 75 and a maximum price of 150 per tCO₂e, understanding that different regions may have varying carbon prices. This pricing range allows us to better assess the risks and opportunities associated with carbon emissions, particularly for sectors exposed to EU-CBAM regulations. As of year-end of 2023: EUR/TRY is 25.978 The min. price we use (EUR 75) which equals to 1948.35 TL. The max. price we use (EUR 150) which equals to 3896.70 TL. These prices are integrated into our financial planning and investment strategies to drive energy efficiency, navigate evolving regulations, and support low-carbon investment. We continuously refine our internal carbon pricing methodology, especially as Turkey moves closer to implementing its own ETS and carbon laws. As Turkey's national ETS evolves under the Green Deal Action Plan, we anticipate that carbon pricing mechanisms will become more robust, particularly as carbon-intensive industries prepare for compliance with international carbon regulations.

(5.10.1.5) Scopes covered

Select all that apply

- Scope 1
- Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

- Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

1948.35

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

3896.7

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

- Operations
- Risk management
- Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

- No

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

- No

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Clients	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Water
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change

[Fixed row]

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

Select from:

Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

Climate change

Water

(5.11.3.3) Type and details of engagement

Capacity building

- Develop or distribute value chain mapping tool
- Provide training, support and best practices on how to make credible renewable energy usage claims

Information collection

- Other information collection activity, please specify :detailed information about the project such as project capacity, total amount of energy to be produced, etc. when making renewable energy investments

Innovation and collaboration

- Collaborate with clients on innovations to reduce environmental impacts in products and services
- Collaborate with clients on innovative business models and corporate renewable energy sourcing mechanisms
- Engage with clients to advocate for policy or regulatory change to address environmental challenges
- Invest jointly with clients in R&D of relevant low-carbon technologies

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

- None

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

- Unknown

(5.11.3.6) Explain the rationale for the coverage of your engagement

Our engagement focuses on sectors with significant environmental impacts, such as agriculture, where high carbon emissions, water usage, and inefficient resource management contribute to climate-related risks. Agriculture is a critical focus for us, as this sector has a profound impact on climate change and resource consumption, particularly in areas like water stress and biodiversity loss. Our rationale for focusing on agriculture and related sectors stems from the potential for significant positive environmental outcomes through targeted support. We provide finance services for sustainable practices in agriculture, such as financing for smart irrigation, fertilization systems, and renewable energy projects. These initiatives help clients reduce their carbon footprint and water usage while improving productivity. By partnering with technology providers and offering favorable financing terms, we make it easier for clients to adopt these innovations. We collaborate

with agtech companies to provide capital, networking, and integration opportunities, which allows them to develop innovative solutions for the agricultural sector. This collaboration strengthens our clients' ability to transition toward sustainable practices while providing them with the tools necessary to navigate regulatory changes and enhance their resilience to climate risks. As part of our broader engagement strategy, Kuveyt Türk is committed to building capacity and raising awareness among its clients. We offer training and support on renewable energy claims, provide detailed information collection tools, and invest in joint R&D initiatives to develop low-carbon technologies. These efforts ensure that our clients are well-equipped to navigate the environmental challenges they face and are aligned with our sustainability goals. The scope of our engagement strategy also includes helping our clients meet regulatory requirements, such as the increasing focus on ESG factors. Our Sustainable Finance Service supports the establishment of an Environmental, Social, and Governance (ESG) Risk Assessment System, which integrates climate, water, and biodiversity considerations into our credit allocation processes. We plan to calculate the Green Asset Ratio of our institution and measure Scope 3 emissions, all of which contribute to creating a more sustainable portfolio. This engagement aligns with Bank's goal of building a resilient and sustainable value chain, in line with our commitments for 2026.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Kuveyt Türk communicates its environmental engagement strategy to clients and the public through a structured, multi-tiered approach that is both transparent and proactive. This strategy is designed to ensure that clients are well-informed about the bank's sustainability objectives and are actively supported in their efforts to reduce environmental impacts. At the first stage, we establish communication with our customers with our portfolio managers working in our branches. All customer loan requests, including environmental and social loan requests, are evaluated by our branch portfolio managers. In the second stage, financial data is taken and a credit report is written. In the third stage, in addition to financial data, our credit allocation unit also checks whether the loan request is environmentally and socially harmful. If a customer is in the category of sectors that will not be financed, no credit allocation is made. If the request is about Project-Financing, an Environmental Impact Report is requested. In the fourth stage, our marketing unit makes an evaluation. As a result of the evaluation, if a project will create positive environmental and social impacts, efforts are made to provide cheaper loans. In this process, our Project-Finance team provides consultancy on feasibility, especially in renewable energy etc projects. In addition, they help our customers make the right and safe choices regarding the machinery, devices and equipment to be used in the project. Additionally, we regularly update clients and stakeholders on the progress of our engagements, including the outcomes of financed projects, via newsletters and public reports. This transparent reporting ensures that both clients and the public are aware of our commitment to environmental sustainability and the tangible impacts of our engagement strategy.

(5.11.3.8) Attach your engagement strategy

09- Environmental, Social and Governance Principles IP (CP An 11)_Revise.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

- Specialized in-house engagement teams
- Equity/credit analysts
- Senior-level roles
- Other, please specify :A final decision is also made by the Green Asset Sub-Working Group & the Sustainability Committee.

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

- Board members
- CEO
- Corporate secretary
- Investor relations managers
- Other, please specify :Sustainable finance team, marketing and risk management teams, finance manager

(5.11.3.11) Effect of engagement, including measures of success

Kuveyt Türk's engagement strategy has demonstrated significant impact in promoting environmental sustainability and social responsibility across its portfolio. We measure the success of our engagement through a set of key performance indicators (KPIs). These KPIs include: Green Asset Ratio: The proportion of assets allocated to environmentally sustainable projects is a crucial metric for assessing our progress in promoting sustainable finance. By 2026, we aim to significantly increase our Green Asset Ratio, reflecting our commitment to financing projects that mitigate environmental risks. Sustainable Finance: We measure the success of our engagement by tracking the growth of sustainable finance products in our portfolio. This includes renewable energy projects, and water-efficient agricultural practices. Environmental Restoration Projects: We have set a target to complete various environmental restoration projects by 2026, with a focus on restoring ecosystems and promoting biodiversity. Zero Waste Initiatives: We track the success of our zero waste initiatives by measuring reductions in waste generation and increased recycling rates within the bank's operations and client projects. Participation in Sustainability Indices and Reporting Frameworks: Another measure of success is our inclusion in global sustainability indices and participation in frameworks like the CDP. Our engagement strategy aims to enhance our ESG performance, and being recognized by these frameworks reflects the success of our initiatives. To enhance client engagement, we are developing an ESG Scoring System for credit allocation. This system will collect detailed information from clients regarding their environmental and social impacts. Through this, we aim to raise awareness and improve clients' sustainability practices. The success of this initiative will be measured by the number of clients who improve their ESG scores over time, with periodic assessments of the positive environmental and social impacts of our engagement.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

- Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

The Bank receives customer complaints and requests from different channels. The Customer Communication Centre categorizes these complaints and requests according to their solvability and subject matter. Incoming complaints and requests are shared with the relevant units according to their categories. Complaints or requests that cannot be resolved by the relevant units or that are deemed critical are brought to the Customer Rights Committee, which also includes senior management, where they are resolved. In this way, customer demands are met.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

- Other capacity building activity, please specify :We are trying to raise awareness and collect data on these issues from suppliers.

Information collection

- Other information collection activity, please specify :information about the environmental and social criteria of their suppliers, ISO certificates, OHS trainings of suppliers employees, etc.

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Our supplier engagement strategy includes capacity building and information collection activities aimed at raising awareness of environmental issues and promoting sustainable practices. One of the primary goals of this engagement is to reduce the environmental impact of our suppliers and encourage them to align with environmentally responsible practices. As part of our capacity building efforts, we organize awareness-raising activities for suppliers to emphasize the importance of sustainability and climate change adaptation. We collect data on the environmental and social criteria followed by our suppliers, including whether they possess ISO certificates related to environmental management (ISO 14001), occupational health and safety standards (ISO 45001), and their compliance with sustainable practices. Additionally, we gather information on OHS (Occupational Health and Safety) training conducted for suppliers' employees to ensure the implementation of best practices in their operations. This ongoing data collection helps us monitor their progress toward meeting sustainability targets and adapting to environmental risks. Purchasing tenders are made through a system. In this system, there is an administrative specification that all suppliers participating in the tender must accept as a prerequisite. Within this administrative specification, there are articles that the companies participating in the tender should consider their environmental impacts. The company must approve this specification in order to join the tender. The e-tender infrastructure is used in the tender processes carried out with suppliers. The companies submitting bids and winning the tender are expected to minimize the negative environmental impacts of their activities for service and product production and to monitor and evaluate topics such as carbon footprint management and climate change. Suppliers that stand out in these areas are prioritized in the selection process as well. Effect of Engagement: Our engagement efforts have resulted in heightened awareness among our Tier1 suppliers regarding climate change and sustainability. By actively collecting and analyzing data on their practices, we have been able to foster more environmentally responsible behavior within the supply chain. Suppliers are gradually adapting their operations to meet environmental standards, and we anticipate that continued engagement will lead to a measurable reduction in the environ. footprint of our supply chain.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Unknown

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

Other capacity building activity, please specify :We are trying to raise awareness and collect data on these issues from suppliers.

Information collection

Other information collection activity, please specify :Generally, we collect information about the water management and water saving efforts of our suppliers.

(5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

Unknown

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Our primary goal is to drive adaptation to climate change by raising awareness among suppliers about the importance of water conservation and encouraging them to adopt sustainable water management practices. The supplier engagement strategy includes both capacity-building and information collection activities. We work to increase our suppliers' knowledge and understanding of water-related environmental risks and opportunities. By focusing on capacity building and data-driven insights, we are encouraging suppliers to embrace sustainable water management practices, which is crucial for both environmental protection and adapting to the increasing risks posed by climate change.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Unknown

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Kuveyt Türk regularly provides information to its investors and shareholders about its work on climate change, ensuring transparency in the actions it takes to mitigate environmental risks. The bank actively informs stakeholders about its initiatives, including reducing carbon emissions, promoting renewable energy projects, and incorporating sustainable finance practices into its operations. By sharing this information, Kuveyt Türk keeps its investors and shareholders updated on the progress and achievements in addressing climate change challenges.

(5.11.9.6) Effect of engagement and measures of success

The engagement with investors and shareholders has led to several positive outcomes for Kuveyt Türk's environmental strategy. One of the key effects is the increased support for green and sustainable finance initiatives. Investors have shown a growing interest in the bank's sustainable sukuk issuances, leading to higher demand for green bonds and other environmentally focused financial products. The success of these engagements is measured by the growth in sustainable finance portfolios, increased investment in green technologies, and the achievement of key sustainability targets. Another measure of success is the overall improvement in

the bank's environmental performance, as reported through the Carbon Disclosure Project (CDP) and other sustainability reports. By engaging with investors and shareholders, Kuveyt Türk is enhance investor confidence, and drive further investments into environmentally beneficial projects.

Water

(5.11.9.1) Type of stakeholder

Select from:

Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

Share information on environmental initiatives, progress and achievements

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As a financial institution operating in Turkey, a region increasingly affected by water scarcity, we aim to integrate water management into our broader sustainability strategy. Engaging with investors and shareholders allows us to communicate the importance of mitigating water risks in our operations and financing activities. By informing stakeholders on our water-related initiatives, we enhance transparency and accountability. Sharing information about water conservation efforts, water-efficient investments, and our sustainable financing products helps investors and shareholders understand how water-related risks are being managed. Moreover, this engagement supports our broader goal of integrating Environmental, Social, and Governance (ESG) factors into our decision-making processes. The scope of engagement includes regular updates via sustainability reports, investor briefings, and targeted communication on key water-related issues. As water becomes a more prominent issue in the financial world, especially in sectors such as agriculture and energy, this engagement ensures that Kuveyt Türk's strategies remain aligned with market expectations and environmental priorities.

(5.11.9.6) Effect of engagement and measures of success

By fostering a transparent and collaborative relationship with investors and shareholders, Kuveyt Türk ensures that its approach to water management remains robust and aligned with both market trends and environmental challenges. This ongoing dialogue supports our commitment to achieving long-term sustainability goals while ensuring financial resilience. Measure of success is the overall improvement in the bank's environmental performance, as reported through the Carbon Disclosure Project (CDP) and other sustainability reports. By engaging with investors and shareholders, Kuveyt Türk is enhance investor confidence, and drive further investments into environmentally beneficial projects.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Legal authorities and regulators

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As part of our commitment to sustainability and combating climate change, Kuveyt Türk actively engages with legal authorities and regulators in Turkey, particularly the Banking Regulation and Supervision Agency (BDDK) and the Association of Participation Banks (TKBB). These institutions play a critical role in shaping the regulatory landscape for climate-related initiatives in the banking sector. Our engagement is based on the need to align our sustainability practices with national regulations and global standards, ensuring that we effectively contribute to the country's environmental goals. We collaborate with these regulatory bodies to share our progress on environmental initiatives and gain valuable insights into the latest developments in climate-related policies. By participating in discussions, meetings, and events organized by BDDK and TKBB, we stay informed about new regulations. By incorporating feedback and adhering to regulations, Kuveyt Türk takes a proactive approach in the national and global fight against climate change. We comply with the Turkish Sustainability Reporting Standards (TESTS) published by the Public Oversight Board and adapt to climate policies that directly affect the banking sector. Also, Kuveyt Türk will publish sustainability report in compliance with TSRS.

(5.11.9.6) Effect of engagement and measures of success

The effect of Kuveyt Türk's engagement with legal authorities and regulators is evident in our growing alignment with national climate regulations and the broader climate transition plan. This engagement plays a vital role in accelerating the implementation of our climate transition strategies, ensuring that they are in full compliance with Turkish regulatory frameworks and international standards. By following the guidelines issued by BDDK and TKBB, we enhance the effectiveness of

our climate-related initiatives and ensure that our reporting and management systems are up to date. A key measure of success in this engagement is our ability to meet the regulatory requirements related to sustainability, such as the Turkish Sustainability Reporting Standards (TSRS).
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The operational control approach was selected because it allows for a comprehensive and focused assessment of environmental performance based on direct control over operations. By choosing this approach, the company can ensure that it captures emissions and environmental impacts from company and activities where it has full authority to implement operational policies and practices. This approach aligns with our organizational structure and enables more accurate reporting, as it focuses on areas where we have the most influence to drive sustainability initiatives and improvements in environmental performance.

Water

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The operational control approach was selected because it allows for a comprehensive and focused assessment of environmental performance based on direct control over operations. By choosing this approach, the company can ensure that it captures emissions and environmental impacts from company and activities where it has full authority to implement operational policies and practices. This approach aligns with our organizational structure and enables more accurate reporting, as it focuses on areas where we have the most influence to drive sustainability initiatives and improvements in environmental performance.

Plastics

(6.1.1) Consolidation approach used

Select from:

Other, please specify

(6.1.2) Provide the rationale for the choice of consolidation approach

There is no consolidation approach we have chosen to calculate this environmental performance data. We will also be working on plastics in the following years

Biodiversity

(6.1.1) Consolidation approach used

Select from:

Other, please specify

(6.1.2) Provide the rationale for the choice of consolidation approach

There is no consolidation approach we have chosen to calculate this environmental performance data. We will also be working on plastics in the following years
[Fixed row]

C7. Environmental performance - Climate Change

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based
	<i>Select from:</i> <input checked="" type="checkbox"/> We are reporting a Scope 2, location-based figure	<i>Select from:</i> <input checked="" type="checkbox"/> We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

[Fixed row]

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

- Scope 3: Franchises
- Scope 3: Capital goods
- Scope 3: Business travel
- Scope 3: Other (upstream)
- Scope 3: Other (downstream)
- Scope 3: Purchased goods and services
- Scope 3: Waste generated in operations
- Scope 3: End-of-life treatment of sold products
- Scope 3: Upstream transportation and distribution
- Scope 3: Downstream transportation and distribution
- Scope 3: Employee commuting
- Scope 3: Use of sold products
- Scope 3: Upstream leased assets
- Scope 3: Downstream leased assets
- Scope 3: Processing of sold products
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

37041.97

(7.5.3) Methodological details

Natural gas (Heating): 29,387.83 tCO2e (15,177,106.69 m3) Generator (Diesel): 65.08 tCO2e (24,990.00 liter) Company cars - Gasoline: 774.80 tCO2e (333,079.73 liter) Company cars - Diesel: 2,593.90 tCO2e (965,572.45 liter) Fire extinguishers: 3,876.00 tCO2e (3,432.30 kg) Refrigerants: 344.36 tCO2e (8,921.40 kg) A total of 37,041.97 metric tons CO2e including 29,387.83 tCO2e due to natural gas for heating, 65.08 tCO2e due to generators using diesel, total 3,368.70 tCO2e due to company cars fueled up by gasoline and diesel and 4,220.36 tCO2e due to fire extinguishers and refrigerants were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

10518.9

(7.5.3) Methodological details

A total of 10,518.90 (23,906,594.88 kWh) metric tons CO2e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We do not use market-based electricity.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

606.94

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Drinking Water: 198.90 tCO2e (1,491,756.78 liter) Tap Water: 30.09 tCO2e (71,474.00 liter) IT Purchases: 347.93 tCO2e (4,895.00 piece) Service-related Purchase: 30.02 tCO2e (9,14 tons) In this sense, scope 3 category 1 purchased goods and services, 606.94 tCO2e including 198.90 tCO2e for drinking water, 30.09 tCO2e for tap water, 347.93 tCO2e for IT Purchases and 30.02 tCO2e for Service-related purchase were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. This year we have no significant investment on capital goods

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

7238.9

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Well-to-Tank (WTT) – Naturalgas (Heating): 5,211.82 tCO2e 15,177,106.69 m3 Well-to-Tank (WTT) – Generator (Diesel): 15.71 tCO2e (24,990.00 liter) Well-to-Tank (WTT) – Mobil Combustion: 793.14 tCO2e (1,298,652.18 liter) Transmission and distribution (T&D)(electricity):1,219.24 tCO2e (23,906,594.88 kWh) In this sense, scope 3 category 3: Fuel-and-energy-related activities, 7,239.90 tCO2e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

22.74

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Transportation of the service team: 20.33 tCO2e (119,044.00 km) Courier Cargo: 2.42 tCO2e (125,410.00 piece) In this sense,

scope 3 category 4: Upstream transportation and distribution, 22.74 tCO₂e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO₂e)

2.48

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Waste Total: 2.48 tCO₂e (46.28 tons) In this sense, scope 3 category 5: Waste generated in operations, 2.48 tCO₂e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO₂e)

386.33

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Business travel (air): 350.44 tCO₂e (1,952,727.00 km) Taxi Usage: 22.39 tCO₂e (677,459.00 TL (Turkish Lira) Hotel stay: 10.08 tCO₂e (310.00 per night) Rent a Car: 3.41 tCO₂e (20,276.00 km) In this sense, scope 3 category 6: Business travel, 386.33 tCO₂e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

1370.55

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Telecommuting (work from home): 753.48 tCO2e (2,211,248 hours) Staff service (Employee commuting): 255.15 tCO2e (1,774,395 km) Staff transportation (other)(Employee commuting): 361.92 tCO2e (45,738.00 number of vehicles) OVERALL: 1,370.55 tCO2e In this sense, scope 3 category 7: Employee commuting, 1,370.55 tCO2e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We do not have emissions from category 8 Upstream leased assets.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

12461.15

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. Client and visitor transport (Car): 597.78 tCO₂e (75,545.00 number of vehicles) Client and visitor transport (branch visitor): 11,863.37 tCO₂e (16,208,720.00 number of people) OVERALL: 12,461.15 tCO₂e In this sense, scope 3 category 9: Downstream transportation and distribution, 12,461.15 tCO₂e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO₂e)

0.0

(7.5.3) Methodological details

We do not have emissions from category 10 Processing of sold products.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO₂e)

0.0

(7.5.3) Methodological details

We do not have emissions from category 11 Use of sold products.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO₂e)

0.1

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. ATM card: 0.02 tCO₂e (1.79 tons) ATM roll paper: 0.08 tCO₂e (0.08 tons) OVERALL: 0.10 tCO₂e In this sense, scope 3 category 12: End of life treatment of sold products, 0.10 tCO₂e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO₂e)

96.08

(7.5.3) Methodological details

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard. In this sense, scope 3 category 13: Downstream leased assets, 96.08 tCO₂e (218,366.76 kWh electricity consumption) were calculated within base year starting with January 1, 2022 and ending with December 31, 2022. Emissions from downstream leased assets include those from the operation of assets that are owned by the reporting organization and leased to other entities during the reporting year.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

We have no franchises and relevant emissions.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

We have no other (upstream) emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

We have no other (downstream) emissions.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

5.007

(7.6.3) Methodological details

Natural gas (Heating): 1,169.21 tCO2e (619,680.93 m3) Generator (Diesel): 118.19 tCO2e (43,904.76 liter) Company cars - Gasoline: 1,973.73 tCO2e (834,827.83 liter) Company cars - Diesel: 1,618.79 tCO2e (595,340.13 liter) Rental cars - Gasoline: 5.68 tCO2e (21,967.00 km) Rental cars - Diesel: 0.79 tCO2e (1,288.00 km) Rental cars - Hybrid: 2.11 tCO2e (5,421.00 km) Fire extinguishers: 119.42 tCO2e (1,841 kg)

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

37041.97

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Natural gas (Heating): 29,387.83 tCO2e (15,177,106.69 m3) Generator (Diesel): 65.08 tCO2e (24,990.00 liter) Company cars - Gasoline: 774.80 tCO2e (333,079.73 liter) Company cars - Diesel: 2,593.90 tCO2e (965,572.45 liter) Fire extinguishers: 3,876.00 tCO2e (3,432.30 kg) Refrigerants: 344.36 tCO2e (8,921.40 kg)
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

12212.39

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.4) Methodological details

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure. We are reporting a Scope 2, location-based figure. A total of 12,212.39 (25,495,600.04 kWh location-based) metric tons CO2e were calculated within base year starting with January 1, 2023 and ending with December 31, 2023.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

10518.9

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure. We are reporting a Scope 2, location-based figure. A total of 10,518.90 (23,906,594.88 kWh location-based) metric tons CO2e were calculated within base year starting with January 1, 2022 and ending with December 31, 2022.

[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/30/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

606.94

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

7239.9

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

22.74

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

2.48

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

386.33

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

1370.55

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

12461.15

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0.1

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

96.08

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Our Scope 3 calculation is conducted according to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ISO 14064:2018 is applied in calculations as a standard.

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> No emissions data provided

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Complete

(7.9.1.3) Type of verification or assurance

Select from:

Reasonable assurance

(7.9.1.4) Attach the statement

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(7.9.1.5) Page/section reference

Page 4 - Section 5

(7.9.1.6) Relevant standard

Select from:

Corporate GHG verification guidelines from ERT

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.2.3) Status in the current reporting year

Select from:

Complete

(7.9.2.4) Type of verification or assurance

Select from:

Reasonable assurance

(7.9.2.5) Attach the statement

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(7.9.2.6) Page/ section reference

Page 4 - Section 5

(7.9.2.7) Relevant standard

Select from:

Corporate GHG verification guidelines from ERT

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

(7.30.1.3) MWh from non-renewable sources

6537.7

(7.30.1.4) Total (renewable and non-renewable) MWh

6537.7

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

25495.6

(7.30.1.4) Total (renewable and non-renewable) MWh

25495.6

Total energy consumption

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

32033.3

(7.30.1.4) Total (renewable and non-renewable) MWh

32033.3

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

25495.6

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

25495.60

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

2.58e-7

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

17219.52

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

66715750000

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.7) Direction of change

Select from:

Decreased

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

Energy usage

(7.52.2) Metric value

2616.76

(7.52.3) Metric numerator

Gross Revenue (2023): 66,715,750,000.00 TL

(7.52.4) Metric denominator (intensity metric only)

Electricity used in kWh: 25,495,600.04

(7.52.5) % change from previous year

87.66

(7.52.6) Direction of change

Select from:

Increased

(7.52.7) Please explain

Although electricity consumption increased compared to the previous year, total revenue also increased, resulting in an 87% increase in the related metric. Gross Revenue (2023): 66,715,750,000.00 TL Electricity consumed (2023) 25,495,600.04 kWh 66,715,750,000.00 TL /25,495,600.04 kWh 2616.7 TL/kWh For each kWh electricity energy consumed, 2616.7 TL revenue is generated.

Row 2

(7.52.1) Description

Select from:

Energy usage

(7.52.2) Metric value

4170.72

(7.52.3) Metric numerator

Electricity used in kWh: 25,495,600.04

(7.52.4) Metric denominator (intensity metric only)

Number of full time employees: 6,113

(7.52.5) % change from previous year

1.78

(7.52.6) Direction of change

Select from:

Increased

(7.52.7) Please explain

Both electricity consumption and number of employees increased slightly. Thats why the metric also increased. Electricity consumed (2023) 25,495,600.04 kWh Number of employees (2023): 6113 25,495,600.04 kWh / 6113 FTE 4,097.81 kWh/FTE For each FTE (employee), 4,097.81 Electricity consumed.

Row 3

(7.52.1) Description

Select from:

Waste

(7.52.2) Metric value

6.54

(7.52.3) Metric numerator

Waste: 39969 kg (for HQ and KTBH)

(7.52.4) Metric denominator (intensity metric only)

Number of full time employees: 6,113

(7.52.5) % change from previous year

17.66

(7.52.6) Direction of change

Select from:

Decreased

(7.52.7) Please explain

Waste produced was decreased in 2023 therefore the metric also decreased. Waste produced (2023): 39969 kg Number of employees (2023): 6113 39969 kg / 6113 FTE 6.54 kg/FTE For each FTE (employee), 6.54 kg waste produced.
[Add row]

(7.53.3) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

(7.53.3.1) Primary reason

Select from:

We are planning to introduce a target in the next two years

[Fixed row]

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implementation commenced	1	9492.85

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

9492.85

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.7) Payback period

Select from:

4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

21-30 years

(7.55.2.9) Comment

The solar power plant will have an installed power of 10 kW and meets 80% of Kuveyt Turk's energy needs. The anticipated effect of Kuveyt Türk's investment in a self-consumption solar power plant on its financial position, financial performance, and cash flows is expected to be significant, particularly over the long term. By utilizing renewable energy, specifically solar power, the bank will reduce its reliance on traditional energy sources, leading to a reduction in operating costs related to electricity consumption. The solar power plant is anticipated to meet 80% of the bank's energy needs, which will significantly reduce the need for external energy procurement, improving cash flow stability by lowering utility expenditures. The impact of this opportunity may not be immediately quantifiable in monetary terms due to the variability in energy prices and future expansion possibilities, the long-term financial benefits of this investment are substantial. The impact of this opportunity may not be immediately quantifiable in monetary terms due to factors such as fluctuating energy demands and potential external conditions affecting solar power production. However, in relative terms, the reduction in energy costs will likely contribute to improved operational efficiency, which may account for a significant portion of Kuveyt Türk's future operating budget reductions.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

- Dedicated budget for energy efficiency

(7.55.3.2) Comment

Kuveyt Türk, which is working on improving its energy efficiency and sustainability activities of its own operations within the scope of combating climate change, started to supply a large portion of the electricity it consumed from solar energy, a type of renewable energy, in September 2024. The solar power plant has an installed power of 10 kW and meets 80% of Kuveyt Turk's energy needs. The anticipated effect of Kuveyt Türk's investment in a self-consumption solar power plant on its financial position, financial performance, and cash flows is expected to be significant, particularly over the long term. By utilizing renewable energy, specifically solar power, the bank will reduce its reliance on traditional energy sources, leading to a reduction in operating costs related to electricity consumption. This shift directly impacts the bank's financial performance by lowering indirect expenses and contributing to overall cost savings. The solar power plant is anticipated to meet 80% of the bank's energy needs, which will significantly reduce the need for external energy procurement, improving cash flow stability by lowering utility expenditures.

[Add row]

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

No, but we plan to do so in the next two years

(12.1.3) Primary reason for not measuring portfolio impact on climate

Select from:

Lack of tools or methodologies available

(12.1.4) Explain why your organization does not measure its portfolio impact on climate

At Kuveyt Türk, we are actively taking measures to combat climate change. Our strategies and goals are aligned with sustainable perspective. In this direction, as Kuveyt Türk, we have calculated our carbon emissions in accordance with the ISO 14064 standard since 2022 and water footprint was calculated in accordance with the ISO 14046 standard in 2023. Within the scope of Category 5: Activities That Cause Indirect Greenhouse Gas Emissions From The Use Of The Service Offered By The Organization, we conducted studies to calculate our indirect emissions from our loan services. However, we recognize the significance of addressing climate change and are committed to enhancing our processes accordingly. In the next two years, we plan to incorporate clauses focused on combating climate change into our project financing agreements. In 2023, Drafts of Guidelines on Effective Management of Climate-related Financial Risks and Green Asset Ratio Communique published by the BRSA and Turkish Sustainability Reporting Standards published by Public Oversight Board. According to these legal guidelines and standards, we will start to calculate our portfolio impact and we will report our portfolio impact in our sustainability report within two years. For this reason, Sustainable Finance team was established under Credit Policies and Decision Support Systems Department in 2024. Sustainable Finance team will establish an Environmental Social Governance Risk Assessment System in our credit allocation processes. Additionally, our Sustainable Banking Working Groups (Climate-related Financial Risks, Sustainable Finance, Sustainable Product Management) are also focused on environmental policies of Kuveyt Türk. Additionally, our Sustainable Banking Working Groups (Climate-related Financial Risks, Sustainable Finance, Sustainable Product Management) are also focused on environmental policies of Kuveyt Türk.

[Fixed row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Lending to all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

2182067000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

1166302000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.7

(12.3.6) Details of calculation

First, the titles of the sectors related to fossil fuels in our system were determined. These nace titles are as follows: Wholesale Trade of Solid, Liquid and Gaseous Fuels and Related Products, Lignite Mining, Hard Coal Mining, Activities Supporting Oil and Natural Gas Extraction, Manufacturing of Refined Petroleum Products, Manufacturing of Solid Furnace Products, Crude Oil Extraction, Gas Manufacturing, Gas Fuels on the Main Network Distribution, Gas Trading through Main Grid. In the second stage, the total risk was reached by summing the risks of our customers in these sectors as of 31.12.2023. This amount is 2.182.067.000 Turkish Liras. Its rate in our total risk is %0.7.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

No, and we do not plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

Other, please specify :Kuveyt Türk does not provide finance to new coal (thermal) power plant projects and new coal mining (production and trade for heating purposes etc. are not included) according to its Annex 11 of the ESG Principles Im

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

As Kuveyt Türk, we are committed to updating our processes to align with the urgent need to combat climate change. Our focus is on promoting sustainable practices in our lending procedures, improving energy efficiency, and supporting the transition to a low-carbon economy. We achieve this through Annex 11 of the Environmental, Social, and Governance Principles Implementation Procedures which guide our credit processes. internationally. We started working to update the “List of Non-Comparable Activities” in Kuveyt Türk Credit Policies and Implementation Procedures in 2022. Some of activities that Kuveyt Türk does not finance:

- Production or trade of products that are illegal or subject to international prohibitions in compliance with Turkish legal legislation or international regulations and treaties.*
- Cross-border movements of waste prohibited by Turkish legal legislation or international regulations and treaties.*
- Production or trade of weapons of mass destruction or landmines.*
- Production or trade of tobacco, cigarettes and alcoholic beverages.*
- Gambling, casinos and equivalent ventures.*
- Fishing activities with nets longer than 2.5 km, using explosives and toxic substances.*
- Projects involving forced labor or production in which child workers are employed in activities with exploitative or harmful content.*
- Activities carried out in wetlands designated as RAMSAR (Wetlands of International Importance) area.*
- Production or trade of products containing PCB (biphenyl with polychlorination - a group of highly toxic chemicals) regardless of sector.*
- Wildlife trade; Trade or production of wildlife products regulated under CITES (Convention on the International Trade in Endangered Species of Wild Flora and Fauna).*
- Production and trade of radioactive materials.*
- Trade or production of non-bonded asbestos fiber (not applied to the use and purchase of cement sheet containing fiber-free or bonded asbestos with an asbestos content of less than 20%).*
- Activities that do not comply with local legislation and international treaties for the protection of biodiversity resources and cultural heritage.*
- New coal (thermal) power plant projects and new coal mining (production and trade for heating purposes etc. are not included).*

So, we do not provide new coal financing for Thermal Power Plants. Thermal Power Plant Projects are not financed in accordance with our credit policies.

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

574873000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

282516000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.2

(12.3.6) Details of calculation

First, the titles of the sectors related to fossil fuels in our system were determined. These nace titles are as follows: Wholesale Trade of Solid, Liquid and Gaseous Fuels and Related Products (The coal fuel risk was reached by separating solid fuel clients in this sector), Lignite Mining, Hard Coal Mining. The total risk was reached by summing the risks of our customers in these sectors as of 31.12.2023. This amount is 574,873,000 TL. Its rate in our total risk is % 0.2.

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

1048053000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

626223000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

First, the titles of the sectors related to fossil fuels in our system were determined. These nace titles are as follows: Wholesale Trade of Solid, Liquid and Gaseous Fuels and Related Products (The liquid fuel and petroleum product risk was reached by separating liquid fuel clients in this sector.), Activities Supporting Oil and Natural Gas Extraction, Manufacturing of Refined Petroleum Products, Manufacturing of Solid Furnace Products, Crude Oil Extraction. In the second stage, the total risk was reached by summing the risks of our customers in these sectors as of 31.12.2023. This amount is 1.048.053.000 TL. Its rate in our total risk is % 0.3. 131.839.000 TL of the total risk is in sectors related to petrochemical products consisting of mineral oils, machine oils and similar products. 82.875.000 TL of the total risk is in sectors related to drilling activities.

Lending to gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

559141000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

257563000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.2

(12.3.6) Details of calculation

First, the titles of the sectors related to fossil fuels in our system were determined. These nace titles are as follows: Wholesale Trade of Solid, Liquid and Gaseous Fuels and Related Products (The gas fuel risk was reached by separating the gas fuel clients in this sector.), Activities Supporting Oil and Natural Gas Extraction, Crude Oil Extraction, Gas Manufacturing, Gas Fuels on the Main Network Distribution, Gas Trading through Main Network. In the second stage, the total risk was reached by summing the risks of our customers in these sectors as of 31.12.2023. This amount is 559.141.000 TL. Its rate in our total risk is % 0.2. 106.677.000 TL of the total risk is related to gas distribution activities through main lines.

[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

No, but we plan to report in the next two years

(12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:

No standardized procedure

(12.5.36) Explain why you are not providing values of the financing and/or insurance

There has been no standard taxonomy of sustainable finance until now. However, the drafts Draft Green Asset Ratio Communique published by the BRSA. In 2024, we will design our green products aligned with taxonomy within two years. On the other hand, In response to evolving outlook on sustainability, our Bank has also incorporated principles for application of ESG factors in its credit policies and procedures indicating its commitment to respond climate-related risks. Within this scope, it has been decided to apply principles in its credit processes as follows: minimization of the issues that have a negative impact on sustainability, increasing energy efficiency, supporting the transition to a low carbon economy and carrying out activities to raise awareness on sustainable development. In line with these principles, financings for renewable energy projects such as solar, wind, hydropower and supply chain for renewable energy technologies, pollution prevention-control plants like recycling, waste management, fossil fuel energy replacements, energy efficiency projects, clean transportation vehicles are covered under Sustainable Finance Framework. Apart from that, our Bank is collaborating with its main shareholder to establish an ESG scoring for loan applications and a project has been started to reflect industry best practices.

[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from:

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	<input checked="" type="checkbox"/> Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply

- Climate change
- Water

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

- Mitigation
- Adaptation

(12.6.1.3) Portfolio

Select from:

- Banking (Bank)

(12.6.1.4) Asset class

Select from:

- Loans

(12.6.1.5) Type of product classification

Select all that apply

- Products that promote environmental and/or social characteristics
- Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

- LMA Green Loan Principles

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

- Renewable energy
- Low-emission transport
- Paperless/ digital service
- Water treatment infrastructure
- Wastewater treatment infrastructure
- Water resources and ecosystem protection

(12.6.1.8) Description of product/service

Kuveyt Türk offers a variety of financial products and services aimed at supporting environmental sustainability, particularly by focusing on mitigating and adapting to climate change and water-related issues. The following product categories are provided to individuals and businesses: Renewable Energy Systems Financing (Solar, Wind, Hydroelectric, Biomass):Kuveyt Türk provides financing to support the adoption of renewable energy solutions such as solar, wind, hydroelectric, and biomass systems. These projects aim to reduce energy costs and promote the use of clean, renewable energy sources. This helps both individuals and businesses lower their carbon footprint and contribute to global efforts in mitigating climate change. The classification of this product follows the LMA Green Loan Principles, ensuring it aligns with industry standards for green financing. Electric and Hybrid Vehicle Financing:Kuveyt Türk offers loans for the purchase of electric and hybrid vehicles, which are crucial for transitioning to low-emission transport. By facilitating the financing of high energy-efficient vehicles, this product contributes to the reduction of carbon emissions in the transport sector. Bicycle Financing:In line with promoting healthier lifestyles and environmental sustainability, financing for bicycle purchases encourages an eco-friendly mode of transport with minimal environmental impact. Electric Charging Station Financing:This product supports the establishment of electric charging stations, thus enabling infrastructure development for the growing electric vehicle market. This service is integral to the shift towards sustainable

transport by providing convenient access to charging stations. Green Housing Financing:Kuveyt Türk offers financing for energy-efficient housing projects, classified as A or B energy class, promoting the development of sustainable living spaces that conserve energy and lower emissions. Drip and Sprinkler Irrigation Systems Financing:Financing is provided for agricultural projects that utilize water-efficient systems like drip or sprinkler irrigation. This contributes to water conservation, particularly in regions facing water stress. Sustainable Sukuk:Kuveyt Türk has introduced the Global Sustainable Tier 2 Capital-Like Sukuk, which has drawn significant international demand. Funds raised through this sukuk are used to finance green projects, particularly renewable energy initiatives, and to support social and environmental projects.

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Kuveyt Türk considers the environmental impact of each project by conducting thorough environmental risk assessments, ensuring that financed projects align with reducing carbon emissions and improving energy efficiency. The principal adverse impacts are evaluated in compliance with the Sustainable Finance Disclosure Regulation, where factors like water usage, energy efficiency, and emissions are measured and mitigated during the credit evaluation process. Kuveyt Türk also takes into consideration the possible environmental impacts of the projects it finances and actively monitors them to avoid any negative impacts.

Row 2

(12.6.1.1) Environmental issue

Select all that apply

Climate change

Water

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

Mitigation

Adaptation

(12.6.1.3) Portfolio

Select from:

- Banking (Bank)

(12.6.1.4) Asset class

Select from:

- Project finance

(12.6.1.5) Type of product classification

Select all that apply

- Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

- LMA Green Loan Principles

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

- Renewable energy
- Low-emission transport
- Water treatment infrastructure
- Wastewater treatment infrastructure
- Water resources and ecosystem protection
- Water supply and sewer networks infrastructure

(12.6.1.8) Description of product/service

Kuveyt Türk offers a range of project financing products that support environmental sustainability and align with the LMA Green Loan Principles. These products are designed to mitigate climate change risks and enhance water conservation and ecosystem protection. Renewable Energy Financing: Kuveyt Türk provides funding for solar, wind, hydroelectric, and biomass energy systems, enabling clients to transition to renewable energy. These projects significantly reduce carbon emissions and promote energy independence. Financing extends to both the installation and maintenance of these energy systems, ensuring long-term environmental benefits. Water Supply and Sewer Networks: Financing for the development and expansion of water supply and sewer networks helps mitigate water stress by improving infrastructure for water distribution, recycling, and treatment. This product supports adaptation to environmental challenges like water scarcity and ensures the efficient use of water resources, promoting sustainable urban and rural development. Low-Emission Transport: Kuveyt Türk supports the transition to low-emission

vehicles and public transportation systems by financing electric and hybrid vehicles. This service enables clients to reduce their carbon footprint and contribute to cleaner air quality in urban areas. *Water Treatment and Wastewater Infrastructure: Financing for water treatment and wastewater systems ensures that water resources are managed responsibly. These projects enhance water recycling and purification, reducing pollution and protecting ecosystems from hazardous waste. Sustainable Sukuk: Kuveyt Türk's Global Sustainable Tier 2 Capital-Like Sukuk issuance exemplifies its commitment to green finance. The resources from the sustainable sukuk are allocated to green and social project financing, focusing on renewable energy and water conservation initiatives, contributing to the reduction of carbon emissions and promoting sustainable development. These products support both climate change mitigation and adaptation by focusing on critical sectors like renewable energy, water management, and low-emission transportation. By adhering to the Green Loan Principles, Kuveyt Türk ensures that the financed projects align with international sustainability standards and contribute to global efforts to combat climate change.*

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Kuveyt Türk considers the environmental impact of each project by conducting thorough environmental risk assessments, ensuring that financed projects align with reducing carbon emissions and improving energy efficiency. The environmental risks and impacts of each project are assessed through an Environmental and Social Risk Assessment (ESRA). The project's potential adverse environmental impacts, such as pollution or energy inefficiencies, are mitigated by structuring financing based on compliance with international environmental standards like the ICMA Green Bond Principles. Kuveyt Türk also takes into consideration the possible environmental impacts of the projects it finances and actively monitors them to avoid any negative impacts.

Row 3

(12.6.1.1) Environmental issue

Select all that apply

Climate change

Water

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

Mitigation

Adaptation

(12.6.1.3) Portfolio

Select from:

- Banking (Bank)

(12.6.1.4) Asset class

Select from:

- Other, please specify :SUKUK

(12.6.1.5) Type of product classification

Select all that apply

- Products that promote environmental and/or social characteristics
- Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

- Green Bond Principles (ICMA)

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

- Renewable energy
- Low-emission transport
- Green buildings and equipment
- Water treatment infrastructure
- Wastewater treatment infrastructure
- Water resources and ecosystem protection

(12.6.1.8) Description of product/service

Kuveyt Türk offers a range of products and services aimed at promoting environmental sustainability and addressing climate change, in line with the Sustainable Finance Framework and Green Bond Principles (ICMA). These products support the transition to a low-carbon economy, reduce environmental impacts, and promote resource efficiency, enabling clients to mitigate and adapt to environmental challenges. For the Sukuk portfolio: Kuveyt Türk has implemented a "Global Sustainable

Tier 2 Capital-Like Sukuk Issuance" to promote sustainable financing. Proceeds from the sustainable sukuk are allocated to green and social projects, particularly focusing on renewable energy, energy efficiency, green buildings, water treatment infrastructure, and low-emission transport. This initiative aligns with ICMA's Green Bond Principles and addresses environmental issues such as climate change and water conservation. Through these sukuk, Kuveyt Türk supports individuals and businesses committed to sustainability and environmental protection. For example, projects like financing solar, wind, and hydroelectric systems help clients lower their carbon footprint and improve energy efficiency.

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Kuveyt Türk's Sustainable Sukuk issuance follows strict evaluation and monitoring mechanisms to ensure that projects financed through Sukuk contribute to mitigating principal adverse impacts. The bank adheres to Sustainable Finance Disclosure Regulation guidelines by incorporating climate risk analysis and considering impacts such as greenhouse gas emissions, water consumption, and waste management in its financed projects. Kuveyt Türk also takes into consideration the possible environmental impacts of the projects it finances and actively monitors them to avoid any negative impacts.

[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

Water

(12.7.1) Target set

Select from:

No, we have not set such targets and we do not plan to in the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

We plan to work on deforestation and water secure lending within two years with our Sustainable Product Management Working Group affiliated with the Sustainability Committee. A product needs analysis will be conducted for customers for this purpose. There will be studies on water security, especially in the field of agricultural banking.

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Base year emissions

(13.1.1.3) Verification/assurance standard

Climate change-related standards

ISO 14064-3

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Kuveyt Türk 2022 ISO 14064 Verification.pdf

[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer

(13.3.2) Corresponding job category

Select from:

Chief Executive Officer (CEO)

[Fixed row]



TÜRK LOYDU

Evliya Çelebi Mah. Tersaneler Cad. No:26/1 34944 Tuzla-İSTANBUL
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GHG VERIFICATION STATEMENT

Statement Date: 01.10.2024

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TÜRK LOYDU

KUVEYT TÜRK KATILIM BANKASI A.Ş.

CARBON DISCLOSURE PROJECT

GHG VERIFICATION STATEMENT



TÜRK LOYDU

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GHG VERIFICATION STATEMENT

Statement Date: 01.10.2024	Statement No: 122	Revision No: 02	Page: 2 / 3
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1. SCOPE

Türk Loydu Uygunluk Değerlendirme Hizmetleri A.Ş. (Türk Loydu) performed verification of conformity of the voluntary assertion relevant to the GHG Inventory of the Kuveyt Türk Katılım Bankası A.Ş. (Kuveyt Türk) for the period 1 January 2023 to 31 December 2023. Verification activities including office studies were conducted on September 2024.

These studies had been carried out in order to provide a verification opinion that the Kuveyt Türk 2023 GHG Inventory Report, which includes Scope 1 (direct) and Scope 2 (energy indirect) greenhouse gas emissions does not contain significant errors with reasonable assurance *ISO 14064-3:2019 Greenhouse Gases-Part 3: "Specification with guidance for the validation and verification of greenhouse gas assertions"*.

Türk Loydu consent to release of this assertion by Kuveyt Türk to the Carbon Disclosure project in order to satisfy the terms of CDP disclosure requirements.

The organisation has included Head Office, Banking Hub and 445 branches are within the scope of GHG Inventory.

The organization manages their banking operations;

Address:

Kuveyt Türk (Head Office):

Büyükdere Cad. No:129/1 Esentepe 34394 Şişli, İstanbul/Türkiye

Kocaeli Kuveyt Türk Banking Hub:

Cumhuriyet Mah. Özgürlük Cad. No:11/A Çayırova, Kocaeli/Türkiye

2. GHG STATEMENT

The GHG assertions verified were the following:

- That the calculated Kuveyt Türk 2023 GHG Inventory has been developed in accordance with common practice, including the Greenhouse Gas Protocol and the Carbon Disclosure Project Reporting Guidance.
- That the calculated Scope 1 and Scope 2 GHG emissions for the 2023 are **17,220 tons of CO₂e**.
- That the calculated Scope 1 GHG emissions for the 2023 are **5,007.13 tons of CO₂e**.
- That the calculated Scope 2 GHG emissions for the 2023 are **12,212.39 tons of CO₂e**.

3. ASSURANCE LEVEL

Greenhouse gas inventory verification activity was conducted with %5 level of assurance.

The verification task was to form an opinion at a reasonable level of assurance about the above GHG assertions, regarding:

- Conformance with the general requirements of the Greenhouse Gas Protocol and the Carbon Disclosure Project Reporting Guidance.
- Reasonableness of the calculated Scope 1 and Scope 2 emissions for the 01.01.2023-31.12.2023



TÜRK LOYDU

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4. VERIFICATION ACTIVITIES

The GHG verification activities performed by Türk Loydu applied ISO 14064-3:2019 International Standart for GHG verifications.

The following verification activities were conducted:

- Review of documentation, procedure and methodologies, including emission report,
- Assessment of risks and verification planning,
- Assessment of documentation, control and methodologies, including the facility quality management systems,
- Assessment of verification findings and outstanding issues in inventory report,
- Assessment and review of resolutions to outstanding issues in inventory report,
- Issuance of verification statement and completion of verification.

5. VERIFICIATON OPINION

Türk Loydu planned and performed verification studies to obtain the information, explanations and evidence that we considered necessary to provide a reasonable assurance level based on the process and procedures conducted.

Türk Loydu's approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission information and the controls in place to mitigate these risks. Our studies included assessment, on a sample basis, of evidence relevant to the reporting of emission information.

GHG statement has been prepared based on the objective evidence examined, recalculations and interviews in verification activities carried out in accordance with the requirements of the Greenhouse Gas Protocol and Carbon Disclosure Project Reporting Guidance.


The greenhouse gas emission information (Scope 1 and 2) disclosed in the Kuveyt Türk 2023 GHG Inventory Report as a result of verification held on the basis of international standards has been verified with reasonable assurance.

Kuveyt Türk Head Office 2023 GHG Information		
Scope 1 GHG emissions	426.87	tCO ₂ e
Scope 2 GHG emissions	742.56	tCO ₂ e
TOTAL:	1,169.43	tCO₂e

Kocaeli Kuveyt Türk Banking Hub 2023 GHG Information		
Scope 1 GHG emissions	1,102.63	tCO ₂ e
Scope 2 GHG emissions	3,439.53	tCO ₂ e
TOTAL:	4,542.16	tCO₂e

Kuveyt Türk Branches (445) 2023 GHG Information		
Scope 1 GHG emissions	3,477.63	tCO ₂ e
Scope 2 GHG emissions	8,030.30	tCO ₂ e
TOTAL:	11,507.93	tCO₂e


Onur YILMAZ
Technical Manager


Elif Gizem ALBAYRAK
Greenhouse Gas Lead Verifier