



Yapı Kredi
2024 TSRS Compliant
Sustainability
Report



Dedication to deliver.



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About Report

Consolidated disclosures connected with climate change presented in this report have been prepared for **Yapı ve Kredi Bankası A.Ş.** (Company) and its subsidiaries (collectively referred to as "Group") and have been presented in alignment with **Türkiye Sustainability Reporting Standards (TSRS)**, issued by the Public Oversight, Accounting, and Auditing Standards Authority (KGK). The Report contains information expected to be reported within framework of four basic categories, i.e. Governance, Strategy, Risk Management, Metrics and Targets, within framework of standards set by KGK.

Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi", "Company" or "Bank") is a publicly held company incorporated in Türkiye and traded at Borsa İstanbul (BIST). This report has been prepared in compliance with TSRS based on the financial reporting period of January 1 to December 31, 2024. These disclosures are based on TSRS, which was published in the issue of the Official Gazette dated December 29, 2023, which is effective for annual periods starting from January 1, 2024.

TSRS makes a reference to two sustainability standards published by KGK and the guide regarding sector-based implementation:

- TSRS 1: General Provisions on Disclosure of Sustainability-Related Financial Information
- TSRS 2: Climate Related Disclosures
- Guide Regarding Sector Based Implementation of TSRS 2: Additional Volume-16 – Commercial Banks

Yapı Kredi has evaluated Guides Regarding Sector Based Implementation of TSRS 2 in its entirety during creation of the report. This Report explains information on risks and opportunities related to climate change that could reasonably be expected to impact Yapı Kredi's cash flows, access to financing or cost of capital in the short, medium or long term or to affect capital cost in alignment with TSRS 1 General Provisions on Disclosure of Sustainability Related Financial Information and TSRS 2 Climate Related Disclosures, which can be useful for users of general purpose financial report when deciding to allocate sources to the entity.

Size of financial impact of its risks and opportunities related to climate change as determined by Yapı Kredi is assessed via percentage rate of earnings before tax (EBT) as set forth in financial reporting within scope of Banking Regulation and Supervision Agency (BRSA) consolidation. Such value is used in order to define limits of impact level at quantitative evaluations.

Risks and opportunities related to climate change that could reasonably be expected to impact Yapı Kredi's future financial adequacy are given in sections **"Strategy"** and **"Risk Management"** that constitute basic content of the report in line with levels of materiality so established. This report has been approved by the Board of Directors of Yapı Kredi. Financial and non-financial information shared in the report is verifiable, has been presented timely and is understandable, and has been presented realistically in compliance with conceptual bases and principles specified in TSRS.



CONNECTION WITH FINANCIAL DISCLOSURES

Disclosures related to climate change provided in this report cover Yapı Kredi and all of its subsidiaries, and should be considered in conjunction with consolidated financial statements dated December 31, 2024, as prepared based on accounting and reporting principles published by BRSA. The Report is aligned with reporting period of 12-month consolidated financial statements covering the period of January 1, 2024 – December 31, 2024. Information on relevant financial period is accessible via consolidated financial statements for Yapı Kredi 2024 accounting period. Financial disclosures related to climate change provided in this report use the same datasets and assumptions as financial reports pertaining to 2024 in order to assure consistency among different reports published by Yapı Kredi. In this context, in order to ensure consistency between sustainability data and financial information, the corresponding data, assumptions, consistent methods, estimates and the Turkish Lira (TRY) as currency used in the preparation of the financial statements have been taken as basis.

Within framework of TSRS 2, assumptions utilized in evaluation of financial impacts related to risks and opportunities related to climate change have been determined in alignment with reasonable and supportable information that could be obtained at

the date of report. However, it has been considered that use of quantitative information would not be useful for report users due to high measurement uncertainty being present for some of such impacts, and qualitative disclosures have been provided where quantitative information could not be provided.

AUDIT

Within the scope of mandatory sustainability assurance audit in line with the Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023 and numbered 32414(M) by the Public Oversight, Accounting and Auditing Standards Authority (KGK). It has been subjected to a limited assurance audit by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (EY) within the scope of GDS 3000 “Assurance Engagements Other Than Independent Audits or Limited Independent Audits of Historical Financial Information” and GDS 3410 “Assurance Engagements Regarding Greenhouse Gas Declarations” standards, and the limited independent assurance declaration is included in the [“Annexes”](#) section of the report.

TRANSITION RELIEFS

Yapı Kredi utilizes transition reliefs within scope of articles E3, E4, E5 and E6 specified in TSRS 1 and articles C3, C4.a and C4.b specified in TSRS 2.

TSRS 1 E3 and TSRS 2 C3: Yapı Kredi only includes information related to relevant reporting period.

TSRS 1 E4: Yapı Kredi publishes TSRS Compliant Sustainability Report in July 2025 after disclosing to public its financial statements pertaining to period of January 1, 2024 – December 31, 2024.

TSRS 1 E5 and TSRS 1 E6: Yapı Kredi does not share information regarding risks and opportunities related to sustainability.

TSRS 2 C4.a: Yapı Kredi has calculated greenhouse gas emissions for the reporting period in alignment with ISO 14064-1:2018 Standard and had them validated by third parties.

TSRS 2 C4.b: Yapı Kredi does not disclose its Scope 3 emissions containing additional information related to its financed emissions for the reporting period.

REPORTING LIMITS AND MEASUREMENT APPROACH

Yapı Kredi has utilized operational control approach whilst determining its organizational limits for reporting of greenhouse gas emissions. According to such approach, greenhouse gas emissions of subsidiaries under operational control and affiliates of such subsidiaries have also been included in emission inventory according to equity method.



ABOUT YAPI KREDİ

Yapı Kredi was incorporated in 1944 as Türkiye's first retail-focused private bank with a nationwide presence. In 2006, legal merger of Yapı Kredi and Koçbank, including their subsidiaries with operations in the same field took place. 20.22% of the Bank's shares are owned by Koç Holding A.Ş. while 40.95% of its shares are owned by Koç Financial Services, which is 100% owned by Koç Group 38.83% of the Bank is publicly held and traded at Borsa Istanbul.

Yapı Kredi operates in lines of business such as retail banking (consisting of payment systems, enterprise banking, private banking and wealth

management units), commercial banking and SME Banking and corporate banking. Yapı Kredi's operations are supported by its domestic subsidiaries which operate in portfolio management, investment, financial leasing and factoring fields as well as international banking operations in the Netherlands, Azerbaijan and Germany.

The Bank serves its customers with 772 branches covering all regions of Türkiye and over 14 thousand employees. Yapı Kredi's products and services are presented through advanced alternative distribution channels consisting of 5,768 ATMs, innovative internet banking, leading mobile banking, call centers and over 1.4 million POS terminals.

Disclosures presented in TSRS Compliant Sustainability Report cover subsidiaries that are subject to full consolidation with Yapı Kredi. Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., Yapı Kredi Finansal Teknolojiler A.Ş., Enternasyonal Turizm Yatırım A.Ş. and Yapı Kredi Teknoloji A.Ş. which are among subsidiaries have been excluded from TSRS disclosures since they are not included in full consolidation. Besides, Yapı Kredi Diversified Payment Rights Finance Company is excluded from scope since it is a structured entity. Nonetheless, all corporate structures other than companies in the form of affiliate such as Banque de Commerce et de Placements S.A. and Allianz Yaşam ve Emeklilik A.Ş. are referred to as subsidiaries; information regarding governance processes of such companies is given in relevant sections.



The shares of the Company in the capital of the consolidated subsidiaries are presented in the table.

Subsidiaries Included in Consolidation

	Trade Name	Company's Stake in Capital (%)	Shareholding Structure
YapıKredi Faktoring	Yapı Kredi Faktoring A.Ş.	99.96 (Direct + indirect ownership rate)	Subsidiary
YapıKredi Leasing	Yapı Kredi Finansal Kiralama A.O.	99.99	Subsidiary
YapıKredi Invest	Yapı Kredi Yatırım Menkul Değerler A.Ş.	99.98	Subsidiary
YapıKredi Asset Management	Yapı Kredi Portföy Yönetimi A.Ş.	99.95 (Direct + indirect ownership rate)	Subsidiary
YapıKredi Nederland	Yapı Kredi Bank Nederland N.V.	100 (Direct + indirect ownership rate)	Subsidiary
YapıKredi Azerbaijan	Yapı Kredi Bank Azerbaijan	100 (Direct + indirect ownership rate)	Subsidiary
YapıKredi Deutschland	Yapı Kredi Bank Deutschland OHG*	100 (Indirect ownership rate)	Subsidiary
	Yapı Kredi Holding B.V.	100	Subsidiary

*The Bank owns all shares of Yapı Kredi Deutschland GmbH and Yapı Kredi Beteiligungsgesellschaft mbH, which are shareholders of Yapı Kredi Bank Deutschland OHG.



VALUE CHAIN

Yapı Kredi has taken into account the entire value chain including its subsidiaries whilst preparing its financial disclosures related to climate change. Upstream and downstream value chain together with the direct operations are included in the value chain outlook for Yapı Kredi and its subsidiaries.

Value Chain Outlook

Upstream Value Chain	Direct Operations	Downstream Value Chain
<p>Capital Owners</p> <ul style="list-style-type: none"> ➤ Koç Holding ➤ Koç Financial Services <p>Investors</p>	<p>Employees</p> <ul style="list-style-type: none"> ➤ General Management ➤ Employees ➤ Branch personnel 	<p>Retail Banking Customers</p> <ul style="list-style-type: none"> ➤ Individual deposit transactions ➤ Loans (Vehicle loans, house loans) ➤ Bancassurance (insurance and individual pension products) ➤ Digital and mobile banking transactions ➤ Participants of STEP program ➤ Individual investment products (fund/ETF)
<p>Supply Chain</p> <p>Paper, Plastics and ATM Hardware Suppliers</p> <ul style="list-style-type: none"> ➤ POS device, card production, ATM hardware suppliers <p>IT and Digital Infrastructure providers</p> <ul style="list-style-type: none"> ➤ Server, software, data security, cloud solutions (domestic / foreign companies) <p>Office and Physical Infrastructure Providers</p> <ul style="list-style-type: none"> ➤ Building management, electricity, water, air conditioning systems <p>Energy Suppliers</p> <ul style="list-style-type: none"> ➤ Electricity, natural gas suppliers used for branches and headquarters 	<p>Subsidiaries and Affiliates</p> <ul style="list-style-type: none"> ➤ Yapı Kredi Faktoring ➤ Yapı Kredi Leasing ➤ Yapı Kredi Invest ➤ Yapı Kredi Asset Management ➤ Yapı Kredi Nederland ➤ Yapı Kredi Azerbaijan ➤ Yapı Kredi Deutschland ➤ Yapı Kredi Holding B.V. 	<p>Corporate and Investment Banking Customers</p> <p>Cross-Border Banking</p> <ul style="list-style-type: none"> ➤ Foreign investors <p>Project and Structured Finance</p> <ul style="list-style-type: none"> ➤ Financial consulting services ➤ Sustainable finance ➤ Renewable energy project financing <p>Investment Banking</p> <ul style="list-style-type: none"> ➤ Corporate financing consultancy (Merger and acquisition services) ➤ Capital management consultancy (refinancing and procurement financing consultancy)
<p>Financial institutions and Creditors</p> <ul style="list-style-type: none"> ➤ Green financing packages provided by development banks ➤ International Finance providers ➤ Lenders including thematic loans (IFC Blue Loan) ➤ Compliant with international standards for renewable energy projects allocation of source 	<p>Corporate Governance Structure</p> <ul style="list-style-type: none"> ➤ Board of Directors ➤ Executive Board ➤ Audit Committee, Risk Committee and Remuneration Committee reporting to the Board of Directors ➤ Sustainability Committee ➤ Sustainability Unit and Working Groups 	<p>Commercial Banking and SME Banking Customers</p> <ul style="list-style-type: none"> ➤ Financing, loan and fund allocation ➤ Commercial cards ➤ Cash management ➤ Foreign trade financing ➤ SMEs to which the bank offers e-export and e-commerce support ➤ Letters of guarantee
<p>Syndication Loans and Foreign Funding connected with Sustainability</p> <ul style="list-style-type: none"> ➤ Off-balance sheet capital access; loan structures correlated with sustainability commitments 	<p>IT Infrastructure and Data Centers</p> <ul style="list-style-type: none"> ➤ Energy consumption ➤ Cooling systems ➤ Data security 	<p>Digital Banking Users</p> <ul style="list-style-type: none"> ➤ Mobile application ➤ Internet Banking ➤ Participation with processes such as e-invoice/e-account

*Value chain elements where risks and opportunities connected with climate change intensify are written in **bold**.



Upstream Value Chain	Direct Operations	Downstream Value Chain
Regulators and Supervisory Bodies <ul style="list-style-type: none"> ➤ BRSA (Banking Regulation and Supervision Agency), CMB (Capital Markets Board of Türkiye), Borsa İstanbul, CBRT (Central Bank of the Republic of Türkiye), KGK (Public Oversight Accounting and Auditing Standards Authority), MASAK (The Financial Crimes Investigation Board) 	Digital Operation Infrastructure <ul style="list-style-type: none"> ➤ Mobile Banking ➤ Artificial intelligence systems ➤ Data processing processes 	Pension and Wealth Management Customers <ul style="list-style-type: none"> ➤ Allianz Life and Pension ➤ BES, ESG (Environmental, Social and Corporate Governance) funds via Yapı Kredi Asset Management ➤ Investment consultancy
Chambers of Commerce and Associations <ul style="list-style-type: none"> ➤ ICC (International Chamber of Commerce), IIF (Institute of International Finance), TBB (Banks Association of Türkiye), TKYD (Corporate Governance Association of Türkiye), TSPB (Turkish Capital Markets Association), TÜYİD (Turkish Investor Relations Society) 	Climate and Environmental Management Systems <ul style="list-style-type: none"> ➤ ISO 14001 and environment management applications ➤ ISO 14064-1 ➤ ISO 50001 and energy efficiency applications ➤ ISO 14046 and water efficiency applications 	Business Banking Customers <ul style="list-style-type: none"> ➤ Open Banking customers (legal entity customers using mobile and internet banking channels) ➤ Customer groups for whom services customized for profession groups are rendered (Woman entrepreneurs, pharmacists, lawyers, restaurant and cafe owners, tradesmen and natural person proprietors, etc.) ➤ Agricultural Banking customers
Memberships in the field of Sustainability and Organizations Supported <ul style="list-style-type: none"> ➤ UNEP FI, UN PRB, NZBA, SBTi, FfB Foundation, ERTA, FODER, Global Compact Türkiye, TCFD, SKD, WEPs 		
Training, Consultancy and Audit Organizations <ul style="list-style-type: none"> ➤ Technical training ➤ Sustainability consultants ➤ Legal compliance consultants ➤ Audit companies 	Credit and Risk Assessment Systems <ul style="list-style-type: none"> ➤ ESRA system ➤ Internal credit rating models 	Users of Sustainability Themed Products and Services <ul style="list-style-type: none"> ➤ Rooftop Solar Energy Systems Financial Leasing ➤ Environmentally Friendly Mortgage ➤ Sustainability themed funds ➤ Syndicated loans with the format of sustainable loan
Sustainability Indices and Ratings <ul style="list-style-type: none"> ➤ Sustainalytics, MSCI, CDP, S&P Global, Sustainable Fitch, ISS ESG, FTSE4Good, Bist Sustainability Index, Bloomberg Gender Equality Index ➤ ISO, LEED, IREC and Carbon-Neutral Certificates 	Fundamental Banking Services <ul style="list-style-type: none"> ➤ Loan, deposit, payment systems 	Private Banking and Wealth Management Customers <ul style="list-style-type: none"> ➤ Wealth management for high income group ➤ Private portfolio consultancy ➤ Mutual funds offered under the roof of Yapı Kredi Portföy ➤ Capital market transactions
NGO Collaborations <ul style="list-style-type: none"> ➤ Non-governmental organizations with operations in fields such as human rights, climate and environment, financial inclusiveness ➤ Non-Governmental Organizations within the structure of STEP program 	Network of Branches and ATMs <ul style="list-style-type: none"> ➤ Network of branches and ATMs that is widespread across Türkiye 	Media <ul style="list-style-type: none"> ➤ Digital and traditional media organs

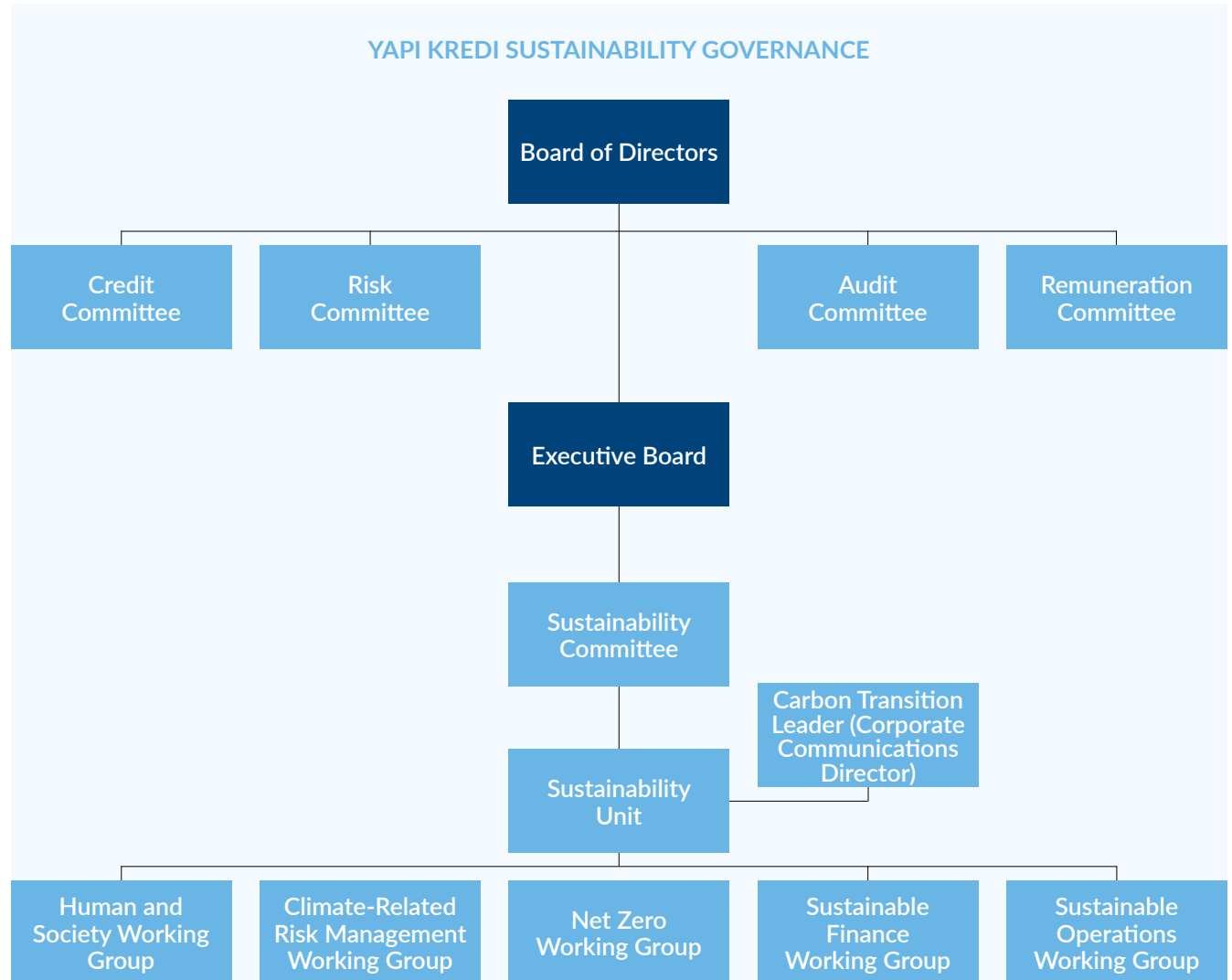
*Value chain elements where risks and opportunities connected with climate change intensify are written in **bold**.

Governance

Yapı Kredi’s sustainability governance is only limited to the Bank’s operations but also covers its subsidiaries included in full consolidation. Matters connected with sustainability and climate change are addressed in alignment with common strategies across the group, thereby, making it possible to adopt a holistic approach in decision-making processes related to sustainability.

BOARD OF DIRECTORS

Board of Directors observe that Yapı Kredi and all of its subsidiaries adopt the same principles in strategic decisions taken and practices in connection with sustainability and climate change. Board of Directors observe compliance of principles implemented by subsidiaries within structure of the Group with Bank’s principles. Board of Directors is not only responsible for ensuring that the Bank’s economic performance is regularly reviewed and audited but also for improving environmental, social and governance (ESG) performance, sustainability performance is regularly reviewed and audited. Board of Directors approves and monitors effectiveness of policies and procedures addressing risks and opportunities connected with sustainability and climate change the Bank and its subsidiaries may be exposed to. The Board of Directors is responsible for negotiation and approval of the ICAAP (Internal Capital Adequacy Assessment Process) Report in its final version.





SUSTAINABILITY COMMITTEE

Yapı Kredi manages its strategy connected with sustainability and climate change through the Sustainability Committee and sub-working groups affiliated with it. Sustainability Committee is composed of 12 members in total that represent varying management units such as Vice Presidents, Banking Operations Management and Corporate Communication Management under the chair of the Independent Board of Directors Member. Processes connected with management of risks and opportunities connected with Sustainability and climate change are conducted by the Committee and duties and responsibilities of such Committee are set forth in the Bank's General Regulation. Main activities of the Sustainability Committee include identification of risks and opportunities connected with sustainability and climate change, creation of sustainability and climate strategy, integration of work processes and performance follow-up.

The Sustainability Committee convenes at least twice a year to monitor and evaluate the impacts of risks and opportunities related to sustainability and climate change on the business model and value chain, and regularly presents

its work to the Executive Committee and the Board of Directors annually. At these meetings, strategic goals established in line with the risks and opportunities related to sustainability and climate change, the effectiveness of the work and actions for continuous development are evaluated. Sustainability representatives of subsidiaries, who are specialists in their respective fields, are among members who participate in the Sustainability Committee as observers within the scope of corporate governance culture. The governance bodies of subsidiaries are responsible for guiding operations affecting subsidiaries and sharing good practices by monitoring sustainability and climate change targets, particularly the Bank's net-zero strategy.

OTHER COMMITTEES SUPPORTING OVERSIGHT

The monitoring of risks and opportunities the Bank may be faced with in connection with sustainability and climate change is carried out under the coordination of the Sustainability Committee. The Sustainability Committee may include works related to risks and opportunities with high importance in the agenda of the Audit Committee.

Matters related to Sustainability and climate change are subjected to audit processes which are regularly conducted within the Bank and are observed by the Audit Committee. The Audit Committee convenes every three months or whenever necessary the Bank's requirements and reports to the Board of Directors no less frequently than six months. Targets created in connection with climate change are included in such reports at least once throughout the year. Thus, the Audit Committee ensures holistic monitoring of progress towards climate change related targets, reporting processes and risk management practices.

At Yapı Kredi, investment and project finance loan requests with an investment amount exceeding **USD 10 million**, which are not included in the Non-Funded Activities (FEF) list, are subject to environmental and social risk assessment in accordance with the Procedure for Determining Environmental and Social Risks of Lending Activities **Environmental and Social Risk Assessment (ESRA)** system is conducted by specialists under Loans Management. Vice President, Loans, who is a member of the Sustainability Committee, is responsible for management of the system.



Apart from internal audits conducted, effectiveness of ESRA system is closely followed up through regular trainings given to all teams that are responsible for implementation of the model, notably, loan portfolio managers. Improvements and enhancements have been done at steps of reporting ESRA system to Credit and Sustainability Committees, thereby, increasing audit of the senior management upon the system. In this context, ESRA system evaluation results, which are valid for all new investment and project finance projects originating from corporate and commercial lines of business, providing resources and services, and with an investment amount of USD 10 million or more, are shared with and reviewed by the Credit Committee.

The fact that committees taking part in oversight of risks and opportunities connected with Sustainability and climate change include critical functions such as **Compliance, Internal Control** and **Risk Management** makes a contribution to integration of the said works with the Bank's general risk management, internal control systems and compliance processes.

SUSTAINABILITY MANAGEMENT AT OPERATIONAL LEVEL

Sustainability Unit

Sustainability Unit reporting to the Corporate Communications Management assures coordination across the Bank in order to put into practice Yapı Kredi's strategies and policies in the field of sustainability. The Unit is responsible for monitoring the Bank's sustainability targets and performance, coordinating the working groups under the Sustainability Committee, making suggestions to the Committee and working groups regarding sustainability trends and agenda, ensuring data consolidation in the field of sustainability in the Bank, and conducting sustainability communication. The Sustainability Unit shares development and performance achieved in processes connected with sustainability and climate change and current developments in such fields with the Sustainability Committee.

Risk Management Unit

The Risk Management Unit participates in processes intended for risks and opportunities connected with sustainability and climate change in coordination with the Sustainability Unit. Risks and opportunities connected with climate change are addressed in details and prioritized with participation of Finance and Risk Management teams depending on potential financial size and probability of occurrence. ICAAP Report containing information on risks connected with climate change is prepared, in coordination of Risk Management Unit, with participation of all related units of the Bank and is presented to the Board of Directors once a year.



Sustainability Working Groups

The working groups operating under the Sustainability Committee—Human and Society, Climate-Related Risk Management, Net Zero, Sustainable Finance, and Sustainable Operations—are responsible for implementing projects related to sustainability and climate change-related risks and opportunities. Decisions taken in connection with relevant risks and opportunities and action plans prepared are followed up through regular meetings held periodically at the level of working groups. Projects conducted by working groups, regulations in the field of sustainability, market trends and good practices are reported by the Sustainability Committee to the [Executive Board](#) and [Board of Directors](#) once a year. Sustainability representatives of subsidiaries participating in the Sustainability Committee as observer convey decisions taken and meeting outputs to their senior managements and inform relevant business units about actions recommended to the Bank.

Climate-Related Risk Management Working Group

The Working Group is responsible for conducting studies related to climate risk within the scope of legal reporting and legislation, integrating climate risks into economic capital, ICAAP and stress tests, and determining, monitoring and reporting risk appetite metrics related to climate risk.

Human and Society Working Group

The Working Group undertakes tasks of determining organizational needs on sustainability and climate-related matters, determining the sustainability strategy regarding human resources, and addressing sustainability issues in performance metrics.

Net Zero Working Group

Responsible for the end-to-end implementation and putting into practice of the Bank's financed emission reduction targets and the Net-Zero Roadmap developed in line with these targets, monitoring these targets and integrating them into credit decision support mechanisms.

Sustainable Finance Working Group

It undertakes tasks of developing products and services to increase the bank's access to sustainability-related funds and creating a suitable portfolio for green and sustainable finance opportunities.

Sustainable Operations Working Group

Responsible for developing projects and implementing strategies and actions for sustainability-oriented supply chain management to achieve the Bank's operational emission targets and minimize other environmental impacts.



SUPPORTIVE CONTROLS AND PROCEDURES

The Bank's work on matters connected with sustainability and climate change is linked to its national and international commitments and is also carried out in line with the Bank's Environmental and Social Risk Management Policy, Remuneration Policy and Environment, Energy and Water Policy.

Commitments regarding climate risks are included in the Net-Zero Roadmap and the Environment, Energy and Water Policy, which the Sustainability Committee and working groups use as a guide in managing matters connected with climate change.

In addition to aforesaid policies, the Risk and Opportunity Inventory created within the scope of TSRS and the Bank's Net-Zero Roadmap are taken as basis in monitoring risks and opportunities associated with sustainability and climate change.

COMPETENCIES AND CAPACITY BUILDING ACTIVITIES

The Board of Directors is composed of members with different experiences and skills. Senior executives working on sustainability within the Bank are not only limited to internal practices, but also play active roles at crucial platforms shaped by sustainability and climate policies at global level. Senior executives participate in activities intended for following up current policy frameworks and global trends, develop their competencies in respect of sustainability and climate matters.

Yapı Kredi Corporate Communications Director, who is among the members of the Sustainability Committee, assumes the role of the Bank's **Carbon Transition Leader** and teaches a lesson on sustainability communication at a higher education institution.

Additionally, Sustainability Unit Manager delivered a speech at Fitch Sustainability Breakfast Istanbul 2024 event and attended COP29, held in Azerbaijan, 2024, as a representative of Yapı Kredi. Nonetheless, relevant representatives of the Bank attended a seminar entitled "Climate Strategy in Turkish Banking Sector" and "Climate Transition Planning Masterclass Series" workshop,

organized in collaboration with BRSA, Banks Association of Türkiye (TBB) and European Bank for Reconstruction and Development (EBRD). This workshop addressed topics such as the fundamental elements of climate strategy and prioritization, multi-year planning and budgeting, development of new green products, and stakeholder engagement, with the aim of enhancing the competencies of participants through case studies and practical examples by national and international experts. These participation and collaboration processes are not limited to institutional representation alone, but also contribute to increasing the competencies of professionals involved in the supervision and implementation of sustainability strategies.

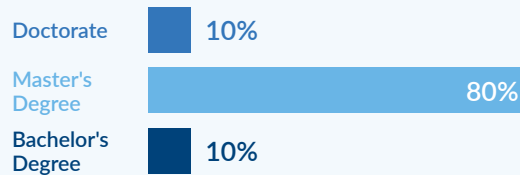
The competencies of committee members are reviewed at regular intervals in line with their job descriptions and areas of responsibility, and are supported by capacity building methods such as training, workshops and technical consultancy. Such processes are conducted under supervision of Working Principles of Sustainability Committee. Also, all employees may take general sustainability training via Yapı Kredi Akademi platform. Sustainability representatives of subsidiaries participate in such studies conducted under leadership of Yapı Kredi.

Training has been provided to the relevant governance structure, particularly the Board of Directors and the Sustainability Committee, which have ultimate oversight authority over the risks and opportunities associated with climate change, to support regular assessment and auditing processes, starting from earlier years. Additionally, comprehensive capacity building programs are implemented intended for determination, analysis and management of risks and opportunities related to climate change for those employees with duty and responsibility in this field. In this context, the Sustainability Committee and relevant teams have been given a training entitled “**Climate Change and Sustainable Finance in the Banking Sector**” in order to respond to risks and opportunities connected with climate change. On the first day of the two-day training, a conceptual framework was created based on the concepts of climate change and sustainable finance, and in the second day, a workshop was held to identify and evaluate risks and opportunities related to climate change in line with climate scenario analyses.

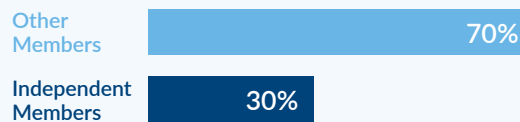
BOARD OF DIRECTORS COMPETENCE MATRIX

Graphs below show summarized information on competencies of members of the Board of Directors.

Training



Board of Directors Independent Member Ratio



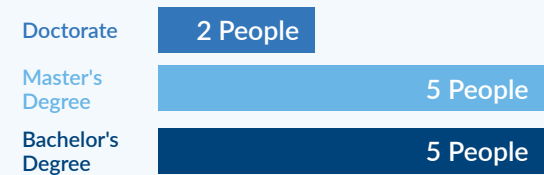
Average Work Experience of the Board of Directors



SUSTAINABILITY COMMITTEE COMPETENCE MATRIX

Graphs below show summarized information on competencies of members of the Sustainability Committee.

Training



Average Office Term





SUSTAINABILITY AND CLIMATE MATTERS INCLUDED IN DECISION MECHANISMS

Risks and opportunities connected with the climate change at Yapı Kredi are integrated with strategic decision-making processes under coordination of the Sustainability Committee. In line with the commitments of the Science-Based Targets Initiative (SBTi) and the Net-Zero Banking Alliance (NZBA) in 2023, the Bank developed the “Net-Zero Roadmap” for the transformation of its loan portfolio in order to unlock the transformation potential of the real sector by leveraging the power of finance in the transition to a low-carbon economy. While developing the strategy, an interactive process was carried out with the participation of the Steering Committee, consisting of senior management, and the working group members, including the relevant teams. Also, within the scope of Yapı Kredi Environmental and Social Risk Management Policy, credit allocation decisions are subject to environmental and social risk assessment (ESRA) in line with national legislation and internationally accepted general frameworks and are presented to the Credit Committee for evaluation. All these works are in alignment with credit policies and strategies and may be subject of audit within framework of risks and opportunities connected with sustainability and climate change.

Yapı Kredi is a founding signatory of the **UN Principles for Responsible Banking** (“UN PRB”) established under the UN Environment Programme Finance Initiative (“UNEP FI”) of which it has been a member since 2017. The Bank which has been actively participating in working groups of UN PRB cooperates and shares experience with the other banks at international level in the field of sustainability. As part of the signatory responsibility, it is intended to integrate the risks and opportunities related to sustainability and climate change into the Bank's general strategies, to analyze the impact of these elements on business models, and to evaluate the trade-offs on related issues and reflect them in the decision-making processes. In this context, commitments of the Bank within UN PRB framework are taken into account as a fundamental reference point in determination of strategic priorities and management of sustainability performance.

The Bank's climate change strategy, which is shaped in line with its net-zero emission targets and covers the upstream and downstream value chain, is monitored by the Sustainability Committee. The Committee evaluates effect of climate change in its strategic investment decisions and directly reports to the Board of Directors and takes necessary

approvals. Corporate risk inventory, integrated reporting and independent audit outputs are constantly fed into the Committee's decision-making processes.

Yapı Kredi utilizes ESRA system whilst evaluating risks connected with climate change emerging from lending activities. Environmental and social effects of high-risk projects and investments are followed up with Environmental and Social Action Plans (ESAP).

Yapı Kredi's strategic approaches to reducing emissions from its loan portfolio are included in the Net-Zero Roadmap approved by the Board of Directors. The said approach is also included in Reputational Risk Policy and Credit Policies, the Bank's internal policies. Issues related to risky areas and sensitive sectors (environmentally unfriendly organizations, nuclear energy, mining and thermal power plant industry, water infrastructure and dam industry, etc.) are defined by the general principles of reputation risk management and are evaluated at the level of President or higher approval-authority levels. The Bank also declared that it would not provide financing for new coal-fired thermal power plants and new coal mine projects within the scope of its Environmental and Social Risk Management Policy.



REMUNERATION PROCESSES

At Yapı Kredi, remuneration processes for Board members and senior executives are conducted in line with the Bank's long-term goals, sustainable growth strategies and risk management approach. The Bank's Remuneration Policy includes disclosures on remuneration and processes associated with fixed and variable remuneration are defined. This process is managed under the supervision of the Remuneration Committee, which is responsible for ensuring the implementation of a remuneration policy compatible with the scope, structure and strategies of the Bank's activities.

The Remuneration Committee convenes at least twice a year to evaluate the remuneration principles of senior management, encourages the development of performance-based systems, and ensures that decisions are made in line with the principles of transparency and fairness.

Yapı Kredi's short-, medium- and long-term strategic goals regarding risks and opportunities related to sustainability and climate change are incorporated into the performance evaluation processes of the teams that implement, manage and monitor projects. In this context, the sustainability targets determined in line with the Bank's strategic priorities are monitored through the **OKR System (Objective Key Result)**, which forms the basis for the remuneration of senior executives and all relevant employees which is run through the **Diyalog** platform.

Integrating strategic priorities related to sustainability and climate change into the performance evaluation processes of senior management and all other employees, as well as incorporating focus areas of working group members into their job descriptions, are carried out under the coordination of the Human and Society Working Group. As part of this process, progress towards goals is reviewed through regular evaluation meetings held between managers and employees throughout the year, and additional actions are determined, when necessary. Performance evaluations regarding business results and how such results have been achieved are conducted via Diyalog platform at the end of period. Efforts are in progress to incorporate goals connected with sustainability and climate change and related performance metrics included in senior management's performance evaluation into remuneration processes.



Strategy

RISKS AND OPPORTUNITIES RELATED TO CLIMATE

Yapı Kredi considers the management of risks and opportunities related to climate change as one of its key priorities and assesses these risks under environmental risk categories, including operational risk, reputation risk, credit risk and climate risk. Short, medium and long time horizons, in which the potential financial impacts of each of the risks and opportunities related to climate change are assessed, are defined and applied on a consolidated basis for Yapı Kredi, the Bank's subsidiaries and affiliates.

Considering that strategic budget planning is done annually with the participation of risk teams and sustainability teams, the short term is defined as a period ranging from 0 to 1 year. The short-term timeframe covers the Bank's short-term environmental targets and actions planned to be taken within the scope of its strategy towards these targets.

The medium-term timeframe is determined as a period ranging from 1 to 5 years, based on the current regulatory environment at national and international levels and global climate targets and frameworks. The long-term time frame is defined as 5 years or more, in line with the reduction targets set for the Bank's Scope 1 and Scope 2 absolute emissions arising from its operational activities and the targets set for its financed emissions.

Yapı Kredi's Strategic Terms	
Short Term	0 – 1 Year
Medium Term	1 – 5 Years
Long Term	5 > Years

Yapı Kredi evaluates impacts of risks and opportunities connected with climate change upon the Bank's strategy. 3 basic risks and 2 basic opportunities that will shape short-, medium- and long-term strategic decisions in this scope. Transition risks that come to the forefront as a result of scenario analyses include carbon pricing risk. Weakening is expected in customers' competition power and repayment performance and default risk and expected credit loss are expected to increase due to regulations such as Cross-Border Carbon Adjustment Mechanism (CBAM) and Turkish Emission Trade System (Turkish ETS). On the other hand, in the event of continued financing for carbon-intensive sectors, risk of reputational losses which may have an impact upon access to capital and customer relations may emerge.

Apart from transition risks, water stress risk comes to the fore among physical risks. Prolonged drought and production declines in water-dependent sectors can lead to deterioration in credit quality and an increase in default risk due to income losses for corporate customers.

Apart from these risks, two fields of opportunities appear to be strategically important. Diversification and expansion of sustainable product portfolio, that is, access to new customer segments, may introduce potential for increased income and competitive advantage. In addition, opportunities to access sustainable finance sources in line with the principles of the International Capital Markets Association (ICMA) and SBTi/NZBA commitments contribute to reducing funding costs and strengthening the Bank's financial performance.

Details regarding risks and opportunities related to climate change that could reasonably be expected to affect Yapı Kredi's financial position, financial performance and cash flows are included in the ["Risks and Opportunities"](#) section of the report.

The [Risk Management Unit](#), which reports to the Audit Committee, is responsible for measuring, monitoring, reporting and controlling potential risks Yapı Kredi may be exposed to based on national and international legal frameworks and methods. Impact of such risks and opportunities are established with collaboration of different units at the Bank, taking into account national and international regulations, initiatives and trends.



Yapı Kredi's climate change scenario analysis works cover the Bank's entire loan portfolio and is updated annually since 2023. As part of the Bank's climate change scenario analysis study, transition risks were assessed based on the Nationally Determined Contributions (NDCs), the Current Policies Scenario and the Below 2°C Scenario developed by the [Greening the Financial System Network \(NGFS\)](#), including Türkiye's scenario compatible with the Nationally Determined Contributions (NDCs) Scenario updated in 2023. Methodology used in evaluation of risks connected with climate change includes both qualitative and quantitative tools. While assessing transition risks, reputation, policy and legal, technology and market risks were taken into account in line with the transition risk categories included in the TSRS transition risk definition, and while assessing physical risks, acute physical and chronic physical climate risks were taken into account. Physical risks were assessed based on the RCP2.6, RCP4.5 and RCP8.5 scenarios published by the [Intergovernmental Panel on Climate Change \(IPCC\)](#) in accordance with these scenarios. These scenarios were selected to ensure the flexibility of the Bank's strategy against the effects that may occur in line with physical and transition risks within a wide framework as possible, and to identify physical and transition risks within a broad framework, covering optimistic, pessimistic and scenarios indicated by current policies.

NGFS Below 2°C and IPCC RCP2.6

The NGFS Below 2°C and IPCC RCP2.6 scenarios aim to limit global temperature increase to well below 2°C by 2100 through strong policy interventions. In this scope, it is assumed that advanced climate policies such as carbon pricing, emissions trading systems, removal of fossil fuel subsidies and energy efficiency measures have been implemented in countries including Türkiye. These policies create significant transformations in the industry, transportation and energy sectors, accelerating renewable energy investments and encouraging the phasing out of high-emission assets. Such transition process transforms into a structure that supports macroeconomic stability and encourages sustainable development in the long run although it may lead to transitory pressures in certain sectors in the short run. On the other hand, land use planning driven by demographic structure and urbanization and investments in disaster-resistant infrastructure are accelerating, and adaptation measures against local physical risks such as drought, floods and heat waves are increased. As for energy use, share of low-carbon energy sources rapidly increases whereas carbon-intensive sources such as coal are phased out. On the technology side, rapid advances are being made in areas such as decarbonization, negative emission

technologies, energy storage, electric transportation, and green hydrogen, and the financial sector is also facing investment opportunities to scale these technologies. As part of climate scenario analyses, these scenarios cover a timeframe extending to 2050 and especially focuses on evaluating financial impacts of transition risks.

NGFS Current Policies and IPCC RCP8.5

NGFS Current Policies and IPCC RCP8.5 scenarios are scenarios in which existing climate policies are implemented to a limited extent and new measures are not put into practice. In these scenarios, it is assumed that greenhouse gas emissions remain high because countries do not exceed their existing commitments and that global temperature increase could approach 4°C by 2100. In this framework, carbon pricing are either not implemented at all or fail to reach a level that is capable of changing economic behaviors in countries such as Türkiye. While fossil fuels continue to dominate energy production due to policy inadequacy, the energy transition is slow and the spread of low-carbon technologies remains limited. This situation brings higher physical risks in the long term; negative impacts such as floods, storms, water stress, and decline in agricultural productivity while infrastructure damages are on the rise.



Demographic trends, rapid urbanization and increased demand for natural resources lead to an increase in vulnerability of existing infrastructure against climate change. From a macroeconomic standpoint, while food and water security is under threat, factors such as increasing production costs and deepening income inequality are weakening economic stability. Developments in technology are more limited in these scenarios, and adoption of low-carbon technologies advances slowly. These temperature increases will cause changes in precipitation patterns across much of Türkiye, including increased precipitation in winter and decreased precipitation in spring, summer, and fall. Yapı Kredi has utilized this study in order to determine risk assessment processes. Accordingly, it is projected that the credit risk of customers and projects in the loan portfolio that are expected to be negatively affected by the physical and transition risks anticipated in these scenarios may increase, which may affect Yapı Kredi's corporate and commercial banking activities.

Yapı Kredi monitors both physical and transition risks in the risk assessment process, while taking into account the fact that climate risks and other risk categories are interconnected. Matters related to sensitive sectors with high exposure to climate risks (such as environmentally unfriendly organizations, nuclear energy, mining and thermal power plant industries, and water infrastructure and dam industries) are managed in line with the general principles of reputation risk management and evaluated within the scope of ESRA system. The Bank emphasizes the importance of real sector companies being aware of physical risks and encourages the adoption of lower-emission technologies and investments. Increasing customers' resilience to physical risks and encouraging compliance with net-zero targets requires the development of innovative credit products in the banking sector.

To support this transformation, Yapı Kredi offers financial solutions for sustainable development with a variety of products and services, including loans connected with sustainability, renewable energy and energy efficiency loans, and environmentally friendly housing loans. By facilitating the net-zero transformation of its customers through these financial services, the Bank aims to reduce market and competitive risks by achieving net-zero targets in its loan portfolio. Yapı Kredi's strategic approach to reducing emissions from its loan portfolio is included in the Reputational Risk Policy and Credit Policy approved by the Board of Directors. Information on Yapı Kredi's capacity to adapt its strategy and business model to such risk and opportunities is explained with a holistic approach in "[Net-Zero Roadmap](#)" and "[Climate Resilience](#)" sections of the report.



STRATEGY AND DECISION-MAKING

Net Zero Roadmap

Financed Emissions

Yapı Kredi's financed emissions reduction approach reflects a multi-layered, science-based and sectoral transformation-focused strategy developed by the Bank in line with its net-zero target. The Bank sees risks created by the climate crisis a high priority threat both in terms of stability of the financial system and sustainability of the real economy. Accordingly, the Bank has adopted the net-zero emissions target by 2050 with a financial management approach based on sustainability and has created a comprehensive roadmap compatible with international frameworks to achieve this target. Yapı Kredi measured its financed emissions for the first time using the [Partnership for Carbon Accounting Financials \(PCAF\)](#) methodology, then set interim emission reduction targets based on this data in 2023 under the guidance of SBTi and received SBTi verification of these targets in 2024. In this process, the Bank has committed to climate-compatible financing at the corporate level by participating in global initiatives such as UN PRB, TCFD, SBTi and NZBA, and has become the first private bank in Türkiye to receive SBTi approval among large-capital deposit banks in this regard.

The methods used to determine the emission reduction targets financed in line with the SBTi commitment include the [Sectoral Reduction Approach \(SDA\)](#) and [Temperature Rating](#) methodologies; both methods take into account sector-based differentiation and the impacts on the real economy. The Bank has developed plans for sectoral decarbonization in order to achieve these targets set in 2023 in alignment with SBTi and NZBA guides. Within the scope of this plan, electricity generation, iron and steel, real estate, oil and gas, and road transportation sectors were prioritized, the fundamental and financial impacts in these sectors were assessed, sectoral decarbonization strategies and action sets were determined, thereby, the Bank's Net-Zero Roadmap was created. Six criteria such as emission contribution, transformation potential, CBAM scope, international regulatory priorities and technologic preparedness were taken as basis for selection of such sectors.

Yapı Kredi's Net Zero Roadmap is based on the purpose of unlocking the transformation potential of the real sector by leveraging the power of finance in the transition to a low-carbon economy. The Bank aims to become a leading financial partner to help its customers succeed in green transformation. The net-zero transition requires substantial financing for companies to invest in new technologies and solutions, transform their operations, and achieve net-zero in their supply chains. The basis of the decarbonization strategy developed by Yapı Kredi for these prioritized sectors is to support the transformation needs of its customers. The financing needs that will arise for the most important transformation actions for the sector in investment loans form the basis of the lending strategy. As capacity utilization rates rise in response to rising demand, making available loans for technologies that reduce emissions for capacity expansion investments is one of the most fundamental investment credit opportunities.

The strategy also includes meeting the financing needs that will arise for the transformation of existing capacities in line with the companies' commitments to reduce intensity of their emissions. In this respect, supporting customers' transition, shifting the portfolio towards green, avoiding/exiting brown assets, and carbon offsetting when reduction is not possible constitutes the four main levers of the Bank's decarbonization strategy.

The Net-Zero Working Group reporting to the Sustainability Committee was established to implement the strategy and make it applicable from end to end. Thanks to this structure, the Bank continues its efforts to transform its targets for financed emissions into a concrete and traceable implementation plan, rather than just a commitment.





Investments within scoped of ESRA system are evaluated on the basis of environmental and occupational health and safety legislation, international standards and stakeholder participation. Total value of projects considered within scope of ESRA system stood at **TRY 60.8 billion** in 2024. Thanks to ESRA system, the Bank aims to allocate loan for other renewable energy technologies such as wind and solar energy as well as hydroelectric power plants located in water basins with less water stress. Yapı Kredi has conducted a feasibility study where financial impacts of sectors prioritized within Net-Zero Roadmap developed by the bank. During such feasibility study, projections of net income expected to be derived from such sectors by 2050 have been made within scope of existing loans and new loan allocations within the portfolio. According to such projections, during the process from 2021 to 2050, income the Bank expects to derive from oil and gas sector, that is, the amount to be affected as a result of putting into practice regulations and policies intended to phase out fossil fuels is estimated to be about TRY 11.8 billion. Besides, the Bank declared that it would not provide financing for new coal-fired thermal power plants and new coal mine projects within the scope of its policies and Net-Zero Roadmap.

Amount of budget set aside for actions within scope of Net-Zero Roadmap is about TRY 20 million. 75% of such budget has been allocated to external expenditures whereas the remainder has been allocated to internal expenditures.

Direct Emissions

Yapı Kredi's target of 42% reduction by 2030 versus base year 2021, as set for Scope 1 and Scope 2 absolute emissions resulting from its operational activities, has been verified by SBTi. The Bank puts into practice comprehensive practices and strategic investments in fields of energy, water and waste management so as to achieve emission reduction target and to minimize its environmental impacts. Accordingly, the Bank has started a site **solar energy power plant (SPP)** project with a capacity that will meet 59% of its electricity consumption as of the reporting period. Moreover, owing to rooftop SPP installed at Banking Base Head Office buildings, it was aimed to reduce Scope 2 emissions, and electricity was saved in many projects focusing on energy efficiency. The Bank's electricity, natural gas and water consumption can be monitored in real time through the AI-supported digital platform through Apollo IoT collaboration developed within scope of such efforts, and anomalies can be detected and consumption optimization is achieved.

Energy savings were achieved through gradual LED conversion and cooling efficiency improvement projects, and offsetting was done for remaining Scope 1 and Scope 2 emissions by purchasing Gold Standard carbon credits and I-REC certificates, respectively.

Further, the Banking Base building received the **LEED Platinum Certificate**, making it Türkiye's first bank building that was certified according to such standard. Yapı Kredi established an Environmental Management System (EMS) in 2016 in line with the ISO 14001 Standard to systematically manage environmental impacts, and by gradually expanding the scope of this system to all its branches and subsidiaries, it achieved its strategic environmental targets as of 2024 ahead of the estimated date. Management of EMS was structured in a manner making senior executives directly responsible for it, and responsibilities of implementation, monitoring and improvement were assigned to certain units. Regular trainings were given to employees within scope of the system, and performance was evaluated through internal audits and management review meetings. The Bank aims to make progress in respect of headings such as greenhouse gas emission, energy and water efficiency, waste management with annual, five-year and ten-year targets, and monitors such targets in integration with managerial processes.



Total amount of investments, donations and expenditures intended for protection of environment during the reporting period is TRY 249.2 million, and no administrative fine was imposed due to any environment legislation violation.

Within scope of emission management, Yapı Kredi calculates its greenhouse gas emissions within scope of ISO 14064-1: 2018 Standard and carries out independent validations and regularly monitors and reports such emissions. Scope 1 and Scope 2 emissions dropped in 2024 by 5% when compared 2023 owing to energy efficiency projects and reduction of cooling gas consumption. ISO 50001 Standard is implemented during energy management processes, and it is intended to create energy policies, control consumption and improve constantly in this scope. The Bank has successfully completed external audits in alignment with this and maintained its energy management certification.

Within the scope of water management within the bank, the ISO 14046 Water Footprint Certificate has been expanded to all locations; thus, the efficient use of water resources and wastewater control are secured in accordance with international standards. Purified drinking water systems have been expanded, and owing to rainwater collection systems, 6,193 m³ of rainwater was used for landscape irrigation in 2024.

SUSTAINABLE FINANCE

Yapı Kredi sees sustainable finance as an effective way to allocate resources to projects that create positive climate and social impacts, and aims to contribute to the UN Sustainable Development Goals (SDGs) in this way. Accordingly, the Bank has created a “**Sustainable Finance Framework**” in order to make its sustainable finance strategy compliant with its corporate mission and sustainability targets. The Framework has been updated during the reporting period, adding new green and social financing themes. Yapı Kredi aims to issue bonds with themes such as sustainable, green, blue and social, and to carry out various funding transactions such as loans, trade finance, deposits and similar, in order to finance or refinance projects that meet the criteria in the Framework. Each financing instrument is considered “eligible” if net resources are only allocated to activities that provide specified environmental and/or social benefits; such instruments are structured in compliance with international standards such as Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainable Bond Guidelines (SBG) and Green and Social Credit Principles dated 2023. Additionally, it is intended to comply with IFC’s Blue Finance Guide for the blue financing.

“Sustainable Finance Working Group”, which is in charge of execution of the Framework, is composed of representatives from varying departments as part of Yapı Kredi’s sustainability structuring. The Working Group evaluates, approves and monitors allocation of resources to eligible loans. The Group has specialists from departments such as Treasury, Sustainability, Corporate Banking, Commercial and SME Banking, Investor Relations, Retail Banking and Credit. Such structure is obliged to ensure that the Framework is up-to-date in the light of sustainability strategy, market and legal regulations. Moreover, ESRA team which evaluates environmental and social risks of loans selected and conducts the process of action plan preparation is also one of the members of such Working Group. It is also possible to request external specialist opinions, technical reports or second party opinions in this scope. It is, again, this group that is responsible for removing loans which no longer meet eligibility criteria from the portfolio or replacing them with new ones. Yapı Kredi aims to minimize its exposure to environmental and social risk, looking out for compliance with international regulations and internal policy requirements.



Yapı Kredi manages resources derived from financing instruments with portfolio approach, and ensures that such resources are allocated to an eligible loan portfolio in no later than 36 months. Such portfolios include projects eligible for detailed criteria defined in Sustainable Finance Framework's "Use of Resources" and "Project Evaluation and Selection" sections. Status of resources allocated is monitored annually and transparency is assured through annual [allocation and impact reports](#) that are publicly shared at the Bank's website. Net resources not utilized, however, can be put to good use in short-term cash, cash equivalents or liquid securities. Yapı Kredi intends to create and maintain an eligible loan portfolio that is at least equal to or higher than total outstanding amount of sustainable finance instruments. During such process, eligible loans may be added to or removed from the portfolio or may be replaced with other loans. Thus, the Bank aims to maintain both resource allocation and impact management in a holistic structure within Sustainable Finance Framework.

Yapı Kredi issued the first sustainable syndicated loan with participation of 46 banks from 25 countries as of May 2024. The syndication loan with a term of 367 days consists of 2 tranches in USD and Euro. Such loan with a total amount of USD 442 million and EUR 454 million will be made available in compliance with Sustainable Finance Framework of Yapı Kredi, as updated in July 2024. The Bank has renewed the second syndication transaction with a total amount of USD 605 million and EUR 410 million with a term of 367 days, in 2 tranches in USD and Euro, in compliance with Sustainable Finance Framework November 2024. The Loan has been allocated in two different types of currency with participation of 45 banks from 24 countries.

Products and Services with Sustainability Theme

Yapı Kredi offers financial solutions for sustainable development with a variety of products and services, including loans connected with sustainability, renewable energy and energy efficiency loans, and environmentally friendly mortgage. On the other hand, Yapı Kredi encourages its customers to take steps in the field of sustainability. In the sustainability-related loans it provides to its corporate and commercial customers, certain targets related to the customer's sustainability performance are determined, regardless of the area in which the loan will be used. In the event that a customer achieved such goals within scope of the loan term, advantages in respect of loan advantages are offered.

[Yapı Kredi Leasing](#), one of the Bank's subsidiaries, leads the sector in terms of its customers' transition to green economy, rendering Rooftop Solar Energy Systems Financial Leasing service.

[Yapı Kredi Asset Management](#), a subsidiary of the Bank, offers funds with sustainability theme such as the Clean Energy Variable Fund, the BIST Sustainability Index Stock Fund, the Electric Vehicles Variable Fund and the Climate Change Solutions Variable Fund.



CLIMATE RESILIENCE

It is critical that Banks measure and effectively manage their portfolio emissions in order to manage their exposure to transition risks in alignment with national and international regulations. Yapı Kredi, as of 2021 reporting period, started calculating its financed emissions corresponding to Scope 3 category 15 in reference to PCAF methodology.

Yapı Kredi, after measuring its emissions resulting from its loan portfolio, has set science based reduction targets for its emissions including operations in line with its SBTi commitment. Accordingly, the Bank has taken 2021 fiscal year as base year in compliance with the guide published by SBTi for the finance sector, modelled interim targets for 2026 and 2030 based on the target methodology chosen and taken SBTi approval for

its targets, causing compliance of methodologies with the most recent scientific researches and climate agreements to be verified. The joined NZBA initiative, consisting of banks undertaking to reach net-zero by 2050, which was established in 2023 under leadership of UNEP FI with a view to further strengthening its role in transition to net-zero economy. In this respect, the Bank continues to execute its targets, strategies and action plans intended for reduction of greenhouse gas including financed emissions resulting from its operational and financing activities. In addition, the Bank addresses operational risks that may be caused by extreme weather events (heavy rain, floods, drought, hail, tornadoes, etc.) connected with climate change in the short, medium and long term within the scope of risk assessment processes and works proactively to create action plans accordingly.

Physical and transitions risks including reputational risks the bank may be exposed to in the event that Yapı Kredi fails to reach net-zero target by 2050 are evaluated within scope of climate risk evaluations. In this respect, the Bank continues to execute its goals, strategies and action plans intended for reduction of energy and resource consumption in all operational activities. It is possible for the said physical and transition risks have adverse impacts upon operations, therefore, financial resilience of the Bank's customers. Risky areas and matters related to sensitive sectors (organizations that are not sensitive to environment, nuclear energy, mining and thermal power plant sector, water infrastructure and dam industries) are managed within the scope of ESRA system, too.



Risk Management

The Bank's risk management approach is shaped according to local legislation, international standards and statutory regulations in alignment with sustainable growth goal. The Sustainability Committee has assumed responsibilities for identifying, assessing, prioritizing and monitoring risks associated with climate change, and details of these duties are explained in the ["Governance"](#) section of the report. Risks connected with climate change are taken into consideration during processes of measurement, monitoring and management of risks.

Yapı Kredi acts based on the principle of maximum compliance in connection with risk management activities so as to create a common risk culture within structure of the subsidiary. Structure of the Bank and subsidiaries is configured to coordinate effective risk management in proportion to their scopes of activities and risks.

The processes and policies designed to identify, assess, prioritize and monitor risks related to climate change were re-evaluated during the reporting period, based on the requirements of the TSRS.

The processes related to the management of these risks have been structured based on TSRS 1, TSRS 2 and the Commercial Banks (Additional Volume-16) volume in the Guide for the Sector-Based Application of TSRS 2, as of the reporting period. In this context, risks and opportunities that are deemed important in respect of the Bank's business model and value chain have been established and prioritized in the short-, medium- and long-term.

Methodologies used in risk management have been reviewed; evaluation process has been restructured in a way that enables potential financial impact of risks to be more effectively analyzed. In line with the determined materiality level, climate risks related to Yapı Kredi's direct operations, downstream and upstream value chains are rated and control requirements are differentiated according to risk class.

RISK AND OPPORTUNITY MANAGEMENT PROCESSES

General principles regarding the management of risks related to risky areas and sensitive sectors (institutions and organizations with high

environmental impact, nuclear energy, mining and coal-fired thermal power plants, hydroelectric power plants and water infrastructure, etc.) in combating climate change are included in the Bank's [Reputational Risk Policy](#) and [Credit Policy](#). The policies and procedures contribute to the creation of an overall framework regarding risks and opportunities related to sustainability and climate change to which Yapı Kredi is or may be exposed.

Risk Management Framework

The Bank's Risk Management Framework consists of risk governance, scope definition and risk identification, risk profile assessment, determination of risk appetite level, monitoring and reporting components. The Bank is working to create a risk management infrastructure that enables oversight and measurement independent of executive activities, supports business processes and decision-making processes, and is integrated with daily activities beyond merely complying with the legislation. The said structure is expected to make a contribution to addressing risks related to sustainability and climate change in integration with business processes.



RESOURCES INPUT TO RISK MANAGEMENT PROCESSES

Reports of Internal Systems and Internal Capital Adequacy Evaluation Process (ICAAP)

Possible impacts of physical and transition risks resulting from the climate change upon the Bank's operations are evaluated within scope of ICAAP. Monitoring the process, ensuring its effectiveness and coordinating its operation in harmony with all Bank units are the responsibility of the audit and risk management teams. It is estimated in the consolidated ICAAP report, which includes bank subsidiaries and affiliates, that climate risks may affect Yapı Kredi's corporate and commercial banking activities.

Within the scope of its internal rating-based approach, Yapı Kredi calculates the probability of default (PD) and other credit risk parameters through the Bank's own internal models and develops its analysis capabilities regarding how these models may respond to short, medium and long-term structural risk factors such as climate risks.

Assessment studies based on scenario analyses are being carried out to build capacity for the direct integration of climate risks into risk models.

Accordingly, it is analyzed to what extent the Bank's loan portfolio may be affected under different climate projections.

As accurate and appropriate data becomes available, Yapı Kredi enhances its analytical capacity to understand not only the operational impacts of risks connected with climate change, but also their impact on long-term capital adequacy and business model resilience. In this respect, it is intended to create a methodological framework on how chronic and acute physical risks can be evaluated within expected and unexpected loss categories. Such studies conducted for the purpose of integration of climate risks into capital planning will be evaluated through ICAAP and placed on a compatible structure.

Guide on Management of Financial Risks Connected with Climate

Following the publication of the Communiqué on the Calculation of Banks' Green Asset Ratio in the Official Gazette and its entry into force, the "Guide on the Management of Financial Risks Connected with Climate", which was prepared for banks to manage financial risks related to climate change, also entered into force in July 2025. The said guide defines physical and transition risks, and sets out the principles by which financial risks related

to climate change should be comprehensively addressed and monitored under the risk management function of banks.

The guide encourages compliance with international good practices apart from explanations intended for assuring compliance with international regulations. In this respect, it structurally overlaps with the "Principles for the Effective Management and Supervision of Climate-related Financial Risks" document published by the Basel Committee on Banking Supervision (BCBS); it sets out the basic principles and practices in the areas of governance, strategy, risk management and disclosure for the effective management and supervision of financial risks related to climate change. Yapı Kredi will continue to work on integrating risk factors connected with climate change into its risk management processes and capital management, taking these principles into consideration, in the upcoming reporting periods. Indicators such as sector and region-based carbon intensity, water stress, transition risk exposure, carbon price scenario sensitivity and policy compliance level are used as primary data sources in risk prioritization and portfolio impact analysis as part of works conducted within Yapı Kredi.



Additionally, it is aimed to create three lines of defense model and to integrate such structure with management of risks connected with sustainability and climate change in order to strengthen the risk management structure. Within scope of the first line of defense included in the three lines of defense, it is essential that risks related to climate change be defined and evaluated in processes such as customer retention, loan allocation, product approval and customer monitoring. Risk management and compliance functions included in the second line of defense fulfills the duty of control and monitoring, paying regard to consistency of assessments conducted by the first line and their compliance with applicable rules and regulations. The internal audit function which is the third line of defense provides independent assurance through definition of risks, assessment of data quality, method use and efficacy of reporting processes.

It is aimed to integrate this structure with the Bank's general risk management system in a manner that will ensure that financial risks connected with climate change are systematically managed. In this respect, the Bank's risk management teams have initiated work on compliance with the guide, and it is planned to create a Climate Risk Policy and submit it for approval by the Board of Directors.

Evaluation of Environmental and Social Risks in Lending Activities

The Bank monitors environmental and social risks within scope of activities to which it has issued a loan in a detailed manner and takes necessary actions for risks. In accordance with policies updated in 2024, investment and project finance loan requests with an investment amount exceeding USD 10 million, which are not included in the Non-Funded Activities (FEF) list, have been subjected to environmental and social risk assessment in accordance with the [Procedure for Determining Environmental and Social Risks of Lending Activities Investments](#) evaluated are divided into four categories depending on risk levels:

- **Category A (High)**, covers projects involving severe environmental or social impacts that are irreversible,
- **Category B+ (Medium High)**, covers projects with limited and reversible impacts, yet requiring comprehensive mitigation measures,
- **Category B- (Medium Low)**, covers projects with small number of reversible impacts,
- **Category C (Low)**, covers projects involving minimum environmental and social risk.

For projects classified as Category A and B+, an Environmental and Social Due Diligence Report is prepared by independent consultants, and an Environmental and Social Action Plan is created for the identified risks and then integrated into the loan agreement. Also, monitoring studies are conducted for these projects at least once a year. For projects from category B, similar monitoring steps are conducted, and, under Category C, monitoring is only done in limitation to document controls within the scope of compliance with local legislation.

Scenario Analyses

When determining risks connected with sustainability and climate change that could reasonably be expected to affect Yapı Kredi's future financial or non-financial position, ESG factors included in the UN Principles for Responsible Investment (PRI), international frameworks such as the UN PRB and the World Economic Forum (WEF) Global Risks Report, as well as sectoral trends, stakeholder expectations, and national and international developments have been taken into consideration.



Yapı Kredi, whilst establishing risks connected with climate change, utilizes different scenario models towards environmental, social, and economic impacts of such risks when assessing transition risks related to climate change, the STEPS scenario published by the International Energy Agency (IEA), which reflects current policies and commitments, and the NZE scenario, which predicts that net-zero will be achieved by 2050 in line with the Paris Agreement, where global warming is limited to below 2°C, are taken into account. NGFS scenarios are utilized in assessment of financial impacts of risks. Below 2°C Scenario, Current Policies Scenario and National Determined Contributions Scenario have been integrated into the Bank's financial impact analyses.

For the purpose of analysis of physical risks, scenarios such as SSP1 - RCP2.6, SSP3 - RCP4.5, and SSP5 - RCP8.5, as developed by IPCC, are used. Besides, Türkiye's Nationally Determined Contribution and parity predictions of Central Bank of Republic of Türkiye are, too, included in analyses. Selection of scenario is intended to include scenarios representing a wide spectrum of socioeconomic, regulative and physical risk. Selecting scenarios with varying degrees of transition and physical risks allows for early identification and assessment of various potential risks and opportunities connected with climate change to which the Bank may be exposed.

To determine the net-zero roadmap in line with the Paris Agreement, Yapı Kredi used the IEA's NZE scenario as a benchmark to comply with the SBTi and NZBA guidelines and the global target of limiting global warming to no more than 1.5°C above pre-industrial levels by 2100. Yapı Kredi has determined medium- and long-term emission reduction targets presented to SBTi in alignment with IEA NZE scenario and have had such targets approved.

Scenario analyses are used as basic reference for the purpose of and monitoring such targets. Within scope of scenario analysis, only the Bank's loan portfolio in Türkiye has been included. Low share of the Bank's foreign operations and credit customers abroad within the total risk amount should mean that financial impact will be quite limited. Calculations included in scenario analyses within the Report are applicable for the reporting period.

Indicators that are inputs of scenario models are shown in the table below.

Indicators of Scenario Models

Risk Category	Indicator	Description	Source of Data
Chronic Physical Risk	Water Stress Score	Raw scores per water basin and categorization (Low, Medium, High, etc.)	WRI Aqeduct 4.0
	Share of Renewable Energy within Electricity Generation	%	World Bank Electricity Planning Model
Transition Risk	EU ETS and CBAM Allocation Prices	Euro/tCO ₂	IIASA NGFS Phase 5 Scenario Explorer; IIASA NGFS Phase 5 Short Term Scenario Explorer; IEA GECM; IMF Climate Change Indicators Dashboard
	Turkish ETS Allocation Prices	Turkish Lira/tCO ₂	

Risk and Opportunity Inventory

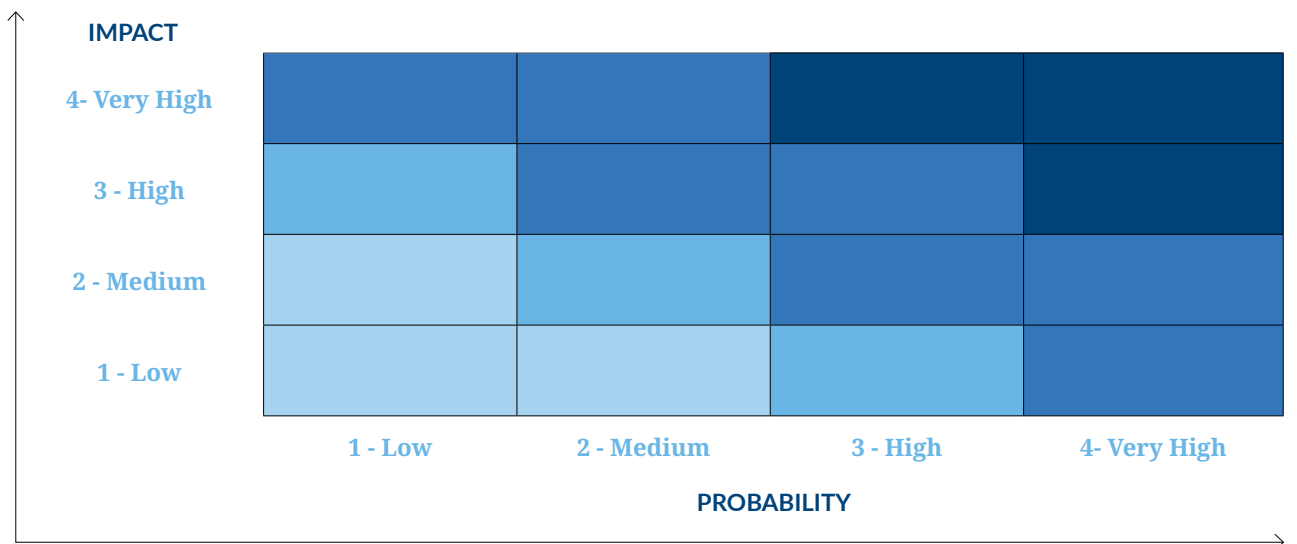
Yapı Kredi has developed a comprehensive Risk and Opportunity Inventory to systematically identify, assess, prioritize and monitor risks connected with climate change. Potential impacts of risks determined upon business model and value chain of Yapı Kredi and its subsidiaries are defined under such inventory. **Risk and Opportunity Inventory** indicates phase of value chain where risk is intensified and whether scope of the risk has local, national or global impact or not.

Materiality of risks determined is measured, using **Risk Heat Map** composed of risk and probability parameters at 4x4 matrix. Impact and probability parameters used to prioritize risks connected with climate change are scored on a four-point scale from 1 to 4, i.e. low, medium, high and very high, with both quantitative and qualitative thresholds for each risk. Impact parameter is evaluated based on financial, legal, reputational and operational impacts within Risk Impact Matrix. Such quantitative impacts determined based on Risk Impact Matrix are evaluated in an integrated manner and impact parameter is scored on a scale of four. Risks that are expected to create very small financial losses that can be easily managed without causing a noticeable change in the operating results are considered to be among risks with low materiality. On the other hand, risks expected to give rise to serious financial losses and restructuring of the business model are considered among risks with very high materiality.

In the probability parameter, risks with a probability of occurrence between 0% and 20% are classified as risks with low probability, risks with a probability between 20% and 50% are classified as risks with medium probability, risks between 50% and 90% are classified as risks with high probability, and risks with a probability of 90% and above are classified as risks with very high probability. These probabilities were determined as a result of an assessment of the frequency with which risk and opportunity elements have been observed in the past, specifically at Yapı Kredi and across its peers, and the probability of occurrence in the short, medium and long term and on a scenario basis.

The light blue, blue, dark blue and navy blue areas on the Risk Heat Map, where the risk score obtained by multiplying the impact and probability parameters corresponds, constitute low, medium, high and very high priority risks, respectively. In this respect, risks with a risk score calculated as 1 to 3 are considered as risks with low priority, risks with a risk score calculated as 3 to 5 are considered risks with medium priority, risks with a risk score calculated as 5 to 12 are considered risks with high priority and risks with a risk score calculated as 12 to 16 are considered risks with very high priority. While low and medium priority risks are monitored by process owners, action plans are developed to reduce the degree of risk for high and very high priority risks.

Yapı Kredi Climate Risks Heat Map





EVALUATION OF RISK IMPACTS

At Yapı Kredi, impacts of risks connected with sustainability and climate change are evaluated over effect and probability parameters. Impact parameter is addressed under four headings according to its potential impacts over financial results, corporate reputation, operational processes and legal obligations. With probability parameter, probability of occurrence of the said risk is evaluated. Risks that may lead to important financial losses upon occurrence and may require a change in the existing business model are defined as risks with very high impact. On the other hand, risks that do not significantly affect the results of operations and have limited financial consequences that can be easily managed are classified as low-impact risks. The qualitative impacts of risks are assessed using the Risk Impact Matrix, and these qualitative impacts are reflected in the Risk Heat Map. Within the scope of the methodology detailed in the prioritization processes, risks identified as high priority are shortlisted and the financial impact of these risks is quantitatively assessed.

While low and medium level risks are monitored by process owners, action plans are developed to reduce the degree of risk for high and very high level risks. Such plans are evaluated by risk management teams and senior management is informed about the process.

When evaluating risks connected with climate change, the said risks' dependencies with the Bank's operations are also taken into account. In this context, the dependency level of climate risks on the Bank's loan portfolio, supplier and customer structure is assessed; the exposure levels of certain sectors or geographies to climate risks are considered as strategic vulnerabilities. Such analyses incorporating dependency on water stress of certain sectors or their sensitivity to carbon pricing are included in risk management processes despite of being detailed out in "[Strategy](#)" section.

Yapı Kredi has taken into account risks and opportunities established by its subsidiaries. During such process, applicability of sector-based disclosure matters defined in the Guide Regarding Sector Based Implementation of TSRS 2 has also been evaluated.

Risks and opportunities of subsidiaries are not shared in this report since financial impacts of relevant risks and opportunities are below level of materiality set by Yapı Kredi and do not give rise to a material impact.

Transmission Channels of Risks Connected with Climate Change

It is projects that the physical and transition risks associated with climate change identified by Yapı Kredi may have potential financial impacts primarily on its corporate and SME loan portfolios. Within scope of physical risks, impacts that come to the fore depending on water stress that has increased in Türkiye are addressed on a regional and sectoral basis. In the assessments made in line with the RCP2.6, RCP4.5, and RCP8.5 scenarios created by the IPCC, water stress is predicted to reach extreme levels, especially in the Aegean, Mediterranean, Southeastern Anatolia and Central Anatolia regions. It has been assessed that this situation may lead to a reduction in the production capacity of businesses in the Bank's loan portfolio that operate in sectors highly dependent on water and have production facilities in these regions, and therefore may pose a risk of deterioration in repayment performance.



Within the scope of transition risks, it is considered that mechanisms based on carbon pricing may pose a risk of deterioration in repayment performance due to the anticipation that the financial performance of Yapı Kredi's customers in carbon-intensive sectors and those expected to be exposed to carbon pricing will weaken. Within scope of regulations such as EU ETS, CBAM and Turkish ETS, it is estimated that rise in carbon costs may limit loan repayment capacity of those companies with reduced profitability and may increase risk concentration with the portfolio.

The potential financial impacts of physical risks and transition risk elements on Yapı Kredi in the short, medium and long term and on a scenario basis, and their possible impacts on the probability of default (PD) parameter associated with the relevant companies in the portfolio are being evaluated. As a result of such evaluations, it has been understood that losses of income and cost increases relevant to customers are expected to experience will not have an impact upon PD values. However, the Bank followed a cautious approach and recalculated the expected credit loss (ECL) by worsening the PDs of the relevant customers by one step in order to reflect the possible impact of these risk factors.

The Bank has focused on three different vulnerable customer groups. These are:

1. Customers with operations in sectors with high dependence upon water, as shown in NACE Codes within Water Efficiency Regulation Annex - 2,
2. Customers defined by BRSA as "risky sectors" who are subject to carbon tax liability under CBAM (Iron and Steel, Cement, Fertilizer, Electricity and Aluminum sectors) and
3. Customers who are expected to be subject to Turkish Emission Trade System and fall within scope of the activity specified in Annex - 1 to Regulation on Monitoring of Greenhouse Gas Emissions.

Outputs of such analyses primarily constitute an input for the Bank's ECL calculations. However, it has been calculated that impact of the said risks will have a financial impact upon earnings before tax (EBT) below the established level of materiality. Since financial impact is below level of materiality and level of measurement uncertainty at calculation is high, it has been considered unnecessary to present quantitative information on existing or predicted financial impacts of relevant risks. In addition to the credit risk, impacts connected with climate change have been subjected qualitative

evaluation on a scenario basis in fields of market risk, operational risk and reputational risk. The Bank's balance sheet does not have types of assets or investment instruments that can be directly affected by fluctuation in carbon prices. In terms of operational risk, the potential impacts of physical risks such as water stress and extreme weather events on the Bank's physical service infrastructure, data centers, and branch network have been assessed, and it has been ascertained that, thanks to existing backup, remote access, digitalization, and crisis management systems, the probability of these risks causing significant operational disruptions is low. Given the Bank's sustainability policies, transparent reporting approach and strategic objectives to improve ESG performance, the potential for climate risks to create a reputational impact is considered limited from reputational risk standpoint.

In this context, no significant financial impact is expected in the short, medium or long term for the main types of risks other than credit risk, and it has been resolved that it would not be useful to provide detailed quantitative information on the combined financial impacts of risks connected with climate change. Yapı Kredi follows up regulations that may affect operational, market and reputation risks.



PRIORITIZATION OF RISKS AND OPPORTUNITIES

Yapı Kredi has utilized global developments, stakeholder expectations, and the business and future strategies of Koç Holding, its main partner, in identifying risks related to sustainability and climate change. Additionally, international and local standards such as TSRS 2 Sector-Based Implementation Guide, SASB Standards, MSCI ESG Materiality Map, S&P Sustainability Index Criteria and WEF Global Risks Report have been taken into account. Financial materiality approach utilized in alignment with TSRS has been used in the prioritization analysis.

Risk Heat Map, which is part of Yapı Kredi's general risk management process, has started to be used for the purpose of prioritizing risks connected with climate change. Risks and opportunities included in Risk and Opportunity Inventory have been prioritized as a result of workshops organized with participation of Credit Risk, Operational

Risk, Sustainable Finance and Sustainability departments. In the prioritization study, the Bank's strategic priorities, market conditions, regulatory developments and interaction with stakeholders have been taken into account, and periodic review of the findings in line with changing conditions has been added to duties and responsibilities of the Sustainability Committee.

During the reporting period, various risks connected with climate change such as business continuity risks created by physical risks related to extreme weather events, lending practices that are not compatible with climate targets and reporting obligations have been prioritized. Water stress risk and compliance with CBAM risk, from among such risks, have been considered risks of high priority and financial impact calculation study has been conducted. Disclosures specific to these two risks, identified as high priority in the Risk and Opportunity inventory, are given in the [“Annexes”](#) section.

MONITORING OF RISKS AND OPPORTUNITIES

The Risk Committee is responsible for monitoring and informing the Board of Directors about significant risks which the Bank and its subsidiaries may be exposed to during the process of determining risk management strategies and appetite. The Committee also oversees the reporting of significant risks and the taking of necessary measures against these risks; in this context, the Committee examines the risk reports prepared periodically, reviews the Risk Management System and ensures that risks are assessed in a timely manner.

At Yapı Kredi, processes for monitoring risks related to climate change are carried out in an integrated manner with the general risk monitoring approach within the scope of sustainability. In this regard, risks related to climate change are addressed holistically with sustainability risks and are evaluated within the same monitoring and reporting framework.



Monitoring of risks related to sustainability and climate change is carried out under the coordination of the Sustainability Committee; when deemed necessary, such risks can be placed on the agenda of the Audit Committee.

At Yapı Kredi, tools used for monitoring risks connected with sustainability and climate change are ESRA system, Risk Heat Map and ICAAP reports.

Yapı Kredi assesses all environmental impacts arising from its lending activities within the scope of the ESRA system it has established. In this context, all new investment and project finance loan requests under corporate and commercial loans with an investment amount of USD 10 million and above, as well as projects for which financial advisory services are provided, are subject to the ESRA system.

Very high priority risks, identified as navy blue in the Risk Heat Map, are considered to have a high potential impact on the Bank; it is projected that preventive or corrective actions for such risks must be quickly designed and crisis scenarios emergency plans must be put into effect. Sustainability risks identified and projects evaluated within the scope of the ESRA system are under the supervision of the Audit Committee, and the work carried out by the Sustainability Committee is presented to the Executive Committee and the Board of Directors at least once a year. Pursuant to its new policies updated in 2021, Yapı Kredi has decided not to finance new coal-fired thermal power plants and new coal mining projects and included these activities in the FEF list within the scope of its Environmental and Social Risk Management Policy.

ASSESSMENT AND MANAGEMENT OF OPPORTUNITIES

Strategic decisions are taken with the approach that risks related to sustainability and climate change also have the potential to turn into opportunities, and are implemented as a result of a holistic evaluation of risks and opportunities. Processes indicated in the report about the said risks are also utilized in processes developed with a view to identifying, evaluating, prioritizing and monitoring opportunities connected with sustainability and climate change and are consistent with one another. In this scope, climate scenarios used in identification of risks cover not only risks, but also opportunities. These scenarios described in the report present potential opportunities for the Bank by revealing areas of activity and value chain stages where Yapı Kredi's risks are less concentrated.



Risk Heat Map has started to be utilized for the purpose of prioritizing opportunities related to climate change as of reporting period. In this scope, opportunities established, in parallel to risk prioritization process, are prioritized based on their financial, legal, reputational and operational effects and necessary actions are taken in order to ensure that they are put into practice.

These actions include seizing increasing opportunities in green financing in line with the net-zero strategy, diversifying credit products for customers investing in low-carbon technologies, and prioritizing renewable energy projects. Evaluating reputational gain opportunities such as access to new markets, increased investor confidence and improved sustainability ratings are also part of Yapı Kredi's opportunity management approach. Yapı Kredi makes use of scenario analyses in processes of identification and prioritization of opportunities connected with climate change.

In order to reduce emissions from its financing portfolio, Yapı Kredi has set 2021 as the base year in line with the methodology published by SBTi for the financial sector and modeled interim emission reduction targets for 2026 and 2030. During such process, IEA NZE scenario has been taken as reference in order to determine the Bank's net-zero roadmap. Use of IEA NZE scenario makes it possible to assess financial opportunities on a sector basis and shape transformation strategies. Not only emission reduction targets but also the impacts of the Bank's portfolio transformation on the real economy have been evaluated within the scope of scenario analyses. This approach is intended to ensure a homogeneous transition by taking into account the decarbonization rates of the sectors and to manage financing opportunities for the investment needs that will arise in this process.

Yapı Kredi aims to reduce emission intensity in priority sectors such as iron and steel, electricity generation, real estate, oil and gas, and road transportation in order to achieve these targets. Identifying the financing needs and developing financial solutions to support the green transformation of these sectors are at the core of the strategy. The Bank, which is committed to reducing emissions intensity of projects financed in the electricity generation sector, continues to **prioritize renewable energy-based projects** and **support low-carbon technology investments** in line with this target. Yapı Kredi also aims to reduce the portfolio temperature given for its long-term loan portfolio and, within the scope of its targets, manages strategic opportunities that may arise in the transition to a low-carbon economy in a holistic manner through scenario analyses.



Metrics and Targets

Yapı Kredi acts with awareness of its critical role as a key stakeholder in the Turkish banking sector during the process of supporting the green transformation. The Bank sets various targets to reduce the risks associated with climate change, adapt to these risks and seize the opportunities, and uses concrete criteria to measure progress towards such targets.

Yapı Kredi aims to reduce both its operational emissions and emissions financed by it and to support transition to net-zero economy. In this context, the Bank guides its customers in their transition to net-zero operations, supports them in managing their risks related to climate change, and commits to initiatives aligned with global climate targets.

The Bank became one of founding signatories of UN PRB in 2019 and made SBTi emission reduction commitment in 2021. Yapı Kredi also became the first and only Turkish bank to commit to setting targets in line with the requirements of "Business Ambition for 1.5°C" initiative. The Bank joined NZBA in 2023 to strengthen its net-

zero commitment. Modeling of interim emission reduction targets has been carried out in line with SBTi guidance for 2023; financial feasibility analyses of the determined targets have been conducted and decarbonization strategies and action plans have been developed for priority sectors. Targets set have been submitted to SBTi for verification after the modelling process.

In early 2024, efforts intended to improve data quality and methodology aimed at calculating financed emissions have been successfully completed. Yapı Kredi aims to reduce its greenhouse gas emissions resulting from Scope 1, Scope 2 and Scope 3 financed loan portfolio by 2030. Such targets have been verified by SBTi.

Yapı Kredi makes renewable energy and energy efficiency investments for targets set for reduction of emissions resulting from its own operations. The Bank offsets market-based Scope 2 emissions by purchasing I-RECs (International Renewable Energy Certificates) for electricity consumed after renewable energy production and energy-saving projects.

Decarbonization plan created by Yapı Kredi for its financed emissions is based on the purpose of unlocking the transformation potential of the real sector by leveraging the power of finance in the transition to a low-carbon economy. Accordingly, Yapı Kredi has developed plans for sectoral decarbonization in order to achieve these targets set in 2023 in alignment with SBTi and NZBA guides. Within the scope of this plan, certain sectors have been prioritized, fundamental and financial impacts in these sectors have been assessed, sectoral decarbonization strategies and action sets have been determined, thereby, the Bank's Net-Zero Roadmap has been created. While developing the plan, an interactive process was carried out with the participation of the Steering Committee, consisting of senior management, and the working group members, including the relevant teams. All works have been conducted in alignment with the Bank's loan policies and strategies.

Works undertaken by Yapı Kredi within scope of Net-Zero Roadmap are given in ["Strategy"](#) section of the report.

Yapı Kredi regularly monitors such criteria set for achieving sustainability goals and reports them to its governance bodies.



The Sustainability Committee, which convenes at least twice a year to monitor and guide developments in sustainability, regularly presents its work to the Executive Committee and the Board of Directors annually. In 2024, the working groups operating under the Sustainability Committee have been reviewed and updated as "Climate-Related Risk Management, Net Zero, Sustainable Finance, Sustainable Operations and Human and Society" in line with the Bank's strategic priorities. Roles and responsibilities of the said working groups have been established and enhancement have been made in terms of its functioning. The Bank continues to evaluate progress transparently and to update its strategic goals connected with climate change in alignment with international standards.

CLIMATE RELATED METRICS

Yapı Kredi follows up metrics regarding Volume 16 – Commercial Banks volume, one of the Guides on Sector-Based Implementation of TSRS 2 related to its business model and value chain.

Yapı Kredi follows up following metrics within the scope of the risks it has identified in connection with climate change and shares the relevant metrics in the ["Annexes"](#) section of the report:

- The metric ["Ratio of customers operating in regions under high water stress to the entire portfolio \(%\)"](#) is monitored to protect against the potential risk of increasing credit risk by negatively impacting the income and repayment capacity of customers operating in water-dependent sectors across Türkiye due to high levels of water stress.
- The ["Ratio of customers subject to CBAM to the entire portfolio \(%\)"](#) metric is monitored to counter the risk that carbon pricing mechanisms may negatively affect the financial performance of companies exposed to carbon prices in the loan portfolio and that the PD values of these loans may increase.

The Bank shares disclosures on relevant metrics in ["Assets' Climate Change Resilience and Compliance"](#) section of the report.

The Bank monitors its targets and the metrics connected with climate change it has determined to track these goals in a way that aligns with the timeframes in which the impacts of risks and opportunities connected with climate change can be reasonably expected, and is implementing the Net-Zero Roadmap within this scope.

GREENHOUSE GAS EMISSIONS

In 2011, Yapı Kredi calculated and caused to be verified, for the first time, carbon footprint resulting from its operational activities at its Headquarters and service buildings in five different locations. The Bank expanded scope of verification in 2019 and implemented it in all locations. In 2021, the Bank caused to be verified its Scope 1 and Scope 2 emissions at all locations including domestic and foreign subsidiaries in compliance with 14064 Standard. When measuring emissions, Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard has been taken as basis for Scope 1 and Scope 2. CO₂, CH₄ and N₂O, greenhouse gas emissions, have been taken into consideration whilst making emission calculations. Yapı Kredi has included its disclosure on greenhouse gas emissions in ["Annexes"](#) section of the report.

Within the scope of Scope 1 emissions, the amount of greenhouse gas emissions resulting from the Bank's natural gas consumption, as tracked from the Bank's bills, company vehicle diesel and gasoline consumption, as tracked through a third party company's system, generator diesel consumption, as tracked through bills, and refrigerant gases, as tracked through the maintenance company's service forms, have been calculated during the reporting period. Yapı Kredi, its Domestic and International Subsidiaries and affiliates have been included in the calculation.



Within the scope of Scope 2 emissions, the amount of greenhouse gas emissions resulting from electricity consumption, as tracked from bills of the Bank's service providers during the reporting period, has been calculated. Yapı Kredi, its Domestic and International Subsidiaries have been included in Scope 2 emissions.

The Bank calculates and verifies its Scope 2 emissions on a location basis and Market basis. The Bank has neutralized Scope 2 emissions by purchasing I-REC (International Renewable Energy Certificates) for electricity consumed after renewable energy production and energy-saving projects in 2024.

Coefficients used in Scope 1 and Scope 2 greenhouse gas amount calculations are derived from national and international guides.

[Emission resulting from Fuel (Efuel) = Activity Data (FV) *Emission Factor (EF) *Oxidization Factor (YF)]

Emission Factors

Factors of Emission Resulting from Burning (diesel, fuel-oil, natural gas, LPG)

"IPCC Guidelines for National Greenhouse Gas Inventories Chapter 2: Stationary Combustion-Volume 2: Energy" Intergovernmental Panel on Climate Change 2006

Table 2.4. Default Emission Factors for Stationary Combustion in the Commercial/ Institutional Category

Table 2.4 Default Emission Factors for Stationary Combustion in the Commercial/ Institutional Category

When converting diesel activity data from lt unit to kg unit, a conversion coefficient of 0.830 has been used.

Cooling Gases

Global Warming Potentials - [Table]
Direct (Except For CH₄) Global Warming Potentials (Gwp) Relative to CO₂ IPCC Sixth Assessment Report, 2021 (AR6)-Chapter (8 ve 2)" section of the said report has been taken as reference.

Emission Factors Resulting from Vehicles (gasoline, diesel, LPG)

"IPCC Guidelines for National Greenhouse Gas Inventories Chapter 3: Mobile Combustion - Volume 2: Energy Intergovernmental Panel on Climate Change 2006"

Equation 3.2.1. CO₂ from Road Transport

Table 3.2.1. Road Transport Default CO₂ Emissions Factors and Uncertainty Ranges

Equation 3.2.3 Emissions of CH₄ and N₂O
Table 3.2.2 Road Transport N₂O and CH₄ Default Emissions Factors and Uncertainty Ranges

Table 3.3.1.Default Emission Factors For Off-Road Mobile Sources and Machinery (Diesel 4 stroke) (for lawn moving and Bobcat)

Electricity Emission Factor

For electricity emission factors, 2023 electricity emission factor specified for "International Energy Agency" Türkiye has been taken as basis.



Scope 1 Emission Factors

Emission Source - Scope 1 (kg/TJ)	CO ₂ (kgCO ₂ /TJ)	CH ₄ (kgCO ₂ /TJ)	N ₂ O (kgCO ₂ /TJ)	Emission Factor (kg CO ₂ -e)
Diesel (stationary)	74,100	10	0.6	74,343
Diesel (mobile)	74,100	3.9	3.9	75,243
Gasoline (mobile)	69,300	3.8	5.7	70,917
Natural gas	56,100	5	0.1	56,155
Cooling gases - Aerosol	2.83	-	-	2.83
Cooling gases - Propane	0.003	-	-	0.003
Cooling gases - R134A	1,530	-	-	1,530
Cooling gases - SF6	23,900	-	-	23,900
Cooling gases - R407C	2,013.67	-	-	2,013.67
Cooling gases - R404A	4,728	-	-	4,728
Cooling gases - R410A	2,255.5	-	-	2,255.5
Cooling gases - CH4	27.9	-	-	27.9
Cooling gases - R227ea	3,600	-	-	3,600
Cooling gases - R290	3.3	-	-	3.3
Cooling gases - R32	771	-	-	771
Cooling gases - R450A	570	-	-	570

Emission Intensity (scope 1 and Scope 2 ton CO₂e/ total number of employees)

Emission intensity (ton CO₂e/TL total number of employees)= (Scope 1 (ton CO₂e) + Scope 2 (ton CO₂e))/Total number of employees



ASSETS' CLIMATE CHANGE RESILIENCE AND COMPLIANCE

Yapı Kredi's operations are not subject to any carbon pricing system. There is no internal carbon price used by Yapı Kredi during the reporting period. Yapı Kredi follows up regulations within scope of Turkish ETS which is being established in Türkiye.

Within scope of evaluation of Turkish ETS and CBAM risks, Integrated Assessment Model (IAM) carbon price averages that are based on NGFS scenarios have been relied upon. It has been assumed that carbon price paid by EU within scope of Turkish ETS will be recognized in calculation of effective carbon price whilst conducting risk assessment related to CBAM. In this scope, effective carbon price is determined over total carbon price exposure calculated based on sectoral average EU export rates of credit customers who are exposed to these two regulations.

Yapı Kredi continues to establish an infrastructure for determining green loans for compliance with [Communiqué on Green Asset Ratio](#) as published by BRSA with a view to determining banks' green financing portfolios.

Ratio of Vulnerable Asset

	Carbon Pricing		Water Stress
	CBAM	Turkish ETS	
Amount of Risk that is exposed to Risk Element (%)	11.56%	11.21%	29.55%

Yapı Kredi has conducted a risk assessment study for its customers in corporate, commercial and SME segments with a view to determining transition risks depending on climate change and its assets and activities that are vulnerable against physical risks. Within scope of such analysis, customers from sectors that are subject to carbon pricing and customers with operations in regions that are exposed to water stress have been taken into consideration. The classification used in this analysis was created by taking into account the sector definitions within the EU Sectoral Transformation framework and CBAM, Turkish ETS priority sectors and IPCC projections on regional water stress. Loss of income assumption has been supported with sector and geography based scenario outputs; risk amounts has been modelled with probability of default and expected credit loss approach

Risk amount that is exposed to carbon pricing mechanisms, considered to be transition risks (CBAM and Turkish ETS) corresponds to approximately 22.77% of the total portfolio. Customer portfolio that is exposed to water stress risk, considered one of the physical risks, is 29.55% of the total portfolio.

Yapı Kredi has purchased "carbon credits based on Wind Energy project" certified by Gold Standard in order to voluntarily offset consolidated Scope 1 greenhouse gas emissions at the Group level during the reporting period. Yapı Kredi has voluntarily offset its market-based Scope 2 emissions by purchasing I-REC certificates in response to its consolidated electricity consumption at the Group level during the reporting period.

CLIMATE RELATED TARGETS

SBTi Aligned Reduction Targets

Yapı Kredi has interim emission reduction targets for its loan portfolio, following up SBTi guidelines for finance sector. To that end, the Bank has taken year 2021 as target base year and modelled interim targets for years 2026 and 2030 depending on target methodology selected. Targets established have been submitted to SBTi for verification in order to confirm that methodologies used are based on the latest scientific researches. Yapı Kredi has received verification for SBTi targets in July 2024. According to evaluation by SBTi, Yapı Kredi's target portfolio covers 29% of total assets, as of 2021, and such target covers all required activities. Yapı Kredi has become the first Turkish bank which has presented the highest loan portfolio target coverage with 29% and given commitment for the entire required target portfolio from among other Turkish banks that received verification from SBTi.



SBTi defines three methods which financial institutions may use to establish targets for Scope 3 Category 15. Yapı Kredi has utilized SDG and Temperature Rating methodologies whilst setting SBTi interim targets. Yapı Kredi has used the IEA's net-zero scenario (NZE) as a reference to determine its net-zero roadmaps and acted in line with the NZBA guidelines and the global target of keeping global warming at 1.5°C above pre-industrial levels by 2100. In parallel to SBTi guidelines associated with SDG approach, the Bank has set emission intensity targets instead of absolute emission benchmark. Since this approach takes into account the pace of decarbonization of different sectors, the Bank aims to ensure homogeneity across sectors and focus on the impact on the real economy.

The Bank commits to reduce its absolute Scope 1 and Scope 2 emissions from its operations by 42% by 2030, when compared to base year 2021. The relevant target is gross emission reduction target. During the reporting period, Scope 1 and Scope 2 emissions (location-based) decreased by ~5% compared to the previous year, driven by energy efficiency improvements and reduced refrigerant use.

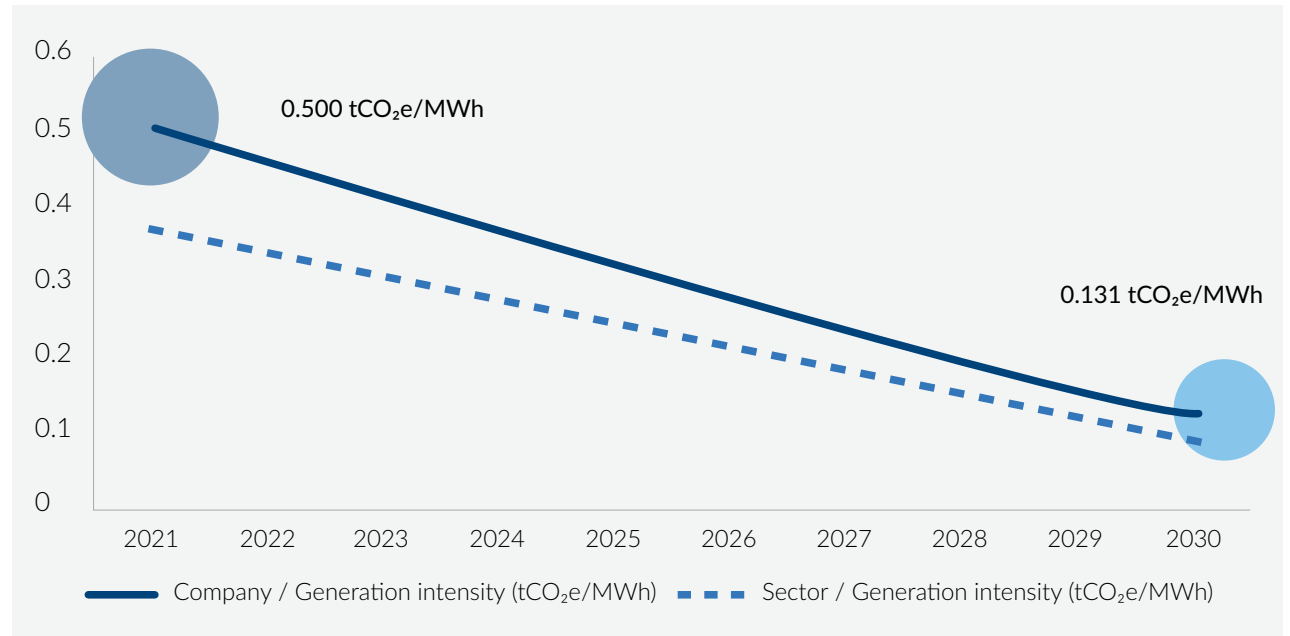
Emission Reduction Targets Verified by SBTi

Target Segment	Modelling Methodology	Scope Included	Target Base Year	Target Year	Metric	Base Year Value	Target Year Value	Target
Electricity Generation Project Finance	SDA	Scope 1	2021	2030	tCO ₂ e/MWh	0.500	0.131	73.7%
Corporate Loans: Real Estate	SDA	Scope 1 Scope 2	2021	2030	kgCO ₂ e/m ²	109.78	35.77	67.4%
Corporate Loans: Electricity Generation	SDA	Scope 1	2021	2030	tCO ₂ e/MWh	0.001176	0.000685	41.7%
Corporate Loans: Other Long Term Loans	Temperature Rating	Scope 1 Scope 2	2021	2026	°C	3.05	2.64	2.64°C
Corporate Loans: Other Long Term Loans	Temperature Rating	Scope 1 Scope 2 Scope 3	2021	2026	°C	3.20	2.75	2.75°C
Emissions Resulting From Operations	SBT Tool	Scope 1 Scope 2	2021	2030	tCO ₂ e	54,787	31,776	42%

ELECTRICITY GENERATION PROJECT FINANCE

Scope 1 and Scope 2 financed emissions of Yapı Kredi's electricity generation project finance category have been calculated in accordance with SBTi guides. For this target category, the loan portfolio falling under the Electricity Facilities and Independent Electricity under the GICS sectors has been taken into account. Calculation of financed emission has been determined, applying an attribution factor to total electricity generation. One hundred percent of the emissions originating from the electricity generation project finance category are primarily due to coal and natural gas financing within Yapı Kredi's portfolio. Emission reduction target has been modelled, in line with global target of 1.5°C, using SBTi's SDA tool. Yapı Kredi has committed to reduce its emissions resulting from electricity generation project finance portfolio by 73.7% per MWh by 2030, when compared to base year 2021, with a view to being aligned with such target.

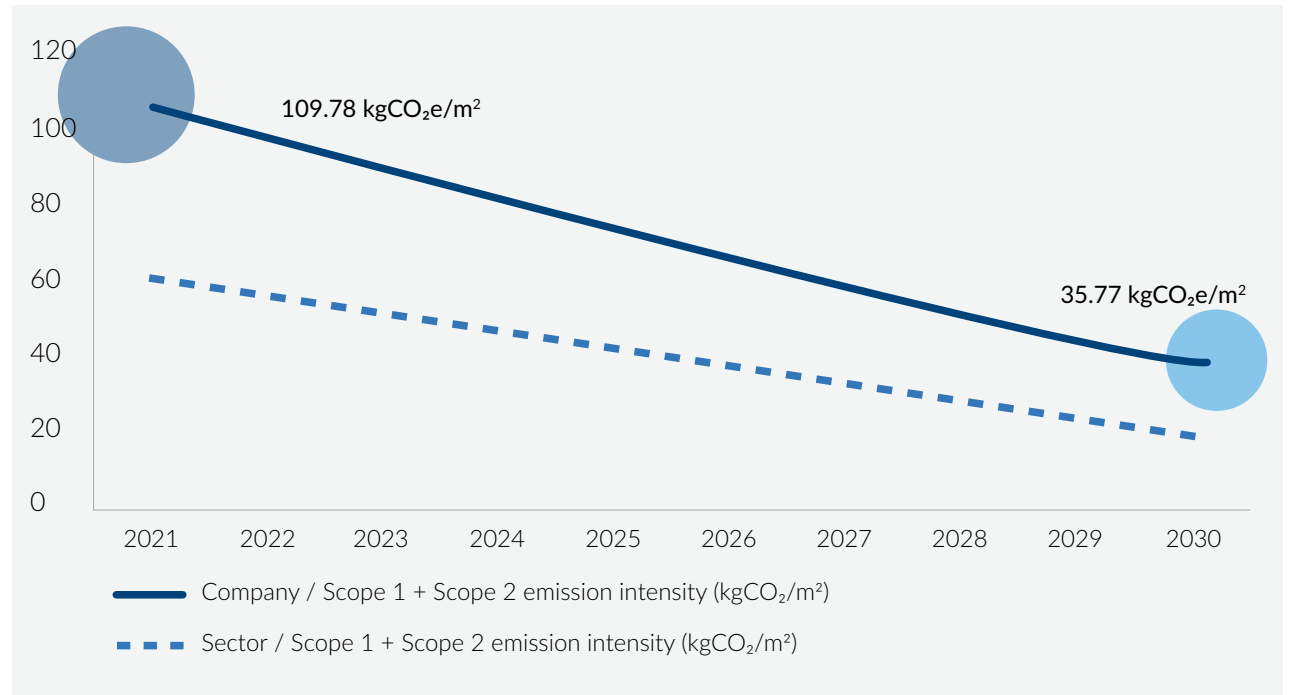
Electricity Generation Verified by SBTi: Project Finance Reduction Target



CORPORATE LOANS: REAL ESTATE

Yapı Kredi's real estate loans within scope of the project fall within scope of project finance asset class. Since the purpose of using corporate loans for real estate companies is to provide working capital rather than real estate investment, these loans are modeled under the target category Corporate Loans: Other Long-Term Loans: Other Long-Term Borrowing. For this target category, loans in GICS sectors within scope of Real Estate Management and Development have been taken into consideration. For target modelling, SSDA tool developed by SBTi has been used for Services-Buildings in alignment with 1.5°C target. Yapı Kredi has committed to reduce greenhouse gas emissions resulting from real estate sector under project finance by 67.4% per m² by 2030, when compared to base year 2021.

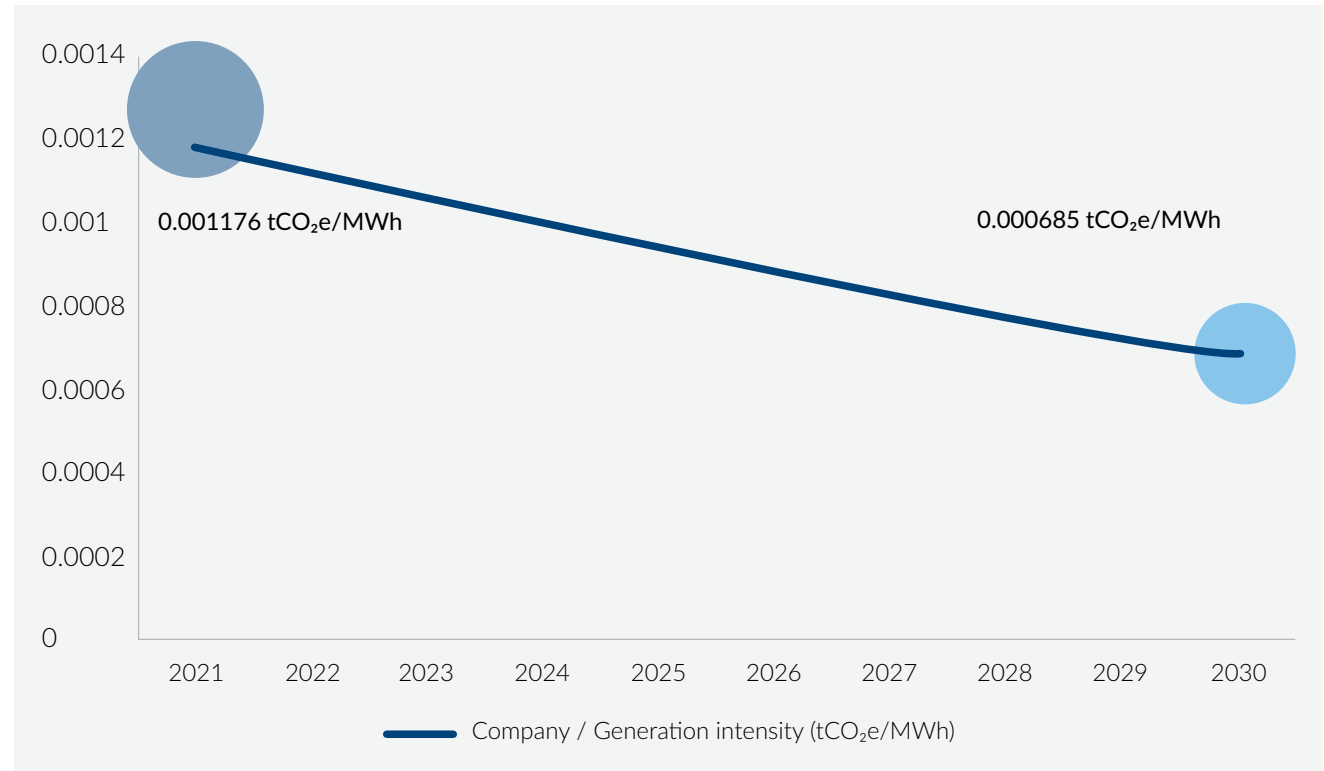
Real Estate Verified by SBTi: Corporate Loans Reduction Target



CORPORATE LOANS: ELECTRICITY GENERATION

The financed Scope 1 and Scope 2 emissions for the base year have been calculated using production and energy type data for electricity production credits under corporate loans. The majority of the Bank's electricity generation loan portfolio consists of renewable energy projects (71% of the electricity generation loan portfolio under total corporate loans, equivalent to 96% of the total kWh financed). As a result, emission intensity of electricity generation loans under corporate loans (0.001176 tCO₂e/MWh) seems to be quite lower than emission intensity of electricity generation portfolio under project finance (0.500 tCO₂e/MWh) in base year 2021. Yapı Kredi has committed to reduce greenhouse gas emissions from the electricity generation sector within its corporate loan portfolio by 41.7% per MWh by 2030, when compared to the base year 2021, in line with the 1.5°C target.

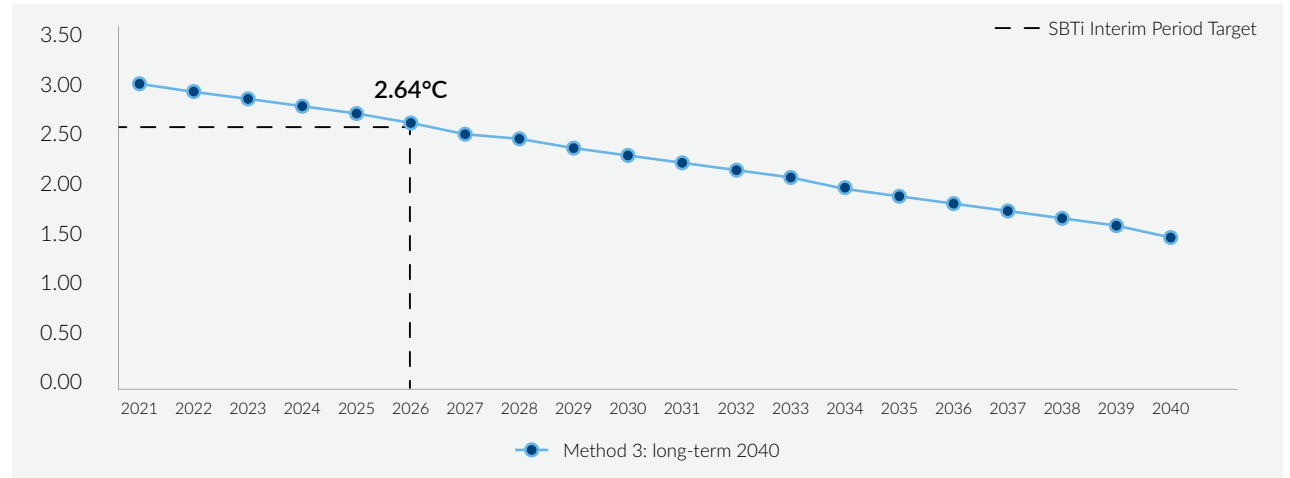
Corporate Loans Verified by SBTi: Electricity Generation Reduction Target



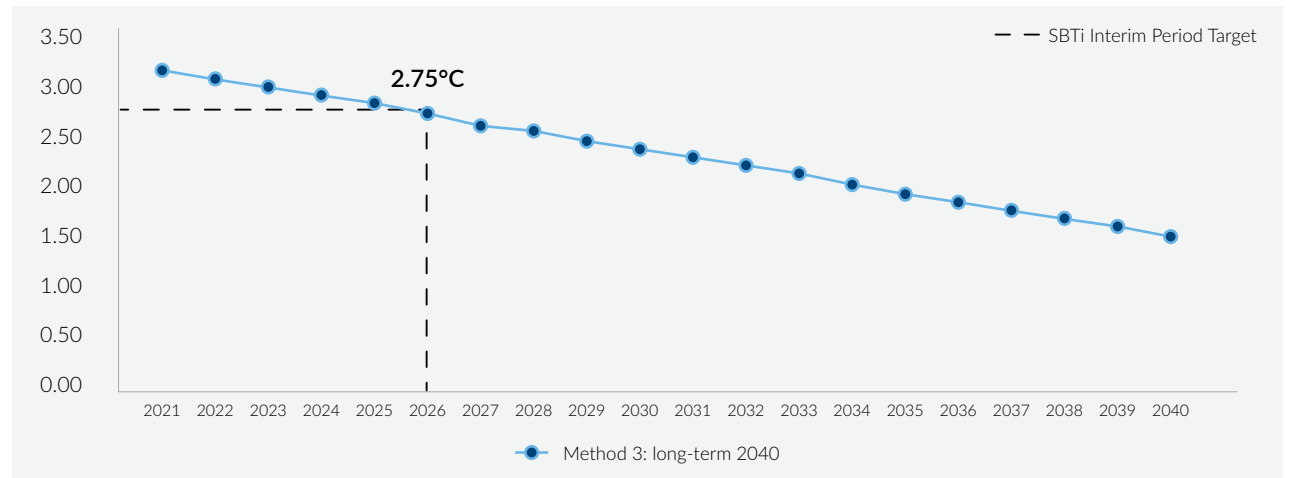
CORPORATE LOANS: OTHER LONG TERM LOANS

For the long-term corporate loans portfolio, which includes all remaining sectors, the Temperature Rating methodology has been used, taking 2026 as the target year, based on the base year 2021. Temperature Rating methodology has been modelled in a manner that it will be aligned with 1.5°C target for Scope 1 + Scope 2 and Scope 1 + Scope 2 + Scope 3 in 2040. Accordingly, Yapı Kredi has undertaken to reduce Scope 1 + Scope 2 portfolio temperature from 3.05°C in 2021 to 2.64°C by 2026, and the portfolio temperature of Scope 1 + Scope 2 + Scope 3 from 3.2°C in 2021 to 2.75°C by 2026 within its other long-term corporate loan portfolio.

Scope 1 + Scope 2 Reduction Target Aligned with 1.5 °C Verified by SBTi



Scope 1 + Scope 2 + Scope 3 Reduction Target Aligned with 1.5 °C Verified by SBTi





NZBA Aligned Reduction Targets

Apart from targets aligned with SBTi, Yapı Kredi has also developed sector-based targets based on recommendations of NZBA guidelines with a view to fulfilling NZBA commitment. 2021 has been used as base year in a manner that is aligned with the Bank's targets verified by SBTi. This approach ensures that reduction targets are tracked with the same base year and allows the same decarbonization plan to be implemented for both SBTi and NZBA targets.

Sector Selection

The Bank has taken six basic principles as basis for identification of priority sectors. While the first two criteria constitute the first step of prioritization, remaining four criteria constitute the second step. Although it is not imperative to meet all criteria at this phase, Yapı Kredi has taken great care to ensure that its priority sectors meet as many criteria as possible.

Such criteria are as follows:

1. Being within sector requirements of international rule maker institutions: Priority sectors identified for the banking sector; agriculture, aluminum, cement, coal, real estate, iron and steel, oil and gas, electricity generation and transportation.
2. Having a high weight in the Bank's corporate cash loan portfolio and sectoral distribution of financed emissions
3. Being among sector goals announced by international and local banks
4. Being among sectors established within scope of CBAM: iron and steel, aluminum, cement, fertilizer, electricity generation and hydrogen
5. Technologies being ready for sectoral transition and implementation being financial profitable
6. Having high priority in terms of climate risk

After examining its loan portfolio based on these six criteria, Yapı Kredi has identified its priority sectors as iron and steel, electricity generation, real estate, oil and gas, and road transport.

Prioritized sectors account for about 29% of loan portfolio exposure and 65% of emissions arising by way of financing. Priority sectors correspond to approximately 29% of the loan book risk and 65% of financed emissions. Financed emissions resulting from priority sectors cover 66% of all loan portfolio and 98% of NZBA sectors.



Risks of Priority Sectors and Financed Emissions

Priority Sector	Loan Portfolio's		NZBA Sectors'	
	Risk	Financed Emissions	Risk	Financed Emission
Iron and Steel	13.40%	27.10%	34.90%	39.40%
Electricity Generation	13.30%	27.80%	34.40%	30.60%
Real Estate	10.30%	4.80%	26.90%	7.20%
Oil and Gas	2.30%	12.20%	6.10%	18.30%
Road Transportation	1.20%	1.70%	3.20%	2.20%

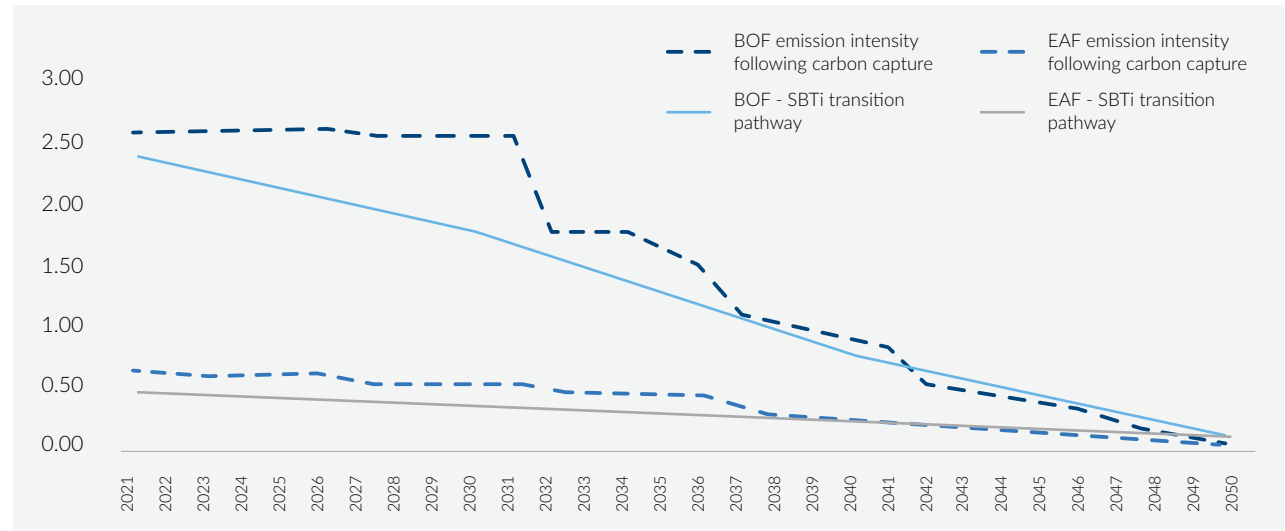
Emission Reduction Targets of Priority Sectors

Target Segment	Modelling Methodology	Scope	Metric	Target Base Year	Target Year	Base Year Intensity	Targeted Intensity	Reduction Target
Iron and Steel	SDA	1+2	tCO ₂ e/ton steel	2021	2030	2.57 BOF 0.67 EAF	2,55 BOF 0,54 EAF	1% BOF 19% EAF
Electricity Generation	SDA	1	tCO ₂ e/MWh	2021	2030	0.413	0,109	74%
Real Estate	SDA	1+2	kgCO ₂ e/m ²	2021	2030	50.4	10,9	78%
Oil and Gas (Downstream)	SDA	1+2+3	gCO ₂ e/MJ	2021	2030	70.24	67,7	4%
Road Transportation	SDA	1+2	kgCO ₂ e/tkm kgCO ₂ e/pkm	2021	2030	0.143 Freight 0.094 Passenger	0.109 Freight 0.017 Passenger	24% Freight 81% Passenger

IRON AND STEEL SECTOR

Reducing emissions from steel and aluminum production is challenging due to the current heavy reliance on fossil fuels, process emissions from existing routes and high trade risk. Increased recycling of scrap and widespread use of innovative are crucial leverages in reduction of emissions. Since the steel sector accounts for ~7% of global CO₂ emissions, it is center of attention for decarbonization debates. According to IEA, efforts in iron and steel sector need to be significantly increased by 2050 in order to reach net-zero emission based on (NZE) scenario. Based on NZE Scenario, new steel production processes with near zero emission will constitute 8% of primary production in 2030. Given the limited emissions reduction potential of traditional processes, innovation will be vital for their commercialization during this decade. Within the scope of international regulatory frameworks providing guidance on climate change and decarbonization (SBTi, NZBA), the iron and steel sector includes the following sub-sectors classified under NACE C.24. Emission from the sector is predominantly due to energy consumption in crude steel production. Therefore, transformation strategies within the sector have been developed through crude steel producers. There are different technologies in crude steel production: Basic Oxygen Furnace (BOF), Electric Arc Furnace (EAF), and Direct Reduced Iron (DRI). Of these technologies, BOF is the most pollutive one. At Yapı Kredi, approximately 2.3 million tCO₂e of the emissions financed as of the end of 2021 originated from the iron and steel sector portfolio, with a volume of approximately USD 538 million.

Decarbonization Plan - Iron and Steel (tCO₂e/ton steel)



While the emission intensity is calculated as 2.57 tCO₂e/ton steel in enterprises producing with the BOF method, it is calculated as 0.67 tCO₂e/ton steel in enterprises producing with the EAF method. Therefore, Yapı Kredi aims to reduce, by 2030, emission intensity by 1% at companies using BOF and by 19% at companies using EAF. Our basic strategy is supporting transformation needs of customers in alignment of the portfolio's decarbonization targets at iron and steel sector.

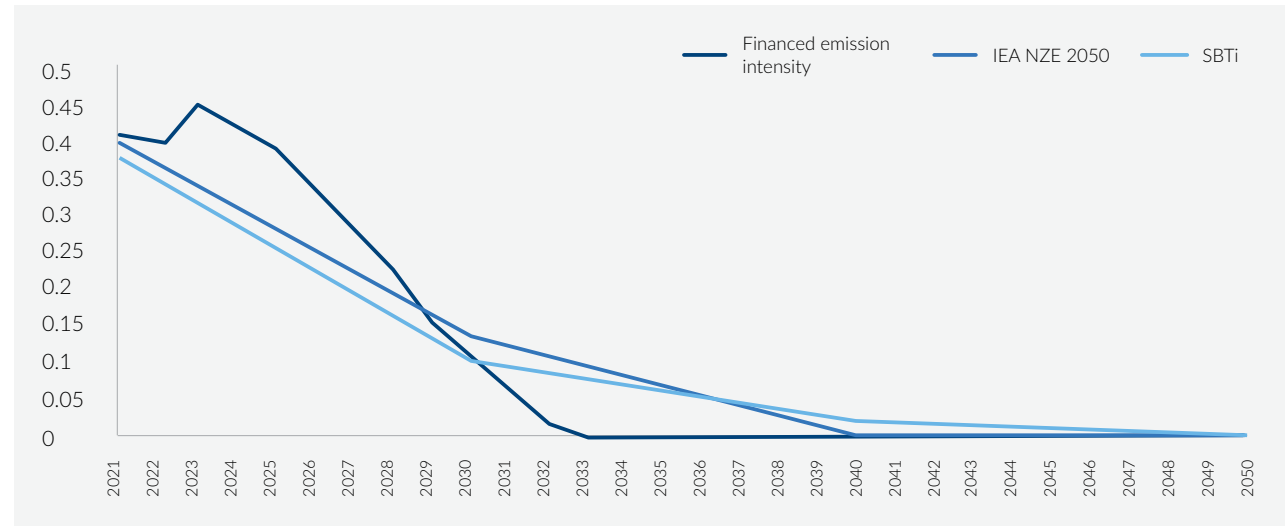
For investment loans, financing needs that will arise for transformation actions that stand out for the sector underpin the sector's loan strategy. Decarbonization actions within iron and steel sector can be grouped under three main axes. Such three axes are financing of the following:

- Transformation of production methods from BOF processes to EAF processes, financing of them
- Decarbonization of electricity resources through integrated renewable energy plant investment or green energy certification
- Integration of developing carbon capture and storage technologies with production facilities

ELECTRICITY GENERATION

Electricity and heat generation accounts for about 35% of the global greenhouse gas emissions. Burning of coal, oil and natural gas is the biggest single source of such share. NZE scenario estimates a significant rise energy requirement, given increased economic activity and electrification. Based on the importance of decarbonisation for this sector, the EU recently published EU 2040 climate target and stated that electricity generation should reach net-zero emissions globally by 2040 and account for almost half of total energy consumption. The IEA's projection predicts that renewable energy capacity will triple by 2030, led by solar photovoltaic panels and wind, along with other sources, and that the share of low-emission sources in electricity generation will rise from 39% in 2022 to 71% in 2030 and 100% in 2050. This will also require significant increases in electricity system flexibility, such as batteries, demand response, hydrogen-based fuels, hydropower and more in order to ensure reliable supply. At Yapı Kredi, approximately 4.9 million tCO₂e of the emissions financed as of the end of 2021 originated from the electricity generation portfolio, with a volume of approximately USD 3.076 million. Emission intensity is 0.439 MWh/CO₂e. Yapı Kredi aims to reduce, by 2030, its emission intensity by 74% based on the prediction that Yapı Kredi will allocate resources equal to USD 480 million per annual for new investments and its portfolio share within this sector will increase from 10% to 16%

Decarbonization Pathway – Electricity Generation (tCO₂e/MWh)



by 2050. Emissions from the sector predominantly arise from energy generation process. Therefore, electricity generation sector has been classified under NACE 3511, given SBTi and NZBA guidance. The Bank has identified following actions in order to reach necessary reduction in emissions resulting from electricity generation sector:

- Prioritizing financing for companies in the renewable energy sector and not prioritizing companies that generate electricity from fossil fuels.
- Ensuring that the due diligence process is based on renewable energy, taking into account the production mix of the companies it can finance.

- Directing electricity generation investments through active support of customers' low-carbon transition
- No financing for new coal mining projects and new coal-fired power plant projects and no full phase-out date set
- Introduction of carbon pricing: discouraging pricing for brown lending

REAL ESTATE

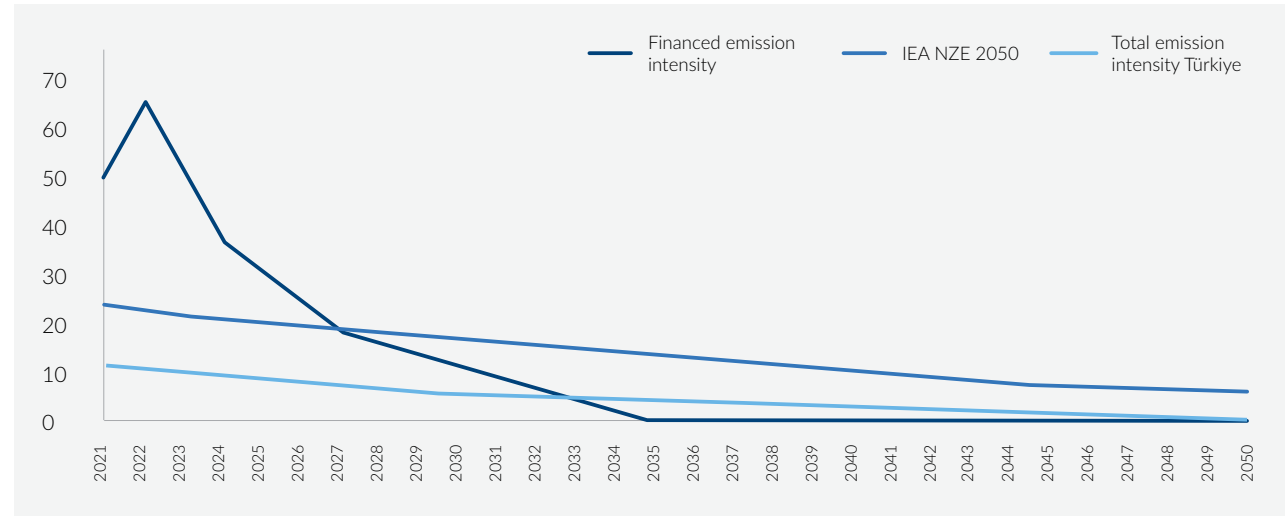
Real estate sector accounts for about 40% of the global carbon dioxide emissions. About 70% of such emissions emerges from building operations whereas 30% of such emissions results from construction. Global and national climate targets demand sharp emission reductions in both building activities and construction, and this can only be achieved by making significant changes in the real estate sector.

Yapı Kredi's real estate portfolio is predominantly comprised of Malls, which causes basic emission intensity to be above the national average.

While contractors and property managers remain within the target setting limit, EPC (engineering, procurement, construction) companies are not part of the decarbonization targets. Yapı Kredi has set a target of reducing, by 2030, its intensity of 50.4 kgCO₂e/m² by 78%.

Yapı Kredi has established its decarbonization strategy in real estate sector upon transition consultancy and green financing so as to achieve this target.

Decarbonization Pathway – Real Estate (kgCO₂e/m²)



In this context, following leverages have been determined:

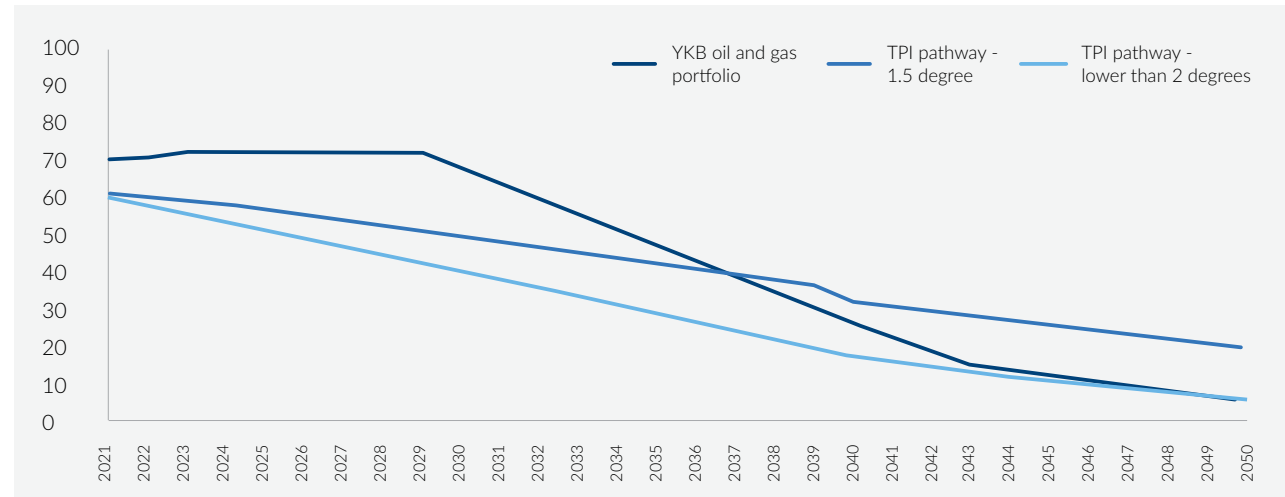
- Financing of heat pump technologies for electricity based heating and rooftop solar panel investments for electricity consumption with low-carbon emission

- Shifting the portfolio to buildings with green construction certificate (e.g. LEED)

OIL AND GAS

Today, the oil and gas industry is responsible for approximately 15% of total global energy-related emissions, equivalent to 5.1 billion tons of greenhouse gas emissions, primarily from the extraction and combustion of fossil fuels. Emission intensity of such activities will plummet by 50% at the end of the decade as per IEA's net-zero emission scenario by 2050. According to this scenario, emissions arising from oil and gas operations will decrease by 60% until 2030 along with reduction in oil and gas consumption. Oil and natural gas sector is comprised of upstream (oil exploration and production) and downstream (refinery and distribution of oil products) operations. Scope 3 emissions especially result from burning by the end user of fuel and is the main source of oil and gas emissions. Oil distributors and retailer included in Yapı Kredi's oil portfolio correspond to 95% of general loan portfolio.

Decarbonization Pathway – Oil and Gas (gCO₂e/MJ)



Certain specific leverages such as ones listed below have been determined in order to reach target of 1.5°C:

- Financing of carbon capture and storage investments and dissemination of low-carbon energy use (hydrogen, biofuel, renewable electricity)
- Financing of electricity-based mobility investments (electric vehicle charging station)
- Reduction of the balance with existing payments.
- Not using offset for the purpose of reducing emissions according to NZE Scenario

In this scenario, Yapı Kredi has set a target of reducing, by 2030, its emission intensity of 70.24 kgCO₂e/MJ by 4%. Based on such reduction target, Yapı Kredi estimates that it will catch global transition pathway in 2035 with green energy transition technologies becoming more usable after 2030. Additionally, Yapı Kredi expects a change in nature of lending in oil and gas sector since nature of lending is expected to shift from business capitals to new clean technology investments.

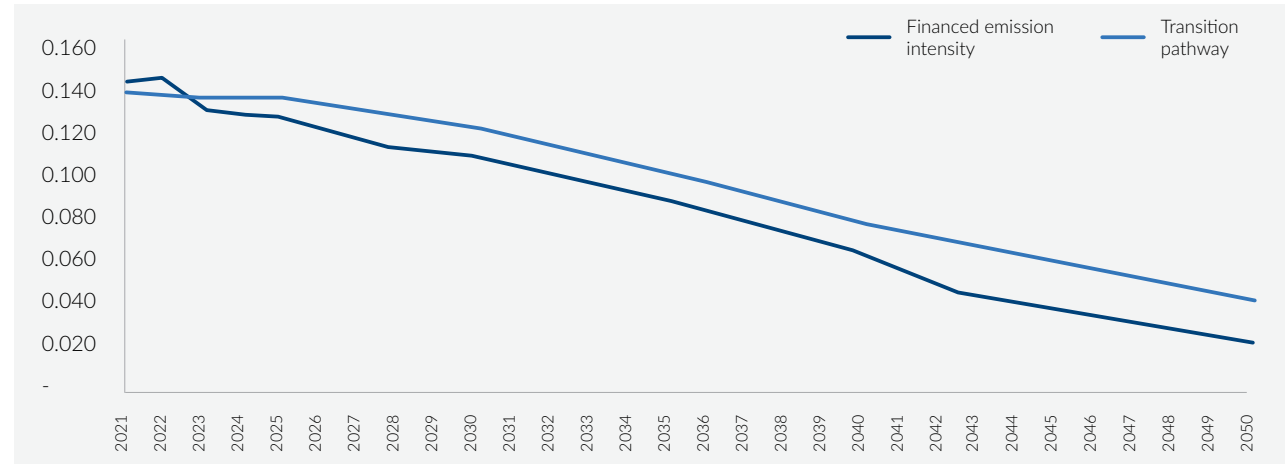
ROAD TRANSPORTATION

Direct CO₂ emissions resulting from burning of fossil fuel in the road sector increased by 200 Mt when compared to 2015. According to NZE scenario, emissions have to drop by approximately one-third by 2030 in order to be able to comply with IEA Net-Zero Emissions by 2050. The road transportation market in Türkiye has been growing steadily since 2001 on a ton-km and passenger-km basis, excluding the Covid impact in 2020. The share of 15+ year old vehicles is in the range of 35-55%, indicating that there is significant replacement potential for every vehicle type in the market. There is a constant shift from fossil fuel to vehicles emitting less carbon. At Yapı Kredi, freight carriage accounts for ~71% of the loan balance and ~89% of financed emissions in the road transportation sector.

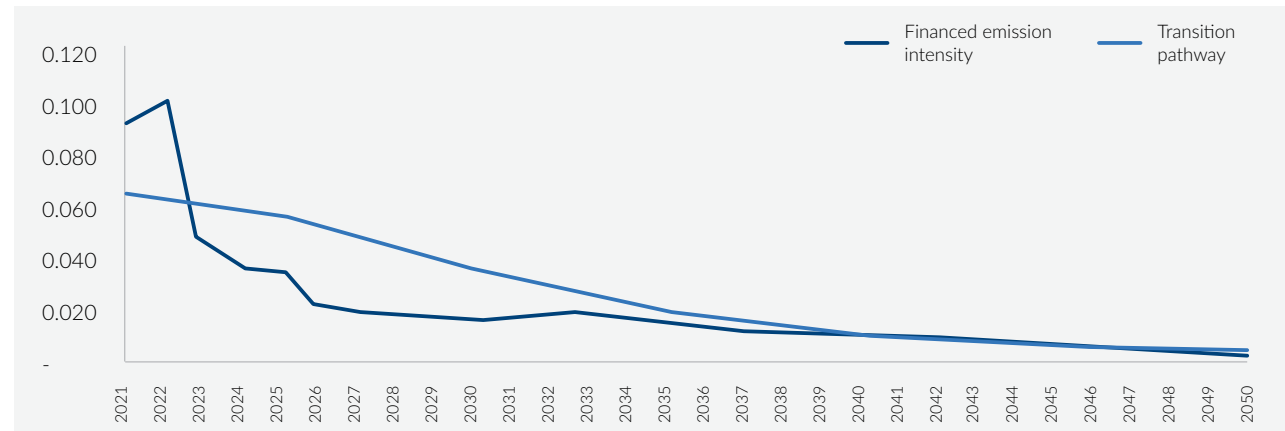
Technology improvements and supporting a shift to net-zero for achieving targets provide crucial leverages in terms of reaching the target. Yapı Kredi has determined its leverages as follows:

- Financing of shift to more efficient machines (e.g. new optimized ICE (internal combustion engine) vehicles)
- Financing of shift to a more sustainable fuel (e.g. hybrid, biofuel)
- Financing of shift to vehicles with zero emission (e.g. electricity, hydrogen)
- Replacing the portfolio mix with less carbon-intensive sub-sectors (e.g. inter-city transportation instead of inner-city transportation)

Decarbonization Pathway – Road Transportation, Freight (kgCO₂e/tkm)



Decarbonization Pathway – Road Transportation, Passenger (kgCO₂e/pkm)





Annexes

GREENHOUSE GAS EMISSION METRICS

Greenhouse Gas Emissions (ton CO ₂ e)	Scope 1	Scope 2 (Location Based)	Scope 2 (Market Based)
Yapı ve Kredi Bankası A.Ş.	15,463	33,614	0
Yapı Kredi Portföy Yönetimi A.Ş.	60	69	0
Yapı Kredi Faktoring A.Ş.	141	45	0
Yapı Kredi Finansal Kiralama A.O.	217	197	0
Yapı Kredi Menkul Değerler A.Ş.	167	266	0
Yapı Kredi Bank Nederland N.V.*	14	0	0
Yapı Kredi Bank Azerbayjan	191	640	0
Yapı Kredi Bank Deutschland OHG	21	18	0
Total	16,274	34,849	0
Total (Scope 1 + Scope 2)		51,123	

*Emission of Stichting Custody Services YKB, which is a subsidiary, is consolidated under Yapı Kredi Bank Nederland N.V.

GUIDE REGARDING SECTOR BASED IMPLEMENTATION OF TSRS 2 - VOLUME 16 – COMMERCIAL BANKS

Sustainability Disclosure Matters and Metrics – Volume 16 – Commercial Banks

Matter	Metric	Category	Unit of Measure	Code	Yapı Kredi's Response
Incorporating Environmental, Social and Governance Factors into Credit Analysis	Definition of the approach to incorporating environmental, social and governance (ESG) factors into credit analysis	Discussion and Analysis	N/A	FN-CB-410a.2	Yapı Kredi evaluates all environmental and social impacts arising out of lending activities within ESRA system which it applies to corporate and commercial loan requests. Details of ESRA system are explained in the Report's " Strategy " and " Risk Management " sections.



Activity Metrics – Volume 16 – Commercial Banks

Activity Metric	Category	Unit of Measure	Code	Yapı Kredi's Response			
Based on the segment: for (a) retail and (b) small business customers, number (1) and (2) value of their savings and checking accounts	Quantitative	Number, Presentation currency	FN-CB-000.A	Total	31.12.2024	Total Amount (TRY million)	Number of Contracts
					Retail	845,379	20,396,352
					Small Business	111,377	510,866
					Total	956,756	20,907,218
				Savings	31.12.2024	Total Amount (TRY million)	Number of Contracts
					Retail	440,920	523,469
					Small Business	68,425	11,194
					Total	509,345	534,663
				Checking	31.12.2024	Total Amount (TRY million)	Number of Contracts
					Retail	404,460	19,872,883
					Small Business	42,952	499,672
					Total	447,412	20,372,555
Based on the segment: (a) retail, (b) small business and (c) corporate loans, (1) number and (2) value*	Quantitative	Number, Presentation currency	FN-CB-000.B	Segment	Cash Risk (TRY million)	Number of Products	
				Corporate and Commercial	574,514	113,287	
				Retail	134,290	2,637,464	
				SME	93,482	624,594	
				Total	802,286	3,375,345	

*The table shows loan amounts and number of products of mortgage loans and revolving loans as of 31.12.2024 when they were excluded, as specified in the Standard.



RISKS AND OPPORTUNITIES

Risk Information	Definition of Risk	Impact of Risk upon Cash Flow, Access to Finance and Capital Cost	Acquired by Yapı Kredi Actions	Impact upon Strategy and Decision Making Processes
Type of Risk Transition Risk	EU CBAM (Carbon Border Adjustment Mechanism) Directive came into force in 2023 and a transition period until end of 2025 is estimated. This process is expected to significantly increase operational costs of customers with operations in carbon intense sectors and considerable export share within EU borders. Similarly, within the scope of the Turkish ETS, whose pilot phase is expected to begin in 2026 and the implementation period in 2028, it is predicted that operational costs of companies operating in carbon-intensive sectors will increase, regardless of their export activities. It is projected that adversities likely to occur in financial performance, financial positions and cash flows of companies in Yapı Kredi's corporate loan portfolio may negatively affect the payment performance of their loans. This may result in an increased probability of default for loans.	<p>The transition to carbon pricing mechanisms may lead to a weakening of the competitiveness of customers in foreign markets, particularly those operating in sectors covered by the CBAM and the Turkish ETS, and negatively impact their repayment performance. Such situation has the potential to increase default risks in Yapı Kredi's loan portfolio, as well as the sector in general, and put pressure on cash flows.</p> <p>Increasing carbon costs may give rise to impairment of portfolio and deteriorations in risk weighted asset structure. This could lead to a weakening of the Bank's capital adequacy, borrowing conditions becoming more difficult and restrictions on access to financing, thus, increasing the cost of capital.</p>	<p>Yapı Kredi prioritizes investment loans for low-emission technologies and energy efficiency solutions to put into practice its sector-based decarbonization strategies developed in line with the 2050 net zero target.</p> <p>According to the strategy so developed, the Bank plans to prioritize green projects and customers' green transformation projects in its lending activities and to gradually exit sectors considered carbon-intensive in line with certain criteria. As explained in Net-Zero Roadmap report for Financed Emissions, limitations have been defined for carbon-intensive sectors in Yapı Kredi's policies. The decision not to provide financing for new coal-fired thermal power plants and coal mine projects is being enforced as a policy change based on the sustainability strategy. This decision aims to reduce transition risks assessed within the Bank's risk appetite and direct its loan portfolio towards low-carbon sectors.</p>	Yapı Kredi aims to prioritize sectoral decarbonization in its strategic credit planning and resource allocation decisions in line with its net-zero commitment.
Description of Risk Policy and Legal Risk - Carbon Pricing Mechanisms				
Due Date of Risk Short, Medium, Long				
Probability of Risk Very High				
Potential Impact Low				
Type of Impact Expected				
Country / Region where Risk has occurred Türkiye				
Value Chain Impacted Downstream (Loan Portfolio)				
Estimated Financial Impact Increasing Credit Risk				



Risk Information	Definition of Risk	Impact of Risk upon Cash Flow, Access to Finance and Capital Cost	Acquired by Yapı Kredi Actions	Impact upon Strategy and Decision Making Processes
Type of Risk Transition Risk	<p>It is considered that providing financing to high-emission sectors may negatively affect the financial performance, financial positions and cash flows of credit customers operating in these companies as a result of their high transition risk exposure. Furthermore, it is predicted that Yapı Kredi's failure to fulfill its commitment to create a loan portfolio consistent with its net-zero strategy could increase credit and reputation risks due to reputation loss.</p>	<p>Companies operating in carbon-intensive sectors being exposed to transition risks, including regulatory and reputational risks such as carbon pricing may negatively impact their financial performance and weaken their ability to repay loans. Such situation increases relevant customers' probability of going into default, thereby, creating pressure on credit risk.</p> <p>Nonetheless, it is considered that potential reputation loss that may arise in the event that Yapı Kredi continues to provide financing for carbon-intensive sectors, may have an adverse impact upon the Bank's access to capital and customer engagement.</p>	<p>Yapı Kredi has set its reduction targets for financed emissions in line with SBTi commitment and such targets have been verified by SBTi. Additionally, the Bank has defined its sector-based reduction targets within scope of NZBA. Decarbonization strategies have been developed and action plans have been prepared for priority sectors. While the bank continues to provide financing for renewable energy, energy efficiency and low-carbon technologies, it does not finance new coal mines or coal-fired power plant projects.</p>	<p>In line with its Net-Zero Roadmap, the Bank plans to establish mechanisms that will use customers' green transformation capacity, emission reduction commitments and environmental impacts as evaluation criteria in loan approval processes and to integrate these criteria into its product development policies.</p> <p>At the portfolio level, efforts to implement an exit strategy from "brown" assets and establish a more stringent risk assessment mechanism for sectors with high carbon risk are among focus areas of high priority in the Bank's Net-Zero Roadmap.</p>
Description of Risk Reputational Risk - Lending Transactions in Sectors with High Emissions				
Due Date of Risk Medium, Long				
Probability of Risk Medium				
Potential Impact Low				
Type of Impact Expected				
Country / Region where Risk has occurred Türkiye				
Value Chain Impacted Downstream (Loan Portfolio)				
Estimated Financial Impact Increasing Credit Risk - Loss of Reputation				



Risk Information	Definition of Risk	Impact of Risk upon Cash Flow, Access to Finance and Capital Cost	Acquired by Yapı Kredi Actions	Impact upon Strategy and Decision Making Processes
Type of Risk Chronic Physical Risk	<p>With changing precipitation patterns due to the effects of climate change and the simultaneous increase in water demand due to economic growth and population growth, freshwater resources are being depleted faster than they can be renewed. In this regard, water stress is expected to occur at very high levels throughout Türkiye in the short-, medium- and long-term, regardless of the scenario. It is considered that, if the production capacities of credit customers operating in water-dependent sectors are negatively affected by water access restrictions and water costs increase, negative developments may occur in the financial performance, financial positions and cash flows of companies. Such developments may have an adverse impact upon repayment performance of loans and may lead to a rise in probabilities of going into default in connection with loans.</p>	<p>Production interruptions in hydroelectric power plant projects due to prolonged drought and low water flow can negatively affect the financial feasibility of these projects and their repayment performance to the bank. It is predicted that such situation may result in increased credit risk and deterioration in credit quality within the scope of corporate and commercial banking activities.</p>	<p>At Yapı Kredi, risks connected with water stress are among matters considered within scope of ESRA system. Outputs of ESRA study may be taken into account in respect of limit allocation decisions during loan allocation processes. Besides, at the Bank, priority is given to financing of hydroelectric projects located in water basins with low water stress.</p>	<p>Yapı Kredi evaluates relevant projects depending on their impact upon water resources within scope of ESRA system. The Bank continues its efforts to effectively analyze changes in income, expenses and assets, taking into account water-related risks, and to use them more actively in financial planning processes. Working to increase financing resources and risk management for water stress, Yapı Kredi has included organic agriculture and hydroelectric power plant projects that meet certain criteria within the scope of its Sustainable Finance Framework.</p>
Description of Risk Water Stress				
Due Date of Risk Medium, Long		<p>Disruptions in the operations of customers operating in the water-dependent agriculture, energy and manufacturing sectors could result in loss of revenue and, consequently, serious erosion of loan collateral values. Decreases in food production may also increase inflationary pressures, which may indirectly affect the spending and payment behavior of retail customers.</p>		
Probability of Risk High				
Potential Impact Low				
Type of Impact Expected				
Country / Region where Risk has occurred Türkiye				
Value Chain Impacted Downstream (Loan Portfolio)				
Estimated Financial Impact Increasing Credit Risk				



Opportunity Information	Description of Opportunity	Impact of Opportunity upon Cash Flow, Access to Finance and Capital Cost	Acquired by Yapı Kredi Actions	Impact upon Strategy and Decision Making Processes
Description of Opportunity Products and Services - Diversification and Expansion of Sustainable Product Portfolio	<p>The expected increase in demand for products connected with climate change, coupled with changing stakeholder expectations and regulations regarding sustainable/green financing, creates potential opportunities for Yapı Kredi to develop new products that meet this demand and expand its existing sustainable product portfolio.</p> <p>In this sense, the Green Asset Ratio regulation published by the BRSA, which aims to measure and monitor banks' contributions to the financing of environmentally sustainable economic activities, is expected to be a driving force for banks to expand their green loan portfolios in the long term.</p>	<p>Products and services connected with climate change that Yapı Kredi will offer to its corporate, commercial and retail customers can help the Bank adapt to the regulatory environment shaped by climate change by facilitating access to new customer segments, thereby gaining a competitive advantage and increasing its revenues.</p>	<p>Yapı Kredi prioritizes green and sustainable projects, with the awareness that finance sector plays a transformative role in respect of sustainability, and offers varying products and services with sustainability theme. The Bank supports its customers in the transition to sustainable business models with products such as sustainability-related loans, renewable energy and energy efficiency loans, and Eco-Friendly Mortgages. The Bank sets goals based on the customer's sustainability performance and provides favorable loan terms based on performance achievements through sustainability-related loan products. Additionally, the Bank promotes gender equality with product packages for women entrepreneurs and carries out various communication activities to raise sustainability awareness among its customers.</p>	<p>The Bank aims to encourage low-carbon investments and align its loan portfolio with climate targets within the scope of the Net-Zero Roadmap created for the SBTi and NZBA targets. In this context, it continues to work on prioritizing renewable energy and energy efficiency projects in decision-making processes as well as on developing sustainable finance products and integrating them into business strategy. The Bank has shared its strategy within scope of priority sectors with the public through Net-Zero Roadmap published by it.</p>
Maturity Date for Opportunity Short, Medium, Long				
Probability of Opportunity Very High				
Potential Impact Medium				
Type of Impact Realized				
Country / Region where Opportunity has occurred Türkiye				
Value Chain Impacted Downstream				
Estimated Financial Impact Rise in Income due to Increased Demand for Products				



Opportunity Information	Description of Opportunity	Impact of Opportunity upon Cash Flow, Access to Finance and Capital Cost	Acquired by Yapı Kredi Actions	Impact upon Strategy and Decision Making Processes
Description of Opportunity Access to Financing - Use of Sustainable Debt Instruments	Financing instruments such as syndicated loans connected and green bonds connected with sustainability offer the opportunity to raise funds with a relatively low cost of capital. Increasing investor interest in these products is becoming important in line with stakeholder expectations and developments in the regulatory environment. In this context, Yapı Kredi's focus on these tools within its treasury management activities creates an opportunity for access to low-cost financing.	Access to sustainable finance sources and increased funding diversity make it possible to access relatively low-capital funds. This supports the Bank in gaining competitive advantage by increasing its financing activities focusing on sustainability and climate change. Besides, the effective use of these resources is considered an important element that can contribute to increasing revenues, reducing the weighted average cost of capital and facilitating access to capital.	Yapı Kredi aims to contribute to the SDGs determined by the UN by directing the financing resources it acquires in line with the Sustainable Finance Framework to projects that provide environmental and social benefits. In this context, it is intended to position sustainable finance instruments as an effective instrument that is compatible with funding strategies.	The Bank aims to finance activities and business models which are sustainable with low impact upon climate change within scope of Sustainable Finance Framework, updated under ICMA principles in July 2024, and SBTi and NZBA commitments. Access to sustainable finance instruments plays a critical role in achievement of the said targets.
Maturity Date for Opportunity Short, Medium, Long				
Probability of Opportunity Very High				
Potential Impact High				
Type of Impact Realized				
Country / Region where Opportunity has occurred Türkiye				
Value Chain Impacted Upstream				
Estimated Financial Impact Decline in Cost of Capital	Yapı Kredi issued the first sustainable syndicated loan with participation of 46 banks from 25 countries as of May 2024. The syndication loan with a term of 367 days consists of 2 tranches in USD and Euro. Such loan with a total amount of USD 442 million and EUR 454 million will be made available in compliance with Sustainable Finance Framework of Yapı Kredi, as updated in July 2024. The Bank has renewed the second syndication transaction with a total amount of USD 605 million and EUR 410 million with a term of 367 days, in 2 tranches in USD and Euro, in compliance with Sustainable Finance Framework in November 2024. The Loan has been allocated in two different types of currency with participation of 45 banks from 24 countries.			



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[\(Convenience Translation of Auditor's Limited Assurance Report Originally Issued in Turkish\)](#)

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED UNDER THE TURKISH SUSTAINABILITY REPORTING STANDARDS OF YAPI VE KREDİ BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

To the General Assembly of Yapı ve Kredi Bankası Anonim Şirketi,

We have been assigned to perform limited assurance engagement on the information (“Sustainability Information”) presented in accordance with the Türkiye Sustainability Reporting Standards 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Türkiye Sustainability Reporting Standards 2 “Climate-Related Disclosures” of Yapı ve Kredi Bankası Anonim Şirketi and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2024.

Our assurance engagement does not include the information related to prior periods and other information associated with Sustainability Information (including any images, audio files, website links or embedded videos).

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the section “Summary of the Work we Performed as the Basis for our Assurance Conclusion”, nothing has come to our attention that causes us to believe that Group’s Sustainability Information for the year ending December 31, 2024, has not been prepared in accordance with the Türkiye Sustainability Reporting Standards (“TSRS”), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“POA”) in the Official Gazette dated December 29, 2023 and numbered 32414(M). We do not provide any assurance conclusion regarding the information related to prior periods and any other information associated with the Sustainability Information (including any images, audio files, website links or embedded videos).

Inherent Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to inherent uncertainties due to lack of scientific and economic information. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.



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Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Group's Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Türkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- Additionally, the Group Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those Charged with Governance is responsible for overseeing the Group's sustainability reporting process

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group Management.

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements "3410 Assurance Engagements on Greenhouse Gas Statements", issued by POA.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors, issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.



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Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information,

- Face-to-face and online interviews were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to review and assess the sustainability related information.
- The disclosure and presentation of sustainability-related information have been evaluated.
- Through inquiries, we obtained an understanding of Group's control environment and information systems relevant to the preparation of the Sustainability Information. However, we did not evaluate the design of particular control activities, we did not obtain evidence about their implementation or we did not test their operating effectiveness.
- The appropriateness and consistency of the Group's estimation development methods were evaluated. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi A member firm of Ernst & Young Global Limited



Aykan Üsenti, SMMM
Partner

30 July 2025
İstanbul, Türkiye

A member firm of Ernst & Young Global Limited

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Contact

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Phone	0212 339 70 00
Fax	0212 339 60 00
SWIFT Code	YAPITRIS
Website	http://www.yapikredi.com.tr/
Branch Information	It is possible to have access to Yapı Kredi branch access via the Bank's website.
Social Media Details	Yapı Kredi has an active position at social media through Facebook, Twitter, Instagram, LinkedIn, TikTok, Google+ and YouTube channels. The Bank is referred to as Yapı Kredi under all these channels.

You may send your queries, opinions and suggestions regarding the Report, to Yatirimciliskileri@yapikredi.com.tr and surdurulebilirlik@yapikredi.com.tr.



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