



TSRS COMPLIANT SUSTAINABILITY REPORT | 2025



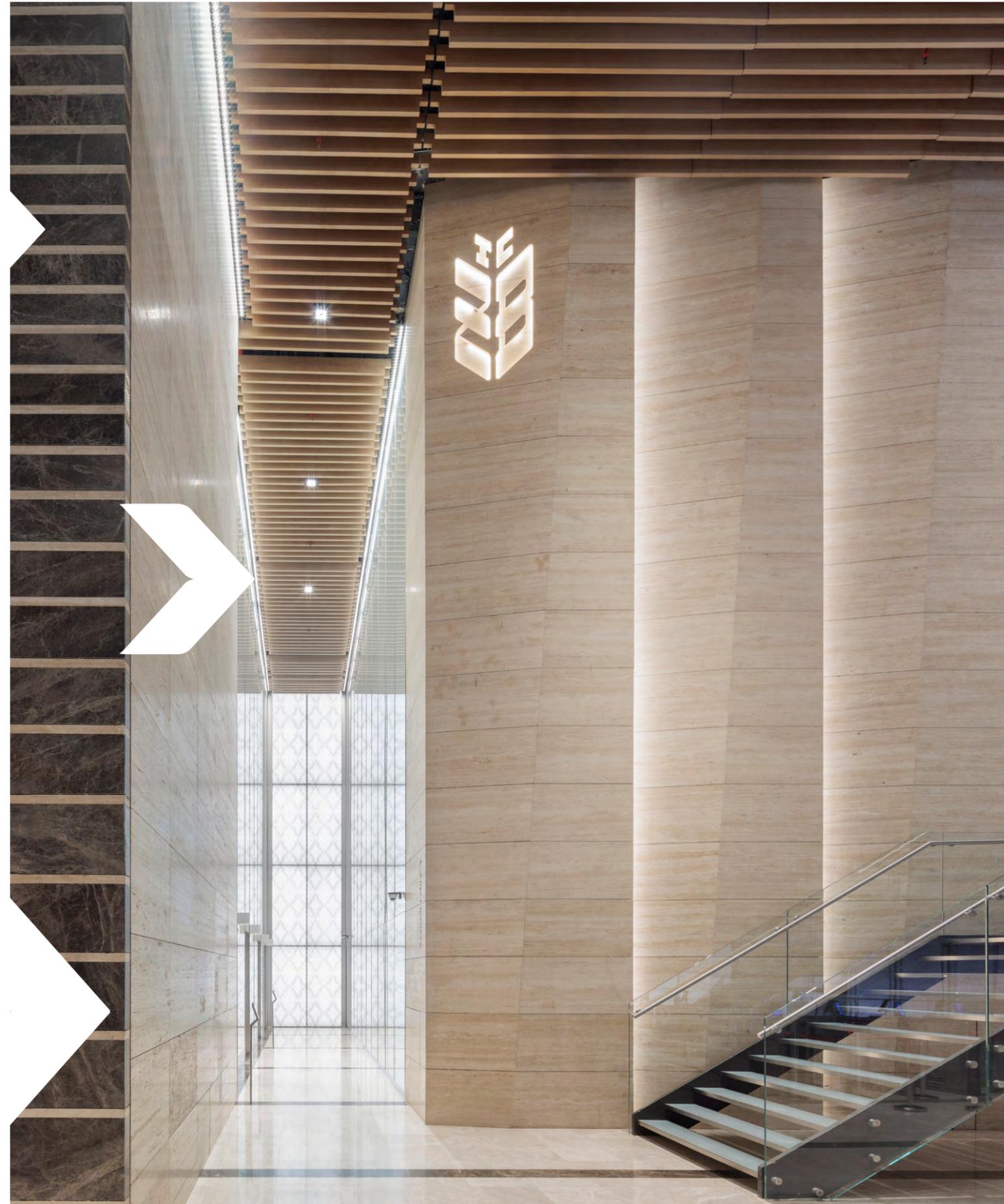
162 years

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 **Ziraat Bank**

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About the Report

Strategic Framework and Purpose of the Report

T.C. Ziraat Bankası A.Ş. (hereinafter referred to as “Ziraat Bank” or the “Bank” in this report) considers sustainability as an integral part of its business strategy and responsible banking approach. This report has been prepared in line with the principles of transparency and accountability adopted by the Bank towards all its stakeholders, primarily the citizens of the Republic of Türkiye as its core stakeholders.

The main purpose of this report is to explain the framework under which Ziraat Bank and its subsidiaries subject to consolidation (collectively referred to as the “Ziraat Finance Group”) manage climate-related material risks and opportunities that could reasonably be expected to affect their cash flows, access to finance or cost of capital in the short, medium or long term, and to disclose the current and anticipated impacts of these factors on the Bank’s financial position, financial performance and cash flows.

This report aims to present, through concrete, verifiable and comparable data, the Bank’s contributions to Türkiye’s strategic priorities and sustainable development goals, and has been prepared in accordance with the structure prescribed by the Türkiye Sustainability Reporting Standards (TSRS).

The report includes information expected to be disclosed under four core categories- “Governance”, “Strategy”, “Risk Management”, and “Metrics and Targets”- in line with the standards set by the Public Oversight, Accounting and Auditing Standards Authority (POA).

Reporting Standards and Compliance

This report has been prepared in full compliance with TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures, as issued by POA.

In addition, within the scope of the work carried out by the International Sustainability Standards Board (ISSB), the following industry-based guidance derived from the Sustainability Accounting Standards Board (SASB) Standards has been taken into consideration in the reporting process:

- Appendix Volume 15 - Asset Management & Custody Activities
- Appendix Volume 16 - Commercial Banks
- Appendix Volume 18 - Investment Banking & Brokerage
- Appendix Volume 36 - Real Estate
- Appendix Volume 58 - Software & IT Services

Within the scope of the Board Decision dated 30 December 2025 on the exemptions applicable in the 2025 reporting period for entities preparing sustainability reports in accordance with TSRS for the 2024 reporting period, the transitional reliefs provided under TSRS 1 have been utilized. Accordingly, as in 2024, the provisions of TSRS 1 have been applied in 2025 only to the extent of disclosing information on climate-related risks and opportunities.

Fundamental Principles of the Report

Core Principles: In the preparation of this report, the qualitative characteristics defined under TSRS 1-faithful representation, comparability, verifiability, timeliness and understandability- have been taken as a basis.

Comparative Information and Exemptions: In the second annual reporting period under TSRS, disclosures required by the Standard are mandated to be presented on a comparative basis with the information disclosed in the previous reporting period. Accordingly, this report includes comparative information for the 2024 financial year. In addition, benefiting from the exemption granted for the first two years, Scope 3 greenhouse gas emissions have not been disclosed in this report.

Prospective Statements: This report may include forward-looking statements regarding Ziraat Bank’s plans, targets and expectations for future periods. Such statements are based on assumptions and conditions prevailing as of the reporting date. However, due to risks and uncertainties that may arise in the future, actual results may differ from those expressed in these statements.



About the Report

Information Related to Financial Disclosures

This report constitutes an integral part of Ziraat Bank’s corporate reporting suite. The corporate reporting suite comprises a set of reports that present the Bank’s financial, operational and sustainability performance to its stakeholders in a holistic and transparent manner. In order to enable a comprehensive assessment of the impacts of sustainability matters on the Bank’s overall performance, it is recommended that this report be read in conjunction with Ziraat Bank’s 2025 Integrated Annual Report and the consolidated financial report as of 31 December 2025 prepared in accordance with the regulations of the BRSA.

The same datasets and assumptions used in the 2025 financial statements have also been used in this report. Comparative information presented to enable monitoring of changes in reported performance over time covers the 12-month period between 1 January and 31 December 2024. Unless otherwise stated, monetary amounts presented in this report are expressed in Turkish lira (TL).

About the Report

Materiality Assessment

Ziraat Bank considers both qualitative analyses and quantitative thresholds in assessing whether the financial impact of a climate-related risk or opportunity is “material.” Performance and capital indicators commonly used in the banking sector are taken as the primary criteria in determining the financial materiality threshold. In this context, for the 2024 and 2025 reporting periods, potential impacts exceeding 1% of the Bank’s consolidated equity have been defined as the quantitative materiality threshold.

As of 31 December 2025, this threshold corresponds to **TL 7.33 billion**, representing 1% of consolidated equity amounting to **TL 733 billion**. In addition to this quantitative assessment, other potential non-financial impacts are also analyzed qualitatively and classified as “low,” “medium,” or “high,” and are taken into consideration in decision-making processes.



About the Report

Reporting Enterprise Boundaries and Measurement Approach

This report covers the one-year reporting period from 1 January 2025 to 31 December 2025. The information, data and disclosures presented in the report include the activities of Ziraat Bank and its financial and non-financial subsidiaries subject to consolidation.

In 2024, the Bank determined its organizational boundaries for greenhouse gas emissions reporting based on the financial control approach among the operational control, financial control and equity share approaches defined under the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). No changes were made to the determination of organizational boundaries in the 2025 reporting period.

Accordingly, in line with the consolidation principles of the Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), greenhouse gas emissions arising from all activities under the Bank’s financial control are included in the Group’s greenhouse gas inventory. This approach is applied with due consideration to the principles of consistency and comparability across reporting periods.

The consolidated information presented in this report covers Ziraat Bank (Parent Bank), together with its subsidiaries and jointly controlled entities under the Bank’s financial control, as listed below.

Title	Address (City/Country)	Main Activities	2025 Parent Bank’s Share Percentage (%)	2024 Parent Bank’s Share Percentage (%)
Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	Brokerage Houses	99.60	99.60
Ziraat Portföy Yönetimi A.Ş.	Istanbul/Türkiye	Portfolio Management	74.90	74.90
Ziraat Katılım Bankası A.Ş.	Istanbul/Türkiye	Banking	100.00	100.00
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	Real Estate	81.06	81.06
Ziraat Finansal Yatırımlar A.Ş.	Istanbul/Türkiye	Financial Investments	100.00	100.00
Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş.	Istanbul/Türkiye	Vehicle Leasing	100.00	100.00
ZG Tarım Piyasaları A.Ş.	Istanbul/Türkiye	Livestock and Agricultural Production	100.00	100.00
ZY Elektrik ve Traktör San. ve Tic. A.Ş.	Istanbul/Türkiye	Electric Vehicle Manufacturing	50.00	50.00
MESA İmalat Sanayi ve Ticaret A.Ş.	Ankara/Türkiye	Manufacturing	45.00	45.00
Ziraat Dinamik Banka A.Ş.	Istanbul/Türkiye	Banking	100.00	100.00
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	Istanbul/Türkiye	Payment Services	100.00	100.00
Ziraat Bank International AG	Frankfurt/Germany	Banking	100.00	100.00
Ziraat Bank BH d.d.	Sarajevo/Bosnia and Herzegovina	Banking	100.00	100.00
Ziraat Bank (Moscow) JSC	Moscow/Russia	Banking	99.91	99.91
Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	Banking	99.92	99.92
Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	Banking	99.98	99.98
Ziraat Bank Montenegro AD	Podgorica/Montenegro	Banking	100.00	100.00
JSC Ziraat Bank Georgia	Tbilisi/Georgia	Banking	100.00	100.00
Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	Banking	100.00	100.00
Ziraat Finansal Kiralama A.Ş.	Istanbul/Türkiye	Financial Leasing	100.00	100.00
Ziraat Teknoloji A.Ş.	Istanbul/Türkiye	Information Technologies	100.00	100.00
Ziraat Bank Kosova JSC	Pristina/Kosovo	Banking	100.00	-
Turkmen Turkish Joint Stock Commercial Bank	Ashgabat/Turkmenistan	Subsidiary Bank	50.00	50.00

About the Report

Transitional Exemptions

The Bank benefits from the following transition reliefs under TSRS 1, within the scope of the Board Decision dated 30 December 2025 on the Exemptions applicable in the 2025 reporting period for entities preparing sustainability reports in accordance with TSRS for the 2024 reporting period:

- **TSRS 1-E4(a):** Sustainability- and climate-related financial disclosures are published after the financial statements for the period 1 January 2025 - 31 December 2025 are disclosed.

- **TSRS 1-E5:** Only information related to climate-related risks and opportunities is disclosed. Accordingly, this report includes only financial disclosures related to climate-related risks and opportunities.

- **TSRS 1-E6(b):** In the second annual reporting period in which the Standard is applied, it is not mandatory to disclose comparative information on sustainability-related risks and opportunities other than climate-related risks and opportunities. In this context, comparative information on sustainability-related risks and opportunities is not presented.

In addition, under the Board Decision on the Scope of Application of TSRS - Provisional Article 3, disclosure of Scope 3 emissions is not mandatory in the first two annual reporting periods in which the Standard is applied. Accordingly, Scope 3 indirect greenhouse gas emissions for 2024 and 2025 are not presented in this report.

Abbreviations

Institutions and Organizations

Abbreviations	Definition
BRSA	Banking Regulation and Supervision Agency
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
NGFS	Network for Greening the Financial System
PCAF	Partnership for Carbon Accounting Financials
POA	Public Oversight Accounting and Auditing Standards Authority
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-related Financial Disclosure
TSPB	Türkiye Capital Markets Association
UN	United Nations
UNEP-FI	United Nations Environment Programme Finance Initiative

Data Reliability and Independent Assurance

Ziraat Bank adopts the accuracy and reliability of the information and data presented in this report as a fundamental principle. In this context, all indicators included in the report, including Scope 1 and Scope 2 greenhouse gas emissions data for 2025, have been subject to a limited assurance engagement conducted by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (PwC) in accordance with Assurance Engagement Standard (GDS) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and GDS 3410 "Assurance Engagements on Greenhouse Gas Statements."

The assurance engagement has also taken into consideration the report's compliance with TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures. The independent auditor's limited assurance report is presented in the "Appendices" section of the report.

Contact Details

For questions, feedback, or suggestions regarding this report, you can contact via surdurulebilirlik@ziraatbank.com.tr.

About the Report

Technical Abbreviations

Abbreviations	Definition
CAPEX	Capital Expenditure
CBAM	Carbon Border Adjustment Mechanism
CH ₄	Methane
CO ₂	Carbon Dioxide
ECL	Expected Credit Loss
EGD	European Green Deal
ESAP	Environmental and Social Action Plans
ESRA	Environmental and Social Risk Analysis
GAR	Green Asset Ratio
GDS	Assurance Engagement Standard
I-REC	International Renewable Energy Certificate
ICAAP	Internal Capital Adequacy Assessment Process
N ₂ O	Nitrous Oxide
NDC	Nationally Determined Contribution
OPEX	Operating Expenditure
PD	Probability of Default
RCP	Representative Concentration Pathways
SEGM	Sustainability Learning, Development and Excellence Association
SPP	Solar Power Plant
TARSIM	Agricultural Insurance Pool
TFRS	Türkiye Financial Reporting Standards
TSRS	Türkiye Sustainability Reporting Standards

Other

Abbreviations	Definition
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
ETS	Emissions Trading System
IT	Information Technologies
RAMSAR	Wetlands of International Importance
SMEs	Small and Medium-sized Enterprises
SMS	Sustainability Management System

162 *years*

 **Ziraat Bank**

Ziraat Bank **at a Glance**

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14 Business Model and Value Chain



Ziraat Bank at a Glance

About Ziraat Bank

As Türkiye's most established bank, Ziraat Bank has been an integral part of the country's economic and social development since its foundation in 1863. With its long-standing institutional heritage, the Bank has reached its 162nd year of operations and continues to position itself as a key driver of development. In line with its vision of "More Than a Bank," Ziraat Bank does not limit its banking activities to the provision of financial services, but positions itself as an effective participant in a broader value chain extending from production to development.

Ziraat Bank is Türkiye's leading bank, serving millions of customers across retail, corporate and agricultural banking segments. Developing financial solutions across a wide spectrum-from the sustainability of agricultural production to the advancement of industry and trade-the Bank has strengthened its position in the sector, particularly through its historical leadership in agricultural banking and its strong market share in corporate lending. Ziraat Bank adopts a customer-focused approach and considers delivering solutions tailored to evolving financial needs as its core mission.

As of 31 December 2025, Ziraat Bank's consolidated total assets reached TL 9.3 trillion (2024: TL 5.951 trillion). With its strong balance sheet structure and extensive deposit base, the Bank ranks among the leading institutions in the Turkish banking sector. Total deposits amounted to TL 6.1 trillion (2024: TL 4.2 trillion), while total equity reached TL 733 billion (2024: TL 481.3 billion). These figures clearly demonstrate the Bank's financial resilience and systemic importance.

Integrating sustainability into its business strategy, the Bank assumes an active role in combating climate change and supporting the transition to a low-carbon economy. In this context, it aims to specialize in areas that support the green transition-particularly sustainable agricultural finance and renewable energy investments-and to contribute to transformation across the sector.

Corporate Position and Value Creation

As of year-end 2025, Ziraat Bank, as the bank with the most extensive branch network in Türkiye, extends access to financial services across the country. In line with its strong financial structure, corporate governance approach, and sense of responsibility toward society, the Bank continues to create long-term and sustainable value.

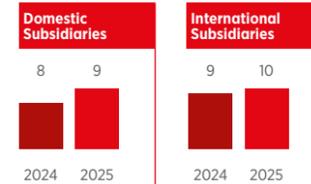
Strategic Focus Areas and Customers

The Bank's business model covers a broad and diversified customer base ranging from farmers to Türkiye's leading industrial groups, and from retail customers to public institutions. While Ziraat Bank provides services to its customers through Türkiye's most extensive branch and ATM network, it also strengthens digital access through continuously enhanced mobile and internet banking channels. Among the Bank's strategic priorities are the modernization of the agricultural sector and enhancing its resilience to climate change, while also placing emphasis on meeting the financing needs of the green transformation of industry, energy, and all other sectors.

Access to Financial Services and the Financial Inclusion



International Operations



Capital and Shareholding Structure

Ziraat Bank's paid-in capital amounts to TL 84,600,000,000, all of which is owned by the **Türkiye Wealth Fund**. The share capital consists of 84,600,000 registered shares, each with a nominal value of TL 1.

Türkiye
Wealth Fund
100%



Management and Organizational Structure

Ziraat Bank's organizational structure is designed based on the principles of strategic orientation, transparent governance and operational excellence. The Bank's long-term objectives and core policies are determined by the Board of Directors, which is the highest decision-making body.

The committees operating under the Board of Directors are as follows:

Committees Reporting to the Board of Directors

- Audit Committee
- Corporate Governance Committee
- Credit Committee
- Remuneration Committee
- Sustainability Committee
- Other committees established for the Bank's specific areas of expertise

These committees ensure the highest level of implementation of corporate governance standards, effective risk management and the accuracy of financial reporting.

The operational structure consists of core functions managed by Executive Vice Presidents reporting to the Chief Executive Officer. These functions include key units such as Agricultural Banking, Corporate Banking, Retail Banking, Treasury Management and International Banking, as well as supporting departments such as Project Finance and Sustainability, Risk Management, Internal Audit and Compliance, and Information Technologies Management.

Business Model and Value Chain

Business Model

In line with the responsibility arising from being Türkiye's largest bank and leading public bank with its business model, Ziraat Bank aims to contribute to the country's sustainable development, to address the financial needs of different segments of society from a holistic perspective, and to create long-term value by delivering effective solutions through the most extensive distribution channels.



Ziraat Bank at a Glance

Business Model and Value Chain

Value Chain

Upstream Value Chain Suppliers, Business Partners and Public Authorities



Funders

Domestic and international debt markets, international development finance institutions, syndication and bond investors



Technology and Infrastructure Suppliers

Ziraat Teknoloji A.Ş., software and IT service providers, hardware and data center operators



Professional Service Providers

Audit, consulting, legal, marketing and training firms



Operational Suppliers

Branch construction/renovation contractors, security companies, logistics and transportation services



Energy and Telecommunication Suppliers

Electricity, telecommunications and internet service providers

Direct Operations Principal Activities



Commercial Banking

Retail, corporate, commercial and agricultural banking products and services; deposits, loans, foreign trade finance, payment systems; sustainable agriculture and renewable energy financing



Participation Banking

Interest-free banking services



Investment Banking and Brokerage

Capital market transactions, securities trading, investment advisory



Asset Management and Custody Services

Fund management, venture capital investments



Real Estate

Real estate projects and investment portfolio management



Financial Leasing

Leasing services



Software and IT Services

Digital banking, electronic money and payment systems

Downstream Value Chain Customers and Stakeholders



Retail Customers

Individuals utilizing savings, credit, investment and insurance services



Corporate and Commercial Customers

SMEs, large-scale industrial and commercial enterprises, exporters, public institutions



Agricultural Producers

Farmers, agricultural cooperatives, agricultural industry supply chains



International Customers

Retail and corporate customers in Germany, Bosnia and Herzegovina, Montenegro, Azerbaijan, Russia, Kazakhstan, Uzbekistan, Kosovo, Georgia and Turkmenistan through overseas subsidiary banks



Investors and Capital Market Participants

Bond and sukuk investors, fund investors, stock exchange investors

Ziraat Bank at a Glance

162 *years*

 **Ziraat Bank**

Governance

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- 26** Setting Climate Goals and Performance Management



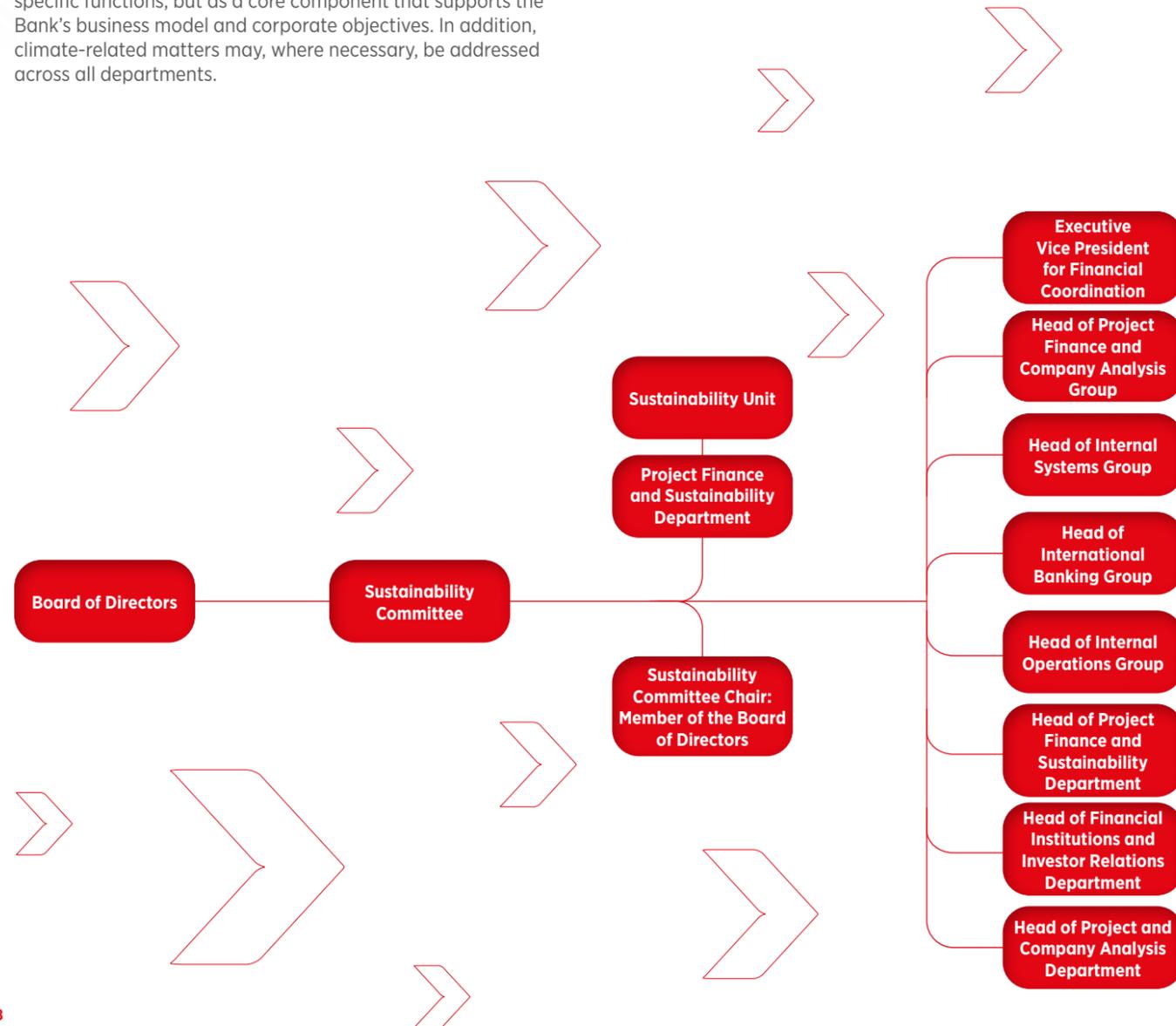
Governance

Sustainability Governance Structure

Ziraat Bank manages sustainability- and climate-related risks and opportunities through a multi-layered governance model supported by high-level strategic oversight, institutional coordination and regular reporting mechanisms. Through this structure, sustainability and climate change are addressed in alignment with the Bank's strategic priorities, while decision-making processes are managed holistically together with monitoring and performance evaluation practices.

The Bank's approach is based on an understanding that evaluates economic, environmental and social factors from a long-term value creation perspective. In this context, sustainability is positioned not merely as the responsibility of specific functions, but as a core component that supports the Bank's business model and corporate objectives. In addition, climate-related matters may, where necessary, be addressed across all departments.

In addressing climate-related matters within the Bank, an institutional framework has been adopted that enables policy development, monitoring of targets, assessment of risks and opportunities, and the progression of decision-making processes under the oversight of the Board of Directors. Within this framework, sustainability governance is supported by a working structure in which senior management and relevant units contribute directly, thereby strengthening both managerial ownership and operational coherence.



Governance

Duties and Responsibilities of the Board of Directors

At Ziraat Bank, the ultimate responsibility for the management of climate-related risks and opportunities rests with the Board of Directors. In determining the Bank's strategic direction, the Board considers sustainability as one of the core components of the business model and directly oversees the processes related to the establishment of long-term targets, approval of the policy framework and monitoring of performance. In this context, the sustainability strategy and targets are shaped in line with the high-level framework set by the Board of Directors and the Sustainability Committee.

While the Board of Directors retains ultimate responsibility and strategic approval authority for climate-related matters, it has delegated the monitoring of activities carried out within this scope to the Sustainability Committee in order to ensure the effective functioning of operational coordination processes. This structure enables climate-related matters to be managed in an integrated manner across decision-making, monitoring and institutional integration dimensions.

Committees and Divisions Supporting the Board of Directors

The operational coordination of sustainability management and integration across governance bodies is carried out through the Sustainability Committee operating under the Board of Directors. The Sustainability Committee assumes primary responsibility across all stages, including the planning, development and implementation of sustainability- and climate-related policies, the monitoring of outputs and the reporting of results. In addition, the Committee is responsible for ensuring alignment among relevant business units, monitoring annual targets, tracking climate-related opportunities and integrating climate-related risks into corporate risk management processes.

The Sustainability Committee, which is one of the key components of the Bank's sustainability governance, is chaired by Board Member Mr. Fazlı Kılıç. The Committee is structured as a multidisciplinary body composed of senior executives representing different areas of the Bank's operations. This composition supports the integrated assessment of climate-related matters with the Bank's core functions, including financing, risk management, internal systems, international funding, operational processes and investment analysis. Furthermore, with the appointment in 2024 of the Head of Internal Systems Group, to whom the Risk Management Department reports, as a permanent member of the Sustainability Committee, the representation and coordination of the risk management function within the sustainability governance structure have been further strengthened.

Ziraat Bank Sustainability Committee Members	
Fazlı KILIÇ - Member of the Board of Directors	Chairman of the Board
Süleyman YALÇIN - Executive Vice President for Financial Coordination	Member
Berrin MAHMUTOĞLU - Head of Project Finance and Corporate Analysis Group	Member
Dr. Ertan ALTIKULAÇ - Head of International Banking Group	Member
Himmet AKSOY - Head of Internal Operations Group	Member
Ali ARAS - Head of Internal Systems Group	Member
Utku GÜNDEŞ - Head of Project Finance and Sustainability Department	Member
Remziye Ebru TAN- Acting Head of Financial Institutions and Investor Relations Department	Member
Ahmet KÖSE - Head of Project and Company Analysis Department	Member

Meetings of the Sustainability Committee may be expanded, depending on the scope of the agenda and needs, with the participation of relevant Executive Vice Presidents and Department Heads. In this way, a holistic assessment is ensured in decision-making processes. Decisions taken and meeting minutes are submitted directly to the Board of Directors. The Committee Chair, who is a Member of the Board of Directors, regularly informs the Board of Directors about the activities and decisions of the Sustainability Committee.

In this context, the Sustainability Committee convened 4 times in 2024 to discuss climate-related matters and adopted a total of 11 decisions. In 2025, the Committee also convened 4 times and adopted a total of 13 decisions. The Sustainability Committee reports its activities and ongoing work to the Board of Directors once a year.



Governance

Within the scope of the Sustainability Committee's activities, national and international developments, regulatory changes and current trends in the field of sustainability are systematically monitored, and their potential impacts on the Bank's operations and strategic approach are analyzed. In this context, the Committee determines priority areas of work for integrating the sustainability approach into the Bank's products and processes and plays an active role in ensuring coordination among relevant units.

The Sustainability Committee evaluates and prioritizes national and international initiatives in which the Bank will participate or contribute, and manages this process in a manner that supports the alignment of the Bank's sustainability agenda with stakeholder expectations and best practices. The Committee also coordinates efforts to determine the necessary actions and measures to ensure alignment with the Sustainable Banking Strategic Plan published by the BRSA, as well as with plans and roadmaps prepared or envisaged by other relevant authorities.

To monitor the Bank's effectiveness in environmental and social risk assessment, the Sustainability Committee also reviews and follows up on the results of Environmental and Social Risk Assessment practices throughout the year. In this context, environmental and social risks are systematically monitored not only at the policy level but also through implementation outputs. Reports submitted to the Sustainability Committee are prepared under the leadership of the **Project Finance and Sustainability Department**, with contributions from relevant units.

These reports are developed to cover a broad range of content, including risk and opportunity analyses, performance indicators, progress against targets, and national and international regulations. The Bank adopts an approach of periodically reviewing and, where necessary, updating its sustainability targets in line with changes in national policies or market conditions. In this regard, the Committee also oversees the management of processes to ensure that certification-related activities aligned with national and international standards progress in a coordinated manner across the Bank.

At the execution level, the coordination of sustainability activities within the Bank is carried out by the Project Finance and Sustainability Department, established in August 2022 under the Project Finance and Corporate Analysis Group, with the participation of relevant units. Accordingly, operational practices have been delegated to the respective management units, while the Project Finance and Sustainability Department assumes a coordinating role in the execution of day-to-day activities across the Bank. As of 2025, the team structure of the Project Finance and Sustainability Department has been expanded to support the more effective fulfillment of its duties and responsibilities.

The Risk Management Department is responsible for addressing climate-related risks from both financial and technical perspectives. This unit conducts activities related to the identification, measurement and monitoring of the financial impacts of such risks and performs periodic reporting. These reports may include findings such as the financial impacts of climate-related risks and stress test results, and are regularly submitted to the **Audit Committee** and the Board of Directors. This reporting approach supports the continuous monitoring of sustainability and climate change matters at the Bank's highest governance levels.

Roles of Management and Internal Audit Functions

At Ziraat Bank, the management of climate-related risks and opportunities is structured through the responsibilities of Senior Management and relevant departments in a way that ensures the implementation of the strategic framework defined by the Board of Directors across the Bank. In this context, the primary role of Senior Management and relevant Department Heads is to establish a seamless link between strategic direction and operational execution by aligning the Bank's sustainability and climate approach with its credit strategy, risk appetite and resource allocation, integrating defined targets into daily processes, and ensuring the effectiveness of implementation. Accordingly, climate-related activities are carried out within a two-way governance structure shaped by the high-level guidance of the Board of Directors and the Sustainability Committee, together with the analyses and recommendations of business units.

The responsibility of Senior Management is not limited to the determination of targets. The coordination of units responsible for implementation, performance monitoring, and the management of policy and practice updates are also handled under Senior Management ownership. In this regard, the Chief Executive Officer and relevant Executive Vice Presidents assume responsibility for the implementation of the sustainability strategy across the Bank and ensure its integration into the decision-making processes of relevant functions.

The coordination and technical guidance for the implementation of climate-related targets are undertaken by the Project Finance and Sustainability Department. This unit contributes to the development of the methodological framework and technical infrastructure in line with the Bank's sustainability strategy and targets. The development of sector-based approaches, identification of data requirements and coordination of relevant analyses are also carried out by this unit.

Key developments in climate-related areas are communicated to the Sustainability Committee and Senior Management to inform evaluation and decision-making processes. Monitoring of national and international ESG regulations and best practices is also carried out within this scope. The unit also contributes to the development of practices aligned with the Bank's business model and strategic priorities. In addition, ensuring coordination with relevant units and group companies to enable the consistent implementation of the sustainability approach across the Ziraat Finance Group is among the responsibilities of the Sustainability Department.

At Ziraat Bank, the management of climate-related matters is conducted in an integrated manner with the internal audit and risk management architecture, which is structured based on the **"three lines of defense"** model. In this model, each line of defense represents a different level of responsibility and control, enabling the monitoring of climate-related risks from both an implementation and independent assurance perspective.

- **The first line of defense** consists of business units and departments that are the direct implementers of processes and the primary owners of risks.

The **Project Finance and Corporate Analysis Group, Financial Coordination Deputy General Manager, Credit Allocation and Management Deputy General Manager, and Corporate and Retail Banking Deputy General Manager** are responsible for integrating climate-related policies and procedures into daily operations.

- **The second line of defense** comprises expert functions that establish policies and oversee implementation on behalf of management. In this context, **the Internal Control Department, Compliance Department and Risk Management Department** play a key role in ensuring that the climate-related agenda is conducted in alignment with the Bank's policies.

- The Internal Control Department oversees the compliance of climate-related processes with the Bank's policies, procedures and workflows. It evaluates strategic developments and practices in climate-related areas within the scope of its second line of defense function. In addition, identified areas for improvement are shared with relevant business units, contributing to the determination of corrective actions.

- As of 2025, the establishment of the Environmental Management System within Ziraat Bank has been completed. It has been structured to support the monitoring of environmental impacts, ensuring regulatory compliance and the implementation of a continuous improvement approach at the institutional level. The certification process under the ISO 14001 standard is planned to be completed in 2026 in order to further mature practices and monitor their effectiveness.

- The Compliance Department oversees that climate-related strategic initiatives and processes are conducted in alignment with national legislation, international regulations, Türkiye's climate commitments and sectoral best practices.

- The Risk Management Department develops and implements methodologies for identifying climate-related financial risks and monitors compliance with limits defined within the Bank's risk appetite framework. In addition, the Risk Management function, which is responsible for integrating climate-related risks into the corporate risk management framework, conducts stress tests in line with the Network for Greening the Financial System (NGFS) scenarios, performs analyses of credit customers' exposure to transition and physical risks, and assesses impacts on expected credit loss (ECL). The financial impacts of climate-related risks are reported on a regular basis. Accordingly, findings are communicated to both the Sustainability Committee and the Audit Committee, serving as input for decision-making processes.

- **The third line of defense** is represented by the **Board of Auditors (Internal Audit)**. The Board of Auditors provides independent and objective assurance to the Board of Directors and the Audit Committee regarding the adequacy of design and operational effectiveness of governance processes, controls and procedures established by the first and second lines of defense. In this context, the compliance of climate-related risk management processes with the Bank's policies and international standards is assessed. Improvement recommendations are developed for identified deficiencies. Thus, the climate-related agenda is regularly addressed under independent assurance reviews at a level comparable to the Bank's other risk areas.



Governance



Governance

Integration of Sustainability into Decision-Making Processes

Ziraat Bank systematically integrates the assessment of climate-related risks and opportunities into its decision-making mechanisms, extending from its strategic direction to credit allocation processes and risk management practices, in line with responsible banking principles. In this context, the sustainability approach is positioned as a core governance and management component that supports the Bank's long-term value creation perspective.

In line with an approach that supports green and inclusive economic growth, the Bank adopts as a strategic objective to operate as an institution implementing responsible banking principles. Accordingly, national and international regulations are closely monitored, and actions are planned and implemented to ensure timely alignment with evolving requirements. The Bank aims to identify potential risks in a timely and accurate manner and to develop necessary measures, thereby adopting a governance approach that enhances resilience during periods of uncertainty and crisis.

The integration of sustainability and climate change considerations into corporate decision-making processes begins with strategic approval and guidance at the Board of Directors level. While evaluating the Bank's overall strategic framework and core policy directions determined in line with its responsible banking approach, the Board of Directors also considers climate-related matters as an integral part of its decision-making processes. In this regard, the Bank adopts a roadmap aligned with national targets, and the Sustainability Committee assumes a coordinating role in the development and updating of this roadmap.

The Sustainability Committee provides guidance at both policy and implementation levels to ensure that priorities determined in line with the Bank's sustainability policy are reflected in business processes. The Committee monitors the impact of climate-related developments on the Bank's activities, supports coordination among relevant units and contributes to the integration of strategic targets into operational processes. In this context, the Bank carries out initiatives to increase the share of green transformation and sustainability-themed financial products within its portfolio. The Committee develops the Sustainable Finance Framework, ensuring that green, social and sustainable financing activities are conducted in line with defined criteria and integrated into decision-making processes.

The Bank manages its sustainability approach within the framework of the **Sustainability Policy** and the complementary **Environmental and Social Impact Management Policy**. In line with the general framework set out in the Sustainability Policy, Ziraat Bank continues its growth in a healthy manner, guided by efficiency and responsible banking principles, as a competitive, strong, high market value bank integrated with the global financial system. Within this scope, projects subject to the Environmental and Social Risk Assessment Model are classified into four risk categories, and for high-risk projects, independent expert reviews are conducted and action plans are developed. In 2025, projects with a total investment amount of USD 50 million and above were subject to environmental and social assessment processes. Following the update of the environmental and social risk assessment methodology in 2025, projects with a total investment amount exceeding USD 10 million will be subject to environmental and social risk assessment processes starting from 2026.

During the reporting period, Ziraat Bank established and actively implemented the **Sustainability Management System (SMS)** as a tool supporting the monitoring, measurement and reporting of the targets and priorities defined in the Sustainability Policy. Through the SMS, it is aimed to manage corporate carbon footprint, water footprint and financed emissions metrics in alignment with national and international standards, to measure and monitor sustainability performance, and to strengthen planning processes.

In line with the approach defined under the Sustainability Policy, the Bank continues its growth by adopting efficiency and responsible banking principles. This structure demonstrates that sustainability and climate considerations are managed as a strategic priority and as an area with long-term value creation potential within the Bank. The Bank manages trade-offs between risks and opportunities in its decision-making processes and implements necessary limitations and guidance in line with sustainability principles. Within this approach, the Bank develops practices aimed at reducing its environmental footprint while strengthening corporate transformation initiatives that support its sustainability strategies.

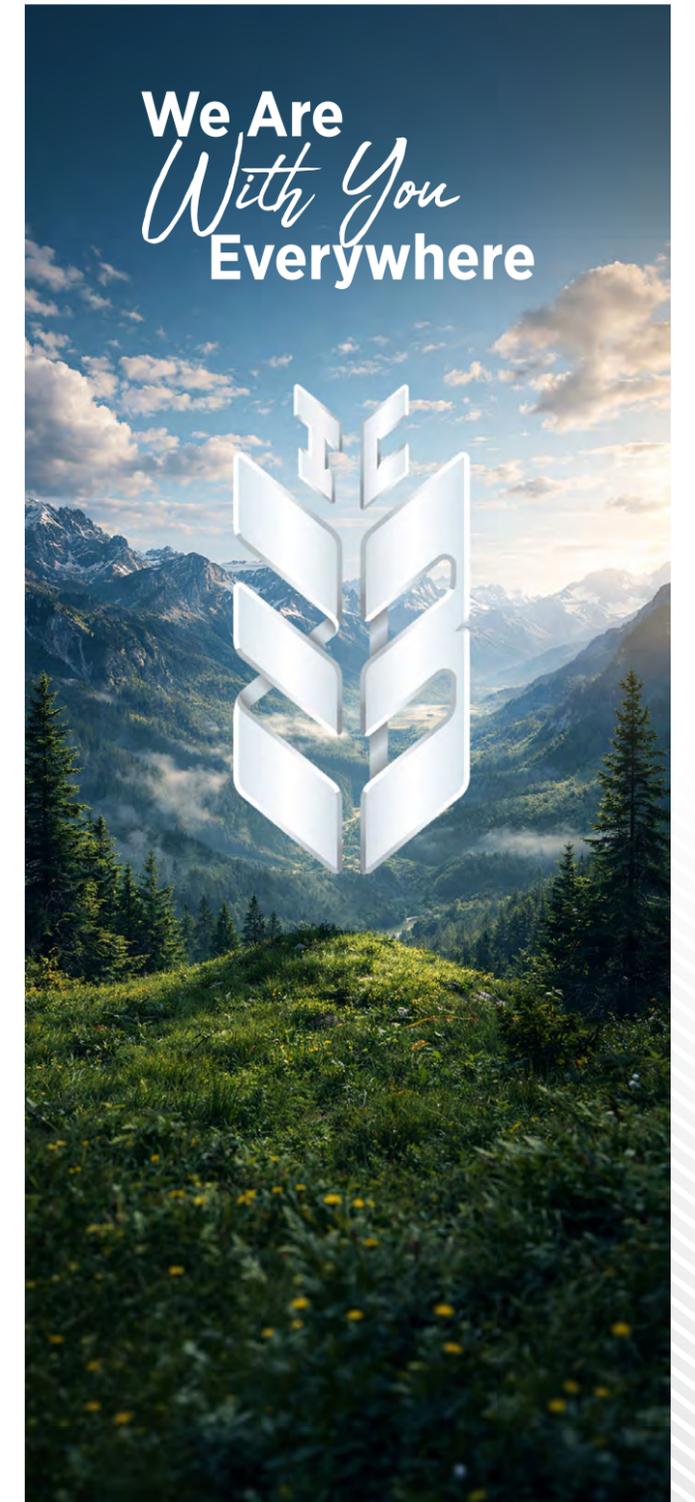
The integration of sustainability and climate considerations into decision-making processes is particularly evident in credit allocation and investment evaluation processes. When assessing large-scale investment projects and loan requests, Ziraat Bank considers environmental and social factors as a mandatory evaluation criterion alongside financial criteria. Accordingly, within the scope of the Environmental and Social Impact Management Policy in Lending Activities, high-value new investment projects are subject to the Environmental and Social Risk Assessment Model.

Under this model, projects are classified according to their environmental and social risk levels, and for high-risk projects, detailed review processes and action plan requirements are applied through independent expert assessments. The number of projects subject to the Environmental and Social Risk Assessment Model under the Environmental and Social Impact Management Policy in Lending Activities was 46 in 2024 and 49 in 2025. In addition, in line with the List of Excluded Activities, which is an integral component of the relevant policy, the Bank excludes activities prohibited under international conventions from its financing scope.

Sustainability- and climate-related risks are addressed within the Bank's overall risk management framework through a holistic approach. In this context, the Risk Management Department conducts sector-based analyses and stress tests to measure the exposure of the credit portfolio to climate risks, and based on the outputs obtained, defines specific signals and limit values for sectors with high climate risk within the scope of the **Bank's Risk Appetite Statement**. These defined limits are monitored on a regular basis, enabling climate risks to be systematically managed through core control mechanisms that reflect the Bank's risk tolerance.



Governance





Governance

Development of Corporate Sustainability Competencies

Ziraat Bank adopts the view that, in order to effectively manage sustainability- and climate-related risks and opportunities, it is not sufficient to define policies and targets alone; institutional knowledge and expertise that support decision-making, evaluation and implementation processes in these areas must also be strengthened. In this context, the Bank prioritizes the systematic development of the skills and competencies of its governance bodies and relevant employees in line with the increasing strategic importance of climate-related matters.

From the Bank's perspective, the development of institutional competencies is considered essential both for ensuring the ownership of climate-related matters at the strategic level and for their accurate reflection in operational processes. Within this framework, Ziraat Bank ensures through various mechanisms that members of the Board of Directors and the Sustainability Committee, who are responsible for overseeing climate-related risks and opportunities, possess the necessary competencies to effectively perform their duties. The Bank's approach in this regard is based on a structure that combines the assessment of existing professional experience with training and certification programs that support continuous professional development.

Ziraat Bank acknowledges that the knowledge base and professional experience of individuals serving in governance bodies provide a strong foundation for assessments in climate-related areas. In this context, the extensive experience of the Board Member chairing the Sustainability Committee, as well as other Committee members in areas such as project finance, risk management and corporate governance, contributes to addressing climate-related matters from a strategic perspective.

In addition to this experience base, Ziraat Bank has also implemented structured training and certification processes to ensure that competencies in climate-related areas are kept up to date and further developed at the institutional level. In this context, the Bank adopts a multi-layered competency development approach that encompasses both leadership at the governance level and employee groups supporting implementation processes in sustainability and climate-related areas. In line with this approach, corporate training programs are also implemented for senior management. In 2025, a total of 162 hours of sustainability awareness training was delivered to 28 senior executives.

To strengthen institutional capacity and enhance competencies in climate risk and sustainable finance, comprehensive training and awareness programs have been conducted across the Bank.

In this context, a webinar titled "Implications and Opportunities of Climate Change for Banks" was organized, and 756 managers completed the program. In addition, the Basic Training on the European Green Deal (EGD) and Türkiye's alignment process with the EGD, delivered by the Head of Project Finance and Corporate Analysis Group, was completed and the certification process was successfully finalized.

To disseminate institutional awareness across the entire organization, e-learning programs on Zero Waste and Environmental Management System (ISO 14001 - Environmental Management System and Environmental Drills) were provided to all employees. In addition, a webinar titled "Introduction to Sustainability for Bankers" was conducted, and 94 branch employees successfully completed the training.

In order to enhance technical capacity related to sustainable finance instruments and climate-friendly investment models, training on "Renewable Energy and New Investment Models" was organized. A total of 114 participants, including the Group Head, Department Heads and Managers within the Project Finance and Corporate Analysis Group, completed the program.

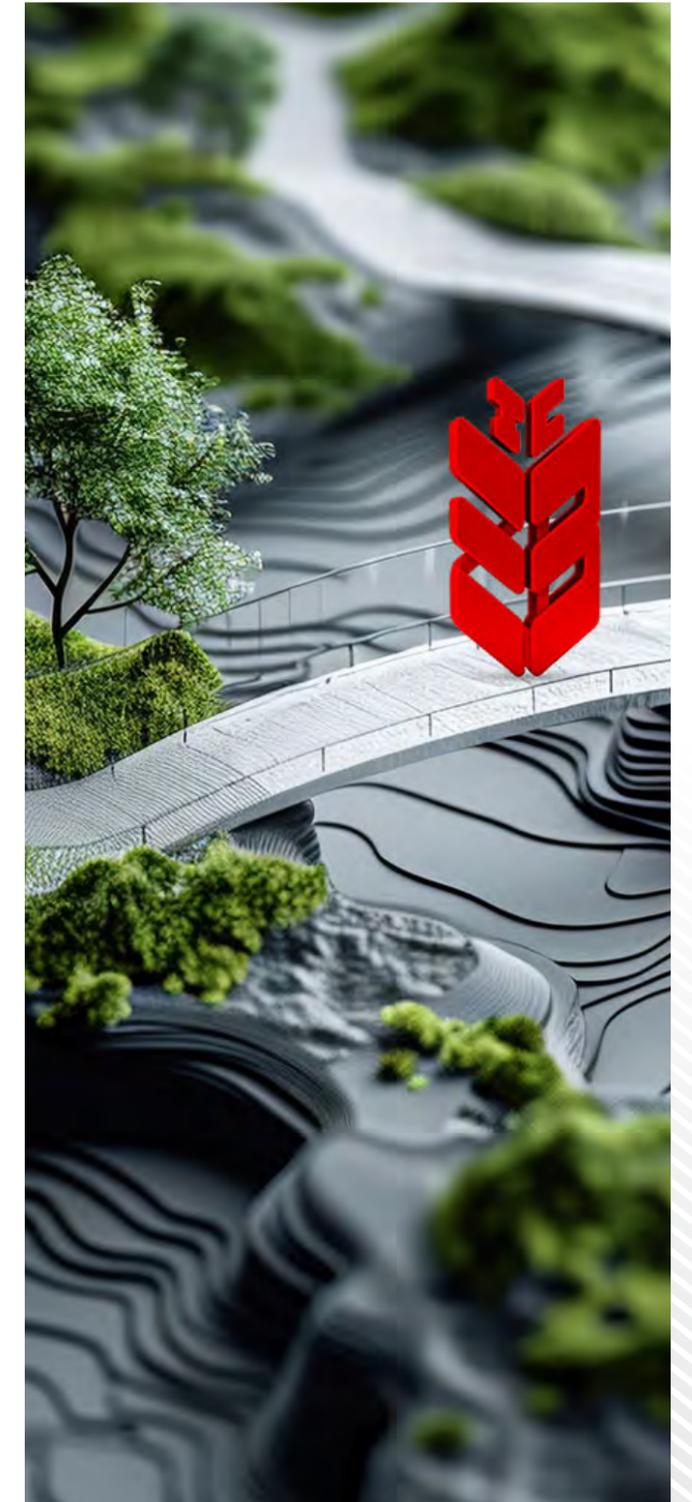
These training activities aim to support the strategic consideration of sustainability and climate change issues and to strengthen a common perspective in managerial decision-making processes.

Ziraat Bank encourages officials working in relevant units within sustainability governance to deepen their expertise through nationally and internationally recognized programs and supports them in acquiring the necessary capabilities to address potential challenges and opportunities. Employees from the Project Finance and Sustainability Department, the Board of Auditors and the Risk Management Department participated in the Sustainability Expertise Certification Program organized in collaboration with the Turkish Capital Markets Association (TSPB) and the Sustainable Learning, Development and Excellence Association (SEGM), and were awarded the Sustainability Expertise Certificate. In addition, officials from the Project Finance and Sustainability Department hold the United Nations Environment Programme Finance Initiative (UNEP-FI) Environmental and Social Risk Analysis (ESRA) Certificate.

Through such internationally recognized programs, the Bank enhances the knowledge of its managers and experts regarding global best practices and ensures that these gains are reflected in its processes. Through its sustainability-related initiatives, Ziraat Bank strengthens its institutional preparedness in response to increasing national and international regulatory expectations in this area. The Bank establishes a common knowledge base for managing environmental and social risks and assessing climate-related risks and opportunities. It aims to enhance employees' awareness levels in sustainability, supported by expertise and certification programs, thereby strengthening institutional awareness. Training and development activities carried out within this scope increase employee engagement in achieving sustainability targets, support internal motivation and reinforce ownership of sustainability across the Bank.



Governance





Governance

Setting Climate Goals and Performance Management

The effective implementation of climate-related targets is enabled through regular monitoring, management of deviations and the integration of results into decision-making mechanisms. In this context, linking performance indicators to senior management evaluation processes enhances institutional ownership. While the Bank continues its efforts to integrate climate performance indicators into remuneration policies, no final implementation has yet been adopted in this area. As a priority, it is aimed to establish TSRS-aligned, auditable and comparable datasets, and methodological and technical infrastructure studies are ongoing in this regard. In the short term, it is planned to define climate performance indicators and complete the data infrastructure. It is intended to monitor climate performance metrics, such as financed emissions and the development of the green loan portfolio, in a fair and consistent manner and to link them to incentive mechanisms in the future. Preparatory work in this area continued in 2025.

It is planned that climate-related targets will be determined through a structured governance process, subject to Board of Directors approval and under the oversight of the Sustainability Committee. In setting these targets, environmental performance, regulatory requirements, national strategies, stakeholder expectations, and risk and opportunity analyses are taken into consideration.

The Bank continues its efforts to develop sector-based climate strategies and transition roadmaps, prioritizing carbon-intensive sectors. In sectors that are both credit-intensive and emission-intensive, medium- and long-term transition plans are being developed by considering financed emissions measurement, portfolio intensity analyses and sectoral transformation dynamics. These efforts aim to establish a strategic framework aligned with the Bank's portfolio structure and national climate targets.

Climate strategies and sectoral roadmaps are addressed through a holistic approach, taking into account regulatory developments, national policy documents, international scenarios and stakeholder expectations. The work is carried out within the corporate governance structure; technical analyses are prepared by relevant units, and strategic, financial and operational impacts are evaluated together.

The Bank continues its preparatory efforts to integrate developed transition strategies into credit processes, to regularly monitor performance indicators and to link them with appropriate incentive mechanisms. Through this approach, it aims to establish a data-driven climate transition framework aligned with corporate governance principles and supporting portfolio transformation.



Governance



162 *years*

 **Ziraat Bank**

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Strategy

With the sense of responsibility arising from its 162 years of institutional experience, Ziraat Bank positions supporting the sustainable development of the Turkish economy, and in particular the long-term resilience of the agricultural sector, among its strategic priorities. In line with its “More Than a Bank” approach, the Bank adopts as a fundamental principle the creation of value aligned with social benefit, environmental responsibility, and the country’s long-term development goals, going beyond being merely an institution that provides financial services. Within this scope, the effects of climate change on the Turkish economy and the agricultural sector have been made an integral part of the Bank’s strategic assessments.

Climate change directly and indirectly affects, to a certain extent, all sectors financed by Ziraat Bank. The Bank comprehensively analyzes the effects of climate change on its financial intermediation activities. In light of the results of these analyses, it constructs its strategic roadmap in full alignment with the 41% emissions reduction target set for 2030 under Türkiye’s updated Second Nationally Determined Contribution (NDC 3.0) and the 2053 Net Zero Emissions vision. In this context, the Bank considers it a priority to integrate national climate targets into its own financing strategies and to accelerate the transition to a low-carbon economy.

The climate-related risk and opportunity analyses carried out within this framework aim to evaluate, through a holistic approach, the physical risks that may arise from climate change on the Bank’s core banking activities and loan portfolio, particularly the effects of acute and chronic climate events such as droughts and floods in the agricultural sector on loan repayment capacity; transition risks, namely the potential financial implications for the customer portfolio operating in carbon-intensive sectors arising from regulatory, market, and policy developments such as carbon pricing mechanisms, the Emissions Trading System (ETS), and the Carbon Border Adjustment Mechanism (CBAM); and, simultaneously, the climate-related opportunities emerging alongside these risks, such as the financing of renewable energy and energy efficiency investments and loan products for sustainable agricultural practices.

These analyses were conducted based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) scenarios for the assessment of physical risks, and NGFS scenarios for the analysis of transition risks and opportunities. The outputs obtained through scenario-based stress testing and forward-looking impact assessment approaches aligned with international good practices contribute to strengthening the Bank’s strategic resilience to climate change, deepening the integration of climate-related risks into existing risk management frameworks, and supporting its strategic role in the area of green finance.

Identifying Climate-Related Risks and Opportunities

Ziraat Bank treats climate-related risks as an integral part of the Bank’s existing corporate risk management architecture and manages these risks as a horizontal risk factor cutting across credit, market, operational, and liquidity risks.

Ziraat Bank evaluates climate-related risks under two main categories: physical risks and transition risks. Physical risks cover risks arising from acute effects (such as floods, frost, storms, etc.) and chronic effects (such as drought, temperature increases, water stress, etc.). For the Bank, the most significant source of physical risks is climate-related yield losses and income volatility observed in Türkiye’s agricultural production. The agricultural portfolio is exposed to a high level of physical risk due to its size within the Bank’s loan portfolio and the climate sensitivity of the country’s agriculture. The Bank assesses the effects of rising temperatures, excessive precipitation, and extreme weather events on both its own operational continuity and its credit exposures in sectors such as energy, mining, transportation, and manufacturing. Transition risks, on the other hand, arise from regulatory costs emerging during the transition to a low-carbon economy, policy changes such as CBAM and ETS, shifts in market demand, and technological transformations.

Ziraat Bank prioritizes areas such as renewable energy investments, energy efficiency practices, productivity-enhancing R&D activities, advanced technology solutions and the strengthening of digital transformation capacity, sustainable agricultural practices, and the effective use of sustainability-themed external funding. In this way, it scales up the climate-compatible transformation of its portfolio while at the same time increasing its access to new financing opportunities.

Methodology and Strategic Framework

Ziraat Bank structures its approach to the identification, assessment, and management of climate-related risks and opportunities on the basis of the Bank’s corporate governance experience, established and integrated risk management infrastructure, and sustainability-oriented banking approach. In the process of determining priority climate issues, it considers together national priorities in line with national development plans and international frameworks, particularly TCFD recommendations and the goals of the Paris Agreement. The governance of this process is provided by the Ziraat Bank Sustainability Committee, and the Committee assumes a central role in climate-related strategic assessments.

In the process of identifying climate-related risks and opportunities that may reasonably be expected to affect its future financial position, financial performance, and cash flows, the Bank has used, in line with the principles set out in TSRS 2, all reasonable and supportable information that was available without undue cost or effort.

Within this scope, the effects of climate-related events experienced in previous periods, such as droughts and floods, on production and income in the agricultural sector were taken as a reference in assessing the potential financial magnitude of physical risks. In addition, default rates and expected credit losses observed in carbon-intensive sectors during past economic crisis periods were considered as inputs in the calibration of forward-looking transition risk scenarios. In the course of the analysis, historical data, current conditions, and future projections were considered through a holistic approach.

The analysis is primarily based on the Bank’s up-to-date loan portfolio data as of December 31, 2025, together with internal information sources, most notably the 2025 Integrated Annual Report. In addition, the disclosure topics included in the TSRS 2 Industry-Based Implementation Guidance, namely Appendix Volume 15: Asset Management and Custody Activities, Appendix Volume 16: Commercial Banks, Appendix Volume 18: Investment Banking and Brokerage, Appendix Volume 36: Real Estate, and Appendix Volume 58: Software and IT Services, were taken as references.

Within this framework, the main climate risks and opportunities identified by the Bank were associated with the disclosure topics defined in the said guidance. Physical Risk (Agriculture) and Transition Risk (Carbon-Intensive Sectors - CBAM Sectors) constitute the core components of the Credit Risk (Commercial Banks) disclosure topic. The analyses performed focus on the potential effects of climate change, through physical risk channels (extreme weather events such as droughts and floods) and transition risk channels (carbon pricing and regulatory policy developments), on loan portfolio quality, collateral values, and expected credit losses. Within the scope of managing these risks, the Bank makes use of risk transfer mechanisms and develops dedicated stress testing practices for carbon-intensive sectors.

The loan portfolio analyses conducted within the scope of transition risk are directly related to the Financed Emissions (Commercial Banks) disclosure topic. By analyzing its loan portfolio in carbon-intensive sectors, Ziraat Bank identifies the areas where financed emissions are concentrated and evaluates how these areas may be affected by current and projected climate policies. The stress testing studies initiated for these sectors represent a methodological step toward measuring the risks arising from financed emissions.

The Green Finance and Sustainable Agriculture Finance opportunities identified by the Bank directly correspond to the Products and Services (Commercial Banks) disclosure topic. In this context, the Bank considers the development of financing products that will support its customers’ green transition processes and the resilience of the agricultural sector against climate change as a strategic area of opportunity.

Strategy

In addition, due to its collaboration with TARSİM, which is an important component of the agricultural lending business model, the Bank is indirectly affected by the disclosure topic “The Impact of Climate-Related Risks on Insurance Activities (Insurance)” set out in the guidance.

The increase in the frequency and severity of climate-related disasters has the potential to increase the compensation burden on TARSİM, thereby creating changes in insurance premiums and coverage terms. The indirect effects of this situation on the Bank’s credit risk are monitored from a strategic perspective.

The assessments primarily focus on the following areas:

- **Loan Portfolio:** Within the 2025 year-end transition risk stress testing studies, analyses were conducted and impacts were disclosed on a maturity- and scenario-based basis for the carbon-intensive sectors of Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer).

- **Products and Services:** The alignment of existing financial products and services with climate change is being assessed; the potential for developing new financing instruments and innovative financial products in areas such as renewable energy investments, energy efficiency practices, sustainable production models, and circular economy applications that support the transition to a low-carbon economy is being analyzed.

Time Horizons and Impact Assessment

Ziraat Bank defines the time horizons of climate-related risks and opportunities in a manner aligned with the Bank’s strategic assessment approach and financial planning processes. Within this framework, climate-related impacts are classified across short-, medium-, and long-term time horizons.

Ziraat Bank Time Horizon Definitions

Time Horizon Definition	Year Range	Time Horizon Definition
Short Term	0- 3 Years	This is the period focused on the current and immediate effects of climate change (for example, drought or flood events that may arise within a single agricultural season), urgent adaptation needs, and the financial implications of regulations currently in force. This time horizon is directly related to the Bank’s annual budget and business planning cycles.
Medium Term	3- 10 Years	This is the period during which the effects of more structural policy transformations such as CBAM and ETS, technological developments, and market trends are expected to become more apparent. This horizon overlaps with the Bank’s medium-term strategic planning perspective.
Long Term	10 Years and Beyond	This refers to a perspective in which the more deep-rooted physical and economic effects of climate change are addressed, in alignment with long-term national and international climate commitments.

Strategy

When assessing and disclosing the financial effects of climate-related risks and opportunities, Ziraat Bank has adopted, pursuant to paragraph 17 of TSRS 2, the presentation of both a single amount and a reasonable and supportable range of amounts, taking into account the nature of the quantitative information to be disclosed and the level of uncertainty. This approach is based on a methodology that is proportionate to the Bank's current capacity and resources, and that is gradual and developed over time.

In line with paragraphs 19(a) and 19(b) of TSRS 2, it has been assessed that, in some cases, it is not possible, without undue cost or effort, to reliably isolate the effects of a climate-related impact from the effects arising from other factors; and in some cases, the level of measurement uncertainty regarding the estimation of anticipated financial effects limits the usefulness of the quantitative information to users of financial reports. Ziraat Bank has applied this principle particularly under the heading Physical Risk (Credit Portfolio - Agriculture), in the disclosure of the anticipated financial effects under the RCP8.5 scenario, which is regarded as the most adverse scenario.

Climate-Related Risks

Credit Portfolio – Agriculture	
Risk Category, Time Horizon and Description	Impacts on the Business Model and Value Chain
<p>Risk Category Physical Risk - Acute and Chronic</p> <p>Risk Time Horizon Short, Medium and Long Term</p> <p>Risk Description Physical events such as drought, floods and frost, the frequency and severity of which increase due to climate change, and their adverse effects on Türkiye's agricultural production, crop yields and water resources, constitute the main risk factor. These developments may lead to a decline in farmers' income levels and loan repayment capacities; as a result, there is a risk that the Bank may face an increase in the non-performing loan ratio in its agricultural loan portfolio, a rise in expected credit loss provision expenses, and a decline in collateral values.</p>	<p>Impacts on the Business Model The materialization of the relevant risk has the potential to create impacts on the Bank's business model primarily in terms of credit risk, profitability and capital adequacy. Sudden deterioration in the agricultural loan portfolio as a result of extreme weather events may lead to an increase in the ratio of non-performing receivables and a rise in loan provisions. This may limit the adequacy of the current risk appetite and pricing models and make it necessary to integrate additional climate risk-based assessment criteria into loan allocation processes.</p> <p>In addition, requests for loan deferment, restructuring and damage assessment, which are likely to increase following large-scale agricultural disasters, may increase the workload and operational costs of the relevant operational units, particularly branches and the Agricultural Banking Department.</p> <p>Effects on the Value Chain Deterioration in credit quality within the agricultural portfolio may lead to a decline in profitability and an increase in provision expenses in the Bank's own operations. A widespread agricultural disaster may place significant pressure on national agricultural insurance systems, leading to higher insurance premiums or narrower coverage; this may increase the Bank's indirect credit risk. Farmers in the downstream value chain may, on the other hand, face production and income losses directly.</p> <p>Ziraat Bank's agricultural loan portfolio is spread across Türkiye. However, it is anticipated that the effects of physical risks such as increasing drought and water stress due to climate change on the portfolio may be more pronounced in regions where agricultural production is concentrated. As of the current reporting period, a comprehensive breakdown and mapping study regarding the effects of physical risks on the portfolio at the geographical level has not yet been completed. In the coming periods, clearer assessments are planned through the development of data capacity and the enhancement of analytical capabilities.</p>

The potential effects of climate-related risks and opportunities are assessed by taking into account their likelihood of occurrence and financial magnitude.

In classifying the financial effect of a climate-related risk or opportunity as "material," Ziraat Bank uses both qualitative assessments and quantitative thresholds. Within this scope, performance and capital indicators widely used in the banking sector have been considered as the main criteria in determining the threshold for financial materiality.

A potential effect exceeding 1% of the Bank's consolidated equity has been determined as the quantitative materiality threshold, which corresponds to TL 7.33 billion based on consolidated equity amounting to TL 733 billion as of December 31, 2025. In addition to the quantitative threshold, non-financial potential effects (such as reputation, operational processes, and strategic positioning) were also taken into consideration; these effects were classified as "low," "medium," and "high" and incorporated into the Bank's decision-making processes.

Strategy



Credit Portfolio – Agriculture	
Risk Management Strategy and Actions	Impacts of the Risk on Cash Flows, Access to Finance and Cost of Capital
<p>Risk Management Strategy Ziraat Bank adopts a risk transfer-, adaptation- and mitigation-focused strategy in managing the physical risks arising from its agricultural loan portfolio. Within the scope of this strategy, the aim is to limit the direct effects of climate-related losses on the Bank's balance sheet and to increase portfolio resilience.</p> <p>Current Actions: Among the current actions, all subsidized agricultural loans extended are insured under TARSİM, thereby transferring a significant portion of the risk. In addition, debt deferment and restructuring opportunities are offered to farmers affected by climate-related disasters; and farmers are made aware of climate risks through the "Ziraat Farmer Platform".</p> <p>Planned Actions These include the systematic integration of climate risk factors into loan assessment processes, the expansion of special financing packages that will encourage climate-resilient agricultural practices, and the development of risk maps and early warning systems that will reveal the vulnerability of the portfolio to climate risks.</p>	<p>Assessment The likelihood of occurrence of the relevant physical risk is assessed as high, and its effects are expected to continue in the short, medium and long term.</p> <p>Financial Impacts The widespread occurrence of climate-related production and income losses in the agricultural sector may lead to systematic disruptions in loan repayments, thereby adversely affecting the Bank's cash flows composed of interest and principal collections. It is possible for pressure to arise on profitability and net cash flow through increasing loan provisions. In addition, if a large-scale climate-related deterioration occurs in the agricultural portfolio, the Bank's risk profile may be perceived negatively by investors and credit rating agencies; this may create pressure on funding conditions and the cost of capital.</p> <p>At present, this is regarded as the most fundamental climate-related risk factor for Ziraat Bank. The Bank's 71% market share in agricultural lending indicates significant exposure in this area. However, the fact that 91% of agricultural loans are subsidized and that all of them are insured under TARSİM creates a strong buffer and risk transfer mechanism in risk mitigation. The 61.6% market share in TARSİM policies in 2025 indicates that this mechanism is used effectively. Thanks to the existing mitigation tools, the risk is assessed as controlled and manageable.</p> <p>Within the scope of scenario analyses, while increasing pressure on the current risk management mechanisms and manageable portfolio deterioration are envisaged under the RCP4.5 scenario, it is assessed that, under the RCP8.5 scenario, widespread and severe physical shocks may push the limits of mechanisms such as TARSİM and create serious pressure on the Bank's balance sheet.</p> <p>Under this risk, the types of potential financial effects are defined as a decrease in interest income and fees and commission income received, and an increase in expected credit loss provisions.</p>

Strategy

Strategy

Climate-Related Risks

Credit Portfolio – Carbon-Intensive Sectors	
Risk Category, Time Horizon and Description	Impacts on the Business Model and Value Chain
<p>Risk Category Transition Risk - Policy and Legal Risk</p> <p>Risk Time Horizon Short, Medium and Long Term</p> <p>Risk Description During the transition to a low-carbon economy, due to regulations such as CBAM, ETS and carbon pricing practices, customers operating in carbon-intensive sectors such as Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer) may experience increases in their cost structures and weakening competitiveness. These developments have the potential to adversely affect the cash flows and debt repayment capacities of the relevant customers, thereby leading to an increase in credit risk on Ziraat Bank's loan portfolio.</p>	<p>Impacts on the Business Model This risk affects the Bank's business model through credit risk management and provisioning mechanisms, risk modeling and expertise, strategic portfolio management and funding costs. There is significant potential for increases in the Probability Default (PD) and ECL provisions of customers operating in carbon-intensive sectors. At the same time, monitoring compliance with complex regulations such as CBAM may require the development of new areas of expertise and the establishment of more complex risk analysis models. In addition, it may become necessary to establish a strategic exit or risk mitigation plan for carbon-intensive sectors in the portfolio. The risk that the Bank's funding costs may increase depending on the carbon intensity of its loan portfolio is also among the potential effects on the business model.</p> <p>Impacts on the Value Chain An increase in ECL ratios and the need to set aside higher provisions in carbon-intensive sectors may have a direct impact on the Bank's own operations. In the upstream value chain, closer scrutiny by sustainability-focused investors of the carbon intensity of the portfolio may lead to an increase in funding costs. In the downstream value chain, customers operating in carbon-intensive sectors face direct financial pressures such as increasing carbon taxes.</p> <p>The type of potential financial effect is defined as an increase in expected loss provisions related to loans and in expected loss provision expenses.</p>

Credit Portfolio – Carbon-Intensive Sectors																																					
Risk Management Strategy and Actions	Impacts of the Risk on Cash Flows, Access to Finance and Cost of Capital																																				
<p>Risk Management Strategy Ziraat Bank adopts a sector-based analysis and customer-based assessment approach in managing the relevant risk. The purpose is to monitor exposure in carbon-intensive sectors and to identify potential increases in credit risk at an early stage.</p> <p>Current Actions Stress testing has been applied for the sectors identified as risky, namely <i>Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer)</i>.</p> <p>Planned Actions These include the expansion of stress testing and impact analysis studies to cover other carbon-intensive sectors, the development of special financing products that will support the green transition investments of customers operating in carbon-intensive sectors, and the systematic integration of climate-related risk parameters into loan allocation criteria and credit limit processes.</p>	<p>Assessment The likelihood of occurrence of transition risk is assessed as <i>medium-high</i>, and its effects are expected to become evident particularly in the <i>short, medium and long term</i>.</p> <p>In the short term, it is envisaged that financial pressures on customers in carbon-intensive sectors will increase with the commencement of CBAM-related financial obligations and the potential introduction of a national ETS.</p> <p>In the medium and long term, further tightening of policies will necessitate fundamental transformations in the business models of these sectors and may elevate credit risk to the highest level for firms that fail to realize such transformation.</p> <p>Current Financial Impacts At present, qualitatively, the Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer) sectors, which fall within the scope of CBAM and ETS, have been prioritized. Transition risks in the agricultural sector are being addressed separately with international expert support, and the results are aimed to be shared in the near future. Stress testing has been applied in the Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer) sectors that are exposed to risk. Quantitatively, the consolidated discounted ECL amount calculated for the loan portfolio in the five carbon-intensive sectors included in the analysis remained below the Bank's financial materiality threshold of TL 7.33 billion.</p> <p>During the reporting period, customer-based stress testing mechanisms were established at the Bank for the Electricity Generation, Iron and Steel and Cement sectors. In the upcoming reporting periods, it is planned to establish analysis infrastructures also for carbon-intensive sectors such as Aluminum and Chemical Products (Fertilizer).</p> <p>Anticipated Financial Impacts For the 5 sectors identified as being exposed to the transition risk subject to analysis, the discounted total effect of the climate-related increase in ECL obtained as a result of the calculations carried out by taking NGFS scenarios into account is as follows. It has been assessed that the anticipated financial effect will create a financial effect below the determined materiality level.</p> <table border="1"> <thead> <tr> <th>Short Term</th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Orderly Transition</td> <td>TL 4.4 billion</td> <td>TL 4.1 billion</td> </tr> <tr> <td>Disorderly Transition</td> <td>TL 2.9 billion</td> <td>TL 2.21 billion</td> </tr> <tr> <td>Hot House</td> <td>TL 3 billion</td> <td>TL 2.30 billion</td> </tr> <tr> <th>Medium Term</th> <th>2025</th> <th>2024</th> </tr> <tr> <td>Orderly Transition</td> <td>TL 1.6 billion</td> <td>TL 1.1 billion</td> </tr> <tr> <td>Disorderly Transition</td> <td>TL 559 million</td> <td>TL 342 million</td> </tr> <tr> <td>Hot House</td> <td>TL 404 million</td> <td>TL 272 million</td> </tr> <tr> <th>Long Term</th> <th>2025</th> <th>2024</th> </tr> <tr> <td>Orderly Transition</td> <td>TL 89 million</td> <td>TL 19,4 million</td> </tr> <tr> <td>Disorderly Transition</td> <td>TL 60 million</td> <td>TL 6.8 million</td> </tr> <tr> <td>Hot House</td> <td>TL 49 million</td> <td>TL 3.7 million</td> </tr> </tbody> </table> <p>The scenario analyses conducted supported the determination of the Bank's resilience against different transition pathways.</p>	Short Term	2025	2024	Orderly Transition	TL 4.4 billion	TL 4.1 billion	Disorderly Transition	TL 2.9 billion	TL 2.21 billion	Hot House	TL 3 billion	TL 2.30 billion	Medium Term	2025	2024	Orderly Transition	TL 1.6 billion	TL 1.1 billion	Disorderly Transition	TL 559 million	TL 342 million	Hot House	TL 404 million	TL 272 million	Long Term	2025	2024	Orderly Transition	TL 89 million	TL 19,4 million	Disorderly Transition	TL 60 million	TL 6.8 million	Hot House	TL 49 million	TL 3.7 million
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Strategy

Strategy

Climate-Related Opportunities

Renewable Energy, Energy Efficiency and Green Transformation Finance	
Opportunity Category, Time Horizon and Description	Impacts on the Business Model and Value Chain
<p>Opportunity Category Resource Efficiency</p> <p>Opportunity Time Horizon Short, Medium and Long Term</p> <p>Opportunity Description Ziraat Bank aims to steer its loan portfolio toward sectors with long-term growth potential by taking an active role in financing renewable energy, energy efficiency and green transformation investments during the transition to a low-carbon economy. In line with its asset size and loan market share, the Bank holds a strategic position in financing Türkiye's economic transformation and considers this transformation process also as a new income area and a portfolio transformation opportunity.</p>	<p>Impacts on the Business Model Developments in the field of green finance present significant opportunities for the Bank's business model. The increasing financing need in renewable energy, energy efficiency and low-carbon investment areas creates growth potential in loan volume and market share. While increasing its asset size through loan growth, the Bank aims to place emphasis on the green transformation investments of the real sector. This approach will contribute to increasing the share of sustainable finance within the loan portfolio while also positively supporting the management of portfolio emissions. In addition, access to international sustainable finance resources and the development of green finance products strengthen the Bank's financing capacity and corporate position.</p> <p>Impacts on the Value Chain Green finance activities require the development of new expertise and capacity in the area of green project assessment in the Bank's own operations and contribute to the diversification of the revenue base. In the upstream value chain, the Bank may become a reliable partner for international institutions and ESG-focused investors. In the downstream value chain, customers are supported in realizing their green transformation investments, thereby enabling their competitiveness to be enhanced.</p>

Renewable Energy, Energy Efficiency and Green Transformation Finance													
Opportunity Assessment Strategy and Actions	Impacts of the Opportunity on Cash Flows, Access to Finance and Cost of Capital												
<p>Strategic Approach Ziraat Bank considers green finance as a strategic area of growth and portfolio transformation. Within this framework, a product development and capacity-building approach aimed at financing low-carbon investments is adopted.</p> <p>Current Actions In the retail segment, special products such as "Green Housing, Green Vehicle Loan" and "TOGG - Digital TOGG Loan" are offered. In the corporate segment, a broad range of products such as "SPP Investment Loan", "Energy Efficiency Loan" and "Carbon Reduction Support Investment Loan" has been developed.</p> <p>Planned Actions It is planned to continuously update and expand the existing green product range. It is aimed to increase the capacity of Project Finance units for large-scale projects and to strengthen access to international and national green finance funds.</p>	<p>Assessment The likelihood of realization of this opportunity is assessed as high. The time horizon is defined as short, medium and long term. The opportunity is relevant for Ziraat Bank across all time horizons.</p> <p>In the short term, there is an existing and urgent financing demand particularly for electric vehicles and for energy efficiency in housing and industry.</p> <p>In the medium term, in line with Türkiye's National Energy Plan, the increase in large-scale renewable energy plant investments (SPP, WPP) is expected to expand financing needs and, accordingly, increase the Bank's share in green loans.</p> <p>In the long term, in line with the objective of full decarbonization of the economy, a continuous and large-scale financing market is expected to emerge for new technologies such as hydrogen and for integrated industrial transformation projects.</p> <p>Current Financial Impacts At present, qualitatively, this area is already an active line of business for the Bank and has strong growth potential. A significant body of know-how and customer base has been built through various products offered in the retail and corporate segments.</p> <p>Quantitatively, the annually targeted green loan disbursement volume has been taken as the starting point of the analysis at approximately TL 14.62 billion on a consolidated basis (2024: approximately TL 9.78 billion).</p> <p>Anticipated Financial Effect Within the scope of the NGFS scenario analysis, the calculated "Annual Net Income Benefit" does not represent the total interest and commission income to be generated from new green loans. It measures the additional profitability (margin advantage) that these loans will create compared to the Bank's traditional loan portfolio.</p> <p>The annual additional net income potential has been calculated as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Orderly Transition</td> <td>Annual additional net income potential between TL 31 million and TL 86.7 million</td> <td>Annual additional net income potential between TL 15 million and TL 35 million</td> </tr> <tr> <td>Disorderly Transition</td> <td>Annual additional net income potential between TL 5.2 million and TL 22.6 million</td> <td>Annual additional net income potential between TL 3 million and TL 15 million</td> </tr> <tr> <td>Hot House World</td> <td>No meaningful additional net income is expected.</td> <td>No meaningful additional net income is expected.</td> </tr> </tbody> </table> <p>This analysis enables the Bank to assess the effect of the opportunity on financial performance under different transition pathways.</p>		2025	2024	Orderly Transition	Annual additional net income potential between TL 31 million and TL 86.7 million	Annual additional net income potential between TL 15 million and TL 35 million	Disorderly Transition	Annual additional net income potential between TL 5.2 million and TL 22.6 million	Annual additional net income potential between TL 3 million and TL 15 million	Hot House World	No meaningful additional net income is expected.	No meaningful additional net income is expected.
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Strategy



Strategy

Climate-Related Opportunities

Sustainable Agriculture Financing and Leadership in Supporting Climate-Resilient Agricultural Practices	
Opportunity Category, Time Horizon and Description	Impacts on the Business Model and Value Chain
<p>Opportunity Category Products and Services</p> <p>Opportunity Time Horizon Short, Medium and Long Term</p> <p>Opportunity Description Ziraat Bank has the opportunity to both reduce the risk of its own loan portfolio and contribute to the country's food security by financing the transition of farmers and agricultural enterprises to climate-resilient and sustainable agricultural practices such as pressurized irrigation, organic farming and similar practices. This approach also presents an opportunity to reinforce the Bank's market leadership in agricultural banking.</p>	<p>Impacts on the Business Model Sustainable agriculture finance has the potential to increase the resilience of the Bank's agricultural loan portfolio against climate shocks and to improve long-term repayment performance. This approach contributes to the inclusion of more resilient farmers and enterprises in the customer portfolio by enabling the Bank to assume a leading role in sustainable agriculture finance. While contributing to the support of the country's food supply security, this approach also constitutes a strategic approach aligned with the Bank's public bank mission. The development of special loan packages and advisory services for sustainable agriculture projects also creates new product innovation potential. Taking the lead in the transformation of the agricultural sector also strengthens the Bank's reputation among stakeholders.</p> <p>Impacts on the Value Chain Sustainable agriculture finance activities create multidimensional effects across the value chain. In terms of the Bank's own operations, this approach contributes to reducing the overall credit risk profile, supports the reduction of the operational burden that may arise in the future, and strengthens the "Agricultural Banking" brand. In the upstream value chain, the Bank has the potential to strengthen its position as a key business partner in the management of international funds such as IPARD. In the downstream value chain, strengthening the financial and operational resilience of farmers supports the formation of a more stable and long-term customer base for the Bank.</p>

Sustainable Agriculture Financing and Leadership in Supporting Climate-Resilient Agricultural Practices																
Opportunity Assessment Strategy and Actions	Impacts of the Opportunity on Cash Flows, Access to Finance and Cost of Capital															
<p>Strategic Approach Ziraat Bank considers green finance as a component of its portfolio transformation and sustainable growth strategy. The aim is to systematically integrate climate-related opportunities into credit processes and to increase the volume of financing directed toward low-carbon investments.</p> <p>Current Actions Under the "Green Products" framework, many loan products such as Organic Agriculture and Pressurized Irrigation are actively offered. Sustainable agricultural practices are encouraged through the "Special Additional Criteria Discount" practice. In addition, all subsidized loans are insured through TARSİM, thereby ensuring risk transfer.</p> <p>Planned Actions These include the development of flexible financing products supporting new practices such as digitalization in agriculture and regenerative agriculture. It is aimed that customers' adaptation capacities will be taken into account as a positive factor in loan assessment processes. It is planned to train the branch network and agricultural experts so that they can provide advice to farmers on climate-resilient agricultural techniques, and to offer comprehensive training and information programs for farmers.</p>	<p>Assessment The likelihood of realization of this opportunity is assessed as <i>high</i>. The time horizon is defined as <i>short, medium and long term</i>.</p> <p>In the short term, there is urgent demand for modernization investments such as pressurized irrigation in order to increase farmers' resilience against current climate variability.</p> <p>In the medium term, as climate impacts become more pronounced, climate-resilient agricultural practices will cease to be a choice and become a necessity, and financing demand will continue to increase.</p> <p>In the long term, adaptation to changing climate conditions and water regimes will make sustainable agriculture one of the permanent and most important areas of finance in terms of ensuring Türkiye's food security.</p> <p>Current Financial Impacts Qualitatively, this opportunity is an active strategy that is already generating tangible benefits. "Green Agriculture" loans exhibit a lower risk profile compared to traditional loans. In 2025, a sustainability-themed syndicated loan of approximately USD 2.8 billion was secured. These transactions were recorded as the highest sustainability-themed syndicated loan volume ever obtained by a Turkish bank in terms of amount and are considered a development that strengthens the Bank's sustainable finance capacity and its position in the eyes of international fund providers. The sustainability performance criteria of the transactions were determined as 'financing of sustainable agriculture' and 'contribution to the transition to a low-carbon economy.'</p> <p>When assessed in terms of cost of capital, a bank that proactively manages and makes its agricultural portfolio more resilient may be perceived as lower-risk by investors. This may have the potential to reduce the overall risk premium and therefore the cost of capital.</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Total Agricultural Portfolio</td> <td>TL 831 billion</td> <td>TL 601.3 billion</td> </tr> <tr> <td>Green Agriculture Loans Amount</td> <td>TL 56.7 billion</td> <td>TL 37.2 billion</td> </tr> <tr> <td>Percentage of Green Agriculture Loans in the Total Agricultural Portfolio (%)</td> <td>6.83</td> <td>6.2</td> </tr> <tr> <td>Traditional Agriculture Portfolio</td> <td>TL 774 billion</td> <td>TL 564.1 billion</td> </tr> </tbody> </table> <p>Anticipated Financial Impacts Within the scope of the qualitative assessments carried out based on the RCP scenario analysis, it is expected that, under the <i>RCP4.5</i> scenario, the noticeably increasing climate stress will make investments in climate-resilient agricultural practices economically more urgent and strengthen financing demand in this area. Under the <i>RCP8.5</i> scenario, climate-resilient agricultural practices are expected to become mandatory; within this framework, the "Green Agriculture" portfolio is expected to become an important element supporting the Bank's financial resilience and contributing to the management of climate-related risks.</p>		2025	2024	Total Agricultural Portfolio	TL 831 billion	TL 601.3 billion	Green Agriculture Loans Amount	TL 56.7 billion	TL 37.2 billion	Percentage of Green Agriculture Loans in the Total Agricultural Portfolio (%)	6.83	6.2	Traditional Agriculture Portfolio	TL 774 billion	TL 564.1 billion
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Strategy

Strategy

Ziraat Bank continued its preparations for the “Climate Transition Roadmap Document” during the reporting period. This plan includes the Bank’s efforts to develop a climate transition approach with a focus on financed emissions in order to strengthen the management of climate change-related risks and opportunities. The relevant document is planned to be published in the coming period.

Climate Resilience: Scenario Analysis and Future Outlook

Climate Resilience Approach and Assessment

With its leading position in the Turkish banking sector, the mission arising from being a state-owned bank, and its 162 years of experience in the agricultural sector, Ziraat Bank shapes its climate resilience approach against the uncertainties that climate change may create. In the current reporting period, the Bank’s climate resilience is based on its capacity to transform risk into opportunity by identifying, monitoring, and proactively managing these risks.

Climate Resilience Analysis Under Different Scenarios

Ziraat Bank shapes its resilience under orderly and disorderly transition scenarios through proactive stress testing analyses and in line with the opportunities that green finance may create. The climate scenario analysis conducted in the first half of 2026, based on data as of December 31, 2025, provides important strategic implications for the Bank.

Under the Hot House World and RCP8.5 scenarios, the fundamental building block of its resilience is based on “Sustainable Agriculture Finance”. In this scenario, while the threat that may be created by transition risks is minimized, physical risks reach their maximum impact. Considering the sensitivity of the agricultural sector to physical risks, financing agricultural practices that will minimize the effects of risks becomes the most important action limiting losses in the agricultural portfolio.

• **Systematic Threat of Physical Risks:** In 2025, as in 2024, it was assessed that the Bank’s main vulnerability was the exposure of its agricultural portfolio to physical climate risks. In the analyses, it was determined that the effects under the RCP4.5 scenario were at a manageable level but involved a significant cost. On the other hand, under the RCP8.5 scenario, it was determined that these effects created a systematic threat to the Bank’s financials.

• **Critical Role of Transition Strategies:** The Orderly Transition scenario is the scenario in which the Bank’s proactive strategies have the most positive effect. On the other hand, Disorderly Transition has been identified as the most dangerous scenario due to sudden changes in climate policies. In the Hot House World scenario, it has been determined that the heaviest consequences of “inaction” may emerge and the effects of physical risks may intensify.

• **Anticipated Effects on Cash Flows:** Under high-emission scenarios, namely Hot House World and RCP8.5, the effects of physical risks are projected to reach their maximum level. Ziraat Bank’s agricultural portfolio may carry a risk of deterioration in loan repayment performance and cash flows due to production losses and yield fluctuations that may arise as a result of climate change. This is considered a vulnerability area that may lead to an increase in default risks within the portfolio and adversely affect cash flows. Under the Disorderly Transition scenario, a similar situation may also occur in carbon-intensive sectors due to carbon credits. Against all these risks, the expansion of Green Finance and Sustainable Agriculture portfolios will enable the establishment of a system that is more resilient to future risks and will provide stable loan repayment profiles.

In its scenario analysis studies, Ziraat Bank has developed various assumptions by linking global climate modeling with national and regional dynamics specific to Türkiye. These assumptions were developed by taking into account possible transformations in the future energy use of the Turkish economy and in the composition of energy generation. In addition, it has been projected that technological developments will play a decisive role both in the management of climate-related risks and in the evaluation of opportunities that may arise.

Among the main conclusions of the analyses, the key implications for the Bank are as follows:

- The vulnerability of the agricultural portfolio under severe climate scenarios,
- Under Disorderly Transition scenarios, the financial shock that may be created by carbon-intensive sectors constitutes one of the greatest risks for Ziraat Bank.

The table in the upper right qualitatively and quantitatively summarizes the outcomes to which Ziraat Bank may be exposed under different scenarios.

Ziraat Bank Scenario Analysis Quantitative and Qualitative Results

	Risk / Opportunity Title	Impact under RCP4.5	Impact under RCP8.5	Impact under NGFS Orderly Transition	Impact under NGFS Disorderly Transition	Impact under NGFS Hot House World
Risks	Credit Portfolio - Physical Risk in the Agricultural Portfolio	Qualitative: Manageable but costly. Increasing pressure on current risk management mechanisms.	Qualitative: A systemic threat. Large-scale risks in the agricultural sector. The limits of mechanisms such as TARSİM may be strained.	-	-	-
	Credit Portfolio - Transition Risk in Carbon-Intensive Sectors	-	-	Quantitative (Discounted ECL): Short Term: TL 4.4 billion Medium Term: TL 1.6 billion Long Term: TL 89 million	Quantitative (Discounted ECL): Short Term: TL 2.9 billion Medium Term: TL 559 million Long Term: TL 60 million	Quantitative (Discounted ECL): Short Term: TL 3 billion Medium Term: TL 404 million Long Term: TL 49 million
Opportunities	Financing of Renewable Energy, Energy Efficiency and Green Transformation	-	-	Quantitative (Annual Additional Net Income): Between +TL 31 million and +TL 86.7 million	Quantitative (Annual Additional Net Income): Between +TL 5.2 million and +TL 22.6 million	Qualitative: No meaningful additional net income is expected.
	Sustainable Agriculture Financing and Leadership in Supporting Climate-Resilient Agricultural Practices	Qualitative: The importance of the opportunity increases. Demand for climate-resilient agriculture rises and balances portfolio quality.	Qualitative: The opportunity turns into a “necessity for survival”. It becomes the most important financial shield for the Bank.	Qualitative: Contributes to the Bank’s overall ESG profile and reputation.	Qualitative: Its risk-mitigating value becomes evident and it maintains its strategic importance.	Qualitative: As physical risks become dominant, it becomes the most valuable strategic tool.

Climate Strategy and Future Action Plan

Integration of Climate Change Scenario Analyses into Financial Planning

Ziraat Bank continues its efforts to integrate climate change-related risks and opportunities into its financial planning processes by using the findings obtained from scenario analyses. Within this scope, the Bank is evaluating, in particular, the reflection of transition risks associated with carbon pricing mechanisms in Expected Credit Loss (ECL) calculations in the short term. In this way, it aims to shape capital adequacy and provisioning policies on a more data-driven basis and to strengthen the Bank’s financial resilience.

Funding Resources Planned for Strategy Implementation

Ziraat Bank is aware that its greatest impact in achieving climate goals stems from its power to direct capital. The Bank supports, in a holistic manner, the strategic actions it plans to implement in relation to climate change-related risks and opportunities through its existing financial planning and budgeting processes. The Bank aims to contribute to climate goals through its financing activities and loan portfolio. Within this framework, increasing the volume of sustainable finance, strengthening the climate resilience of the agricultural portfolio, benefiting from international green finance resources, and supporting the transition of carbon-intensive sectors to a low-carbon economy are among the Bank’s priority focus areas.



Strategy

This financing approach is managed under three main categories.

1- Financing for the Evaluation of Opportunities:

The Bank addresses climate-related opportunities through its strong balance sheet and equity. The Sustainable Finance Framework, renewed in November 2024, aims to ensure that the Bank's lending and financing activities contributing to sustainable development are carried out under a systematic, transparent, and internationally aligned structure. It is directed toward environmentally prioritized areas such as renewable energy, energy efficiency, green buildings, clean transportation, sustainable agriculture, and water management.

Within this scope, it is essential that funds be allocated to the loan portfolio meeting the eligibility criteria specified in the Sustainable Finance Framework. The funds obtained are monitored within the portfolio approach and are allocated to the eligible loan portfolio within the specified period.

Although the primary funding source in the lending process is the Bank's equity and funding structure, access to international markets is targeted in order to increase funding source diversity. In the coming periods, the Bank plans to allocate cost-effective resources from various financing alternatives such as international development banks, green funds, and sustainability-themed bond/debt security issuances.

2- Financing for Risk Management and Compliance Processes:

Activities aimed at identifying, analyzing, and proactively managing climate change-related risks are carried out within the operating expenditure (OPEX) budgets of the units responsible for sustainability and climate change. In the coming periods, in order to increase the effectiveness of risk management processes, it is envisaged to plan capital expenditures (CAPEX) for technology-based applications such as the development of customer-based stress testing mechanisms and risk heat maps.

3- Financing for Operational Transformation:

Ziraat Bank finances its projects aimed at reducing its operational footprint through a specifically allocated CAPEX budget.

The "Ziraat Solar Power Plant (Ziraat SPP)" project, located in Kayseri Pınarbaşı and commissioned in 2025 with a total installed capacity of 64 MWp, is one of the initiatives carried out within this scope. At the same time, the "Smart Branch" and "ATM Solar Energy" projects are also financed through the operational and general investment budgets allocated to the relevant units.

Within the scope of the emission management system, the Environmental Management System processes have also been completed, and the infrastructure has been established to meet ISO 14001 certification requirements and to effectively conduct periodic audit processes.

Future Outlook and Strategic Priorities

The actions planned by the Bank to be implemented as a priority as a result of the scenario analyses are listed below.

• **Prioritizing Physical Risk Adaptation:** The analyses performed demonstrate the importance of activities that will increase the resilience of the agricultural sector against the effects of physical risks arising from climate change. At the same time, the Bank aims to enhance the resilience of its agricultural portfolio by expanding sustainable agriculture finance products and developing location-based physical risk maps.

• **Increasing the Share of Sustainable Finance:** The Bank aims to develop innovative financing solutions to support its customers' transition processes to a low-carbon economy and their green transformation investments by expanding its green finance product range. In line with this approach, it is targeted to gradually increase the volume of sustainable finance and its share within the loan portfolio.

• **Integrating Climate Risk into Credit Processes:** Systematically integrating the results of scenario-based climate risk analyses into loan allocation and portfolio management processes is among the priority targets.

• **Reducing Supplier Emissions:** The Bank plans to establish a roadmap for integrating environmental and climate-related performance metrics into supplier selection criteria. Actions to be taken in this regard are also designed in alignment with ISO 14001 Environmental Management System processes.

• **Developing New Business Models and Financing Solutions:** The Bank aims to continue developing new financing models and products in areas such as sustainable production technologies, energy efficiency practices, circular economy solutions, clean energy investments, and climate-resilient agriculture, taking into account the new investment areas emerging in the transition to a low-carbon economy. Within this scope, it is targeted to develop innovative financing solutions that support customers' transformation investments.

• **Expanding Green Finance Resources:** By continuously monitoring national and international green finance, grant, and incentive mechanisms, the Bank aims to evaluate new alternative resources for itself.

• **Enhancing Stakeholder Engagement and Customer Collaboration:** The Bank aims to raise awareness among the customers in its portfolio regarding the effects of climate risks and green transformation opportunities and to establish a transparent information flow system for its stakeholders.

• **Diversifying Green Finance Resources:** The Bank aims to closely monitor national and international sustainable finance resources, to benefit more effectively from green finance, grant, and incentive mechanisms, and to diversify long-term funding resources. Within this scope, it is targeted to evaluate new funding opportunities in the field of sustainable finance.

• **Strengthening Stakeholder Engagement and Customer Collaborations:** The Bank aims to increase awareness among the customers in its portfolio regarding climate change-related risks and green transformation opportunities and to support their transformation processes. In this direction, it is targeted to strengthen transparent and regular information sharing through the development of effective communication and collaboration mechanisms with stakeholders.

Ziraat Bank communicates its climate-related strategies and plans to its stakeholders in a transparent manner. The analyses carried out by the Bank constitute a fundamental basis for future reporting periods.



Strategy



162 *years*

 **Ziraat Bank**

Risk Management

- 46 Management of Climate-Related Risks and Opportunities
- 47 Prioritization of Climate-Related Risks and Opportunities
- 47 Integration with Overall Risk Management
- 48 Inputs, Parameters, and Scope Used in Processes
- 56 Changes from the Previous Period and Reporting Approach





Risk Management

Management of Climate-Related Risks and Opportunities

Ziraat Bank addresses the management of climate-related risks and opportunities as part of the Bank's established and robust corporate risk management structure. Within this scope, climate-related risks are managed within the framework of a multilayered and dynamic process in which they are systematically identified, assessed, prioritized, and regularly monitored. These processes are carried out in alignment with the Bank's overall Risk Management Policies and Sustainability Policy.

The effects of climate-related risks on the Bank's core risk categories are addressed particularly within the scope of credit risk management. Ziraat Bank carries out its credit risk management activities within the framework of methods aligned with Basel III and manages the processes for identifying, measuring, monitoring, and reporting credit risk through a holistic approach. In this context, Board of Directors-approved credit risk limits are regularly monitored, and scenario analyses and stress tests are conducted by applying internal and external shocks to credit risk factors. Measurements relating to counterparty credit risk are also carried out within the same framework.

Assessment of Risks and Opportunities

Physical risks arise from the direct environmental and operational effects of climate change and have the potential to cause physical damage, operational disruption, or loss of productivity across assets, operations, and the value chain. Physical risks are classified as acute risks arising from sudden and high-severity events such as floods and storms, and chronic risks arising from long-term changes such as drought and temperature increase.

Transition risks, on the other hand, cover regulatory, technological, market, and reputational risks arising during the transition to a resilient economy that is low-carbon and capable of adapting to the potential physical effects of climate change. Policy and regulatory changes, carbon pricing practices, changing customer expectations, and technological transformation processes may create effects on the Bank's operations and financial performance.

Ziraat Bank reveals the effects of climate risk on the sectors in its loan portfolio through the Climate Risk Heat Map. In this context, by taking NACE breakdowns into consideration, the Bank determines climate risk exposure by sector in parallel with the practices of nationally and internationally recognized institutions and organizations.

Within the scope of the heat map studies, the share of the total credit risk balance of the Electricity Generation and Iron and Steel sectors, which were identified as having a high level of climate risk, in the Bank's total credit risk balance was integrated into the Risk Appetite Framework, signal and limit levels were defined for the relevant metric, and a regular monitoring process was initiated.

In addition, stress tests are applied to the selected sectors and to the Cement, Aluminum, and Chemical Products (Fertilizer) sectors within the framework of selected climate scenarios, and the possible effects on expected credit loss are analyzed.

Monitoring of Risks and Opportunities

Within the scope of holistically assessing the financial effects of climate risks, the Bank effectively uses the **Internal Capital Adequacy Assessment Process (ICAAP)** in order to determine the adequate level of capital to cover the risks to which it is exposed and may be exposed, and to monitor this in alignment with its strategic goals. Analyses carried out in line with BRSA regulations are supported by risk-based stress tests and scenario analyses. The Stress Testing and ICAAP Reports prepared as of year-end are submitted to the BRSA following the approval of the Board of Directors. Through these reports, the Bank's internal capital adequacy is analyzed by taking into account the financial effect of climate risk, and the results are monitored within the scope of the Bank's internal periodic reporting processes.

In parallel with its risk management processes, Ziraat Bank also manages climate-related opportunities in line with national strategies and its sustainable finance approach. The Bank's approach, which positions the agricultural sector as a priority area, is structured around the axes of solution orientation, sustainable finance, strong communication, and accessibility to finance. Within this framework, the widespread adoption of sustainable and climate-resilient production models, the development of economies of scale, the expansion of cooperative banking practices, the strengthening of technology-oriented agriculture and agri-industry integration, and environmentally sensitive loan products and practices that increase access to finance for women and young people are among the priority opportunity areas.

Prioritization of Climate-Related Risks and Opportunities

The risks identified by the Bank are prioritized by taking into account their potential effects on the Bank's strategic goals and resources. In the prioritization process, the relationship of risks and opportunities with the Bank's main fields of activity, market leadership, and public mission is also taken into consideration. Within this framework, climate-related risks and opportunities are assessed through a holistic approach within the scope of strategic risk management due to their potential effects on Ziraat Bank's long-term strategic direction, sectoral positioning, and sustainable growth targets.

The monitoring of opportunities identified within the Bank is carried out through the Sustainability Committee, which operates under the oversight of the Board of Directors. In the prioritization of opportunities, the level of alignment with the Bank's strategy and the potential financial and strategic return effect are taken into consideration as the main criteria.

Integration with Overall Risk Management

Ziraat Bank does not address climate-related risks and opportunities as a field independent of the general risk management framework; rather, it positions climate risk as a fundamental factor that horizontally cuts across and affects the existing corporate risk management structure. Accordingly, climate risks are integrated into the Bank's established risk categories, primarily credit risk.

The Bank carries out its risk management activities in line with the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process, other relevant regulations, and BRSA Good Practice Guides. Within this framework, it is aimed to embed risk culture across the Bank, continuously improve systems and human resources, and align the risk management function more closely with good practices.

The risk management system implemented across the Bank covers credit risk, market risk, operational risk, balance sheet risks (liquidity risk and interest rate risk arising from banking accounts), as well as internal ratings-based modeling and validation activities. In addition, studies are carried out on compliance with local regulations regarding the risk management of overseas branches and subsidiaries and on monitoring risk ratios; and risk management processes are implemented in coordination with the contribution of relevant units.

Within this framework, Sustainable Agriculture Finance, which directly addresses the main physical risks encountered in the agricultural sector, one of the Bank's core fields of activity, is positioned as one of the highest-priority opportunities from a strategic perspective. In addition, the field of Green Finance, which has high market potential, is among the priority opportunities that support the Bank's medium- and long-term growth targets. In this scope, sustainability-themed funds are secured and the Bank's international funding resources are diversified through the **Financial Institutions and Investor Relations Division**.

Relevant business units, particularly Agricultural Banking and Corporate Banking, regularly monitor the green and sustainable loan volumes within their areas of responsibility and the performance indicators relating to these areas in line with business targets, and report them to Senior Management.

The methodological approach adopted within this structure is based on addressing climate risk not as a distinct risk type, but as a factor that triggers and deepens existing risks. For example, the potential effects of transition risks in carbon-intensive sectors on ECL are quantitatively analyzed and stress-tested through the potential increase in risk costs and the effects on return on equity and the Capital Adequacy Ratio (CAR), and are addressed in the ICAAP report on a biennial basis.

The results of the analyses carried out within the scope of risk management activities and risk indicators are reported to the Audit Committee and the Board of Directors on a semi-annual basis, to the Audit Committee on a monthly basis, and to Senior Management on a monthly, weekly, and daily basis. Through this multilayered reporting structure, risks are ensured to be monitored continuously and holistically.

The internal rating models and other measurement methodologies used to accurately measure and effectively manage the risks to which the Bank is exposed are regularly subject to validation in terms of accuracy, consistency, and adequacy; and findings relating to model stability and output performance are reported to Senior Management.

Governance integration is ensured through the direct reporting of the findings of the Sustainability Committee to the Board of Directors and the active participation of the Risk Management Division in the process. This integrated structure directly supports the Bank's risk appetite and strategic planning processes, capital adequacy assessments, and the development of credit policies and climate-focused financing products.

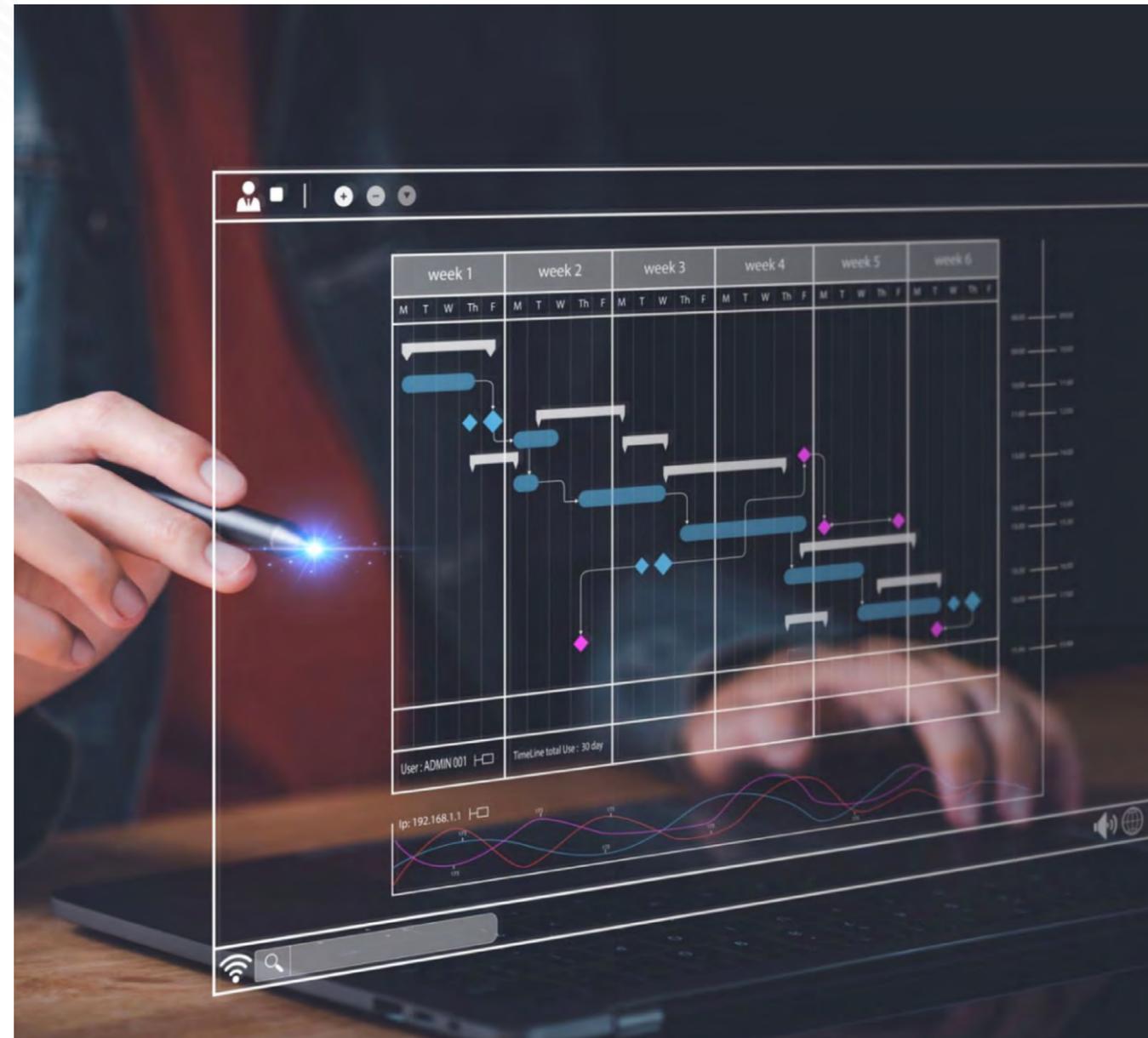
Risk Management

Risk Management

Inputs, Parameters, and Scope Used in Processes

The inputs and parameters used in Ziraat Bank's risk management processes are based on the joint evaluation of the Bank's internal data and nationally and internationally accepted external inputs. This approach makes it possible to address the financial and strategic effects of climate-related risks from different dimensions and to place the assumptions used in the analyses on a sound reference framework.

These processes are carried out on a consolidated basis so as to cover not only Ziraat Bank's solo activities, but also all domestic and overseas subsidiaries under the Bank's financial control that provide the relevant data. In this way, risk assessments are performed through a holistic perspective by taking into account the total risk profile and exposures of the Ziraat Finance Group.



Key Inputs

Internal Systems and the Internal Capital Adequacy Assessment Process (ICAAP)

The effects of transition risks arising from climate change on the Bank's operations are analyzed regularly within the scope of ICAAP. The process is carried out under the coordination of audit and risk management teams. The long-term effects of climate risks on the loan portfolio, capital adequacy, and business model are assessed through scenario analyses and internal stress tests. Analytical and methodological capacity aimed at strengthening the integration of climate risks into risk management and capital planning is continuously improved.

Climate Risk Heat Map

In order to determine the exposure of Ziraat Bank's loan portfolio to climate risk, Climate Risk Heat Map studies are carried out on a sectoral basis within credit risk management processes. Within this scope, data relating to the Bank's cash and non-cash credit risks are used as key inputs. In assessing the sensitivity of sectors to climate risk, national and international reference heat maps and sector-based carbon intensity indicators are utilized. The heat map studies enable a comparative analysis of the exposure levels of sectors within the Bank's portfolio to transition and physical risks related to climate risk.

Risk Management

Based on the results of the heat map, sectors that are identified as having relatively high sensitivity to climate risk and a significant portfolio weight are determined, and the process moves to the advanced analysis stage for these sectors. Within this framework, the Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer) sectors were subjected to stress testing under selected scenarios. In the stress tests, how customer-based probability default may change under climate risk scenarios is modeled, and the potential effects of such change on expected credit losses and capital adequacy are calculated.

In the stress testing studies carried out, analyses were performed for transition risk scenarios. These stress tests were completed under three different scenarios within the scope of Net Zero 2050, Delayed Transition, and Nationally Determined Contributions. Each relevant scenario was assessed under 3 scopes on a short-, medium-, and long-term basis. Within the scenario set, the "Net Zero 2050" scenario, which represents the highest level of stress in terms of the financial effect of climate risk, was taken as the basis.



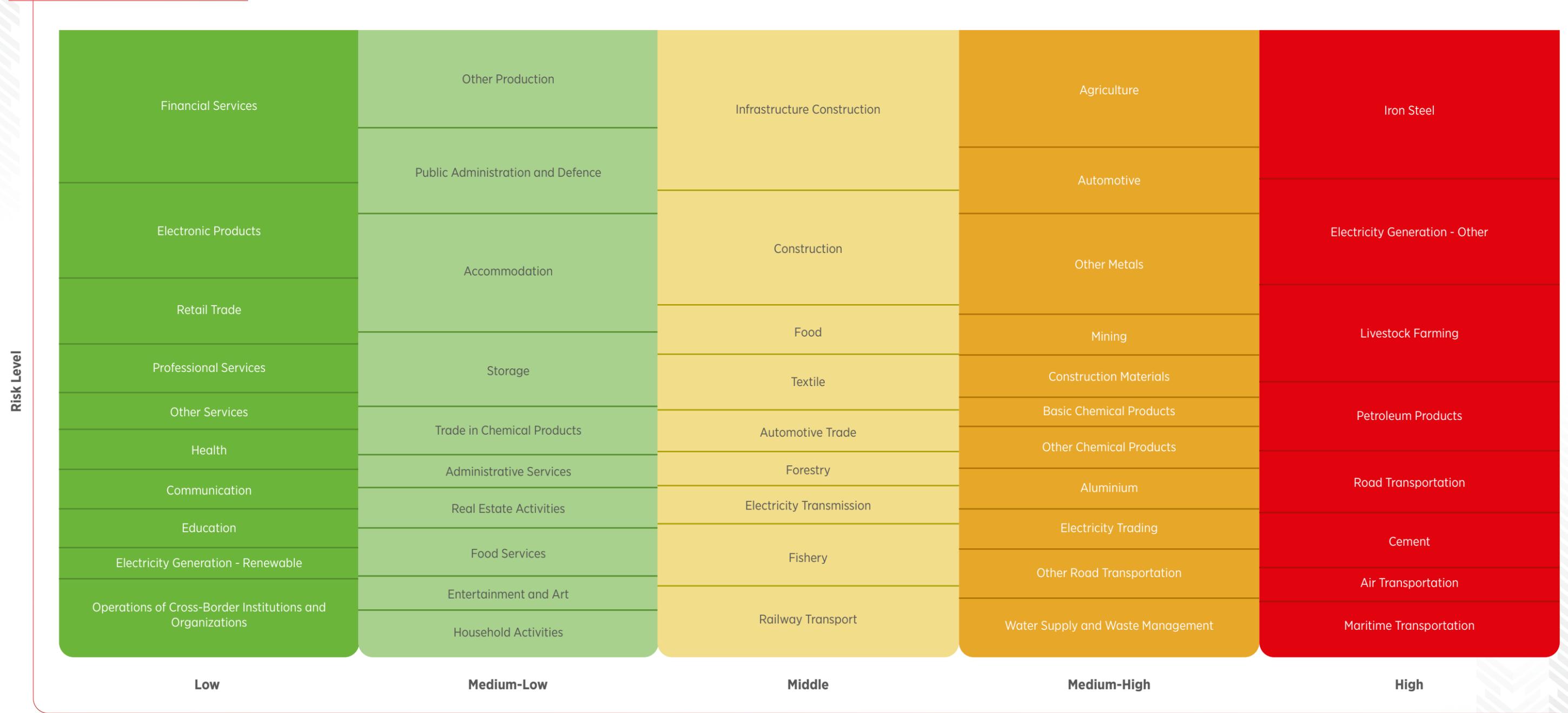


Risk Management



Risk Management

Ziraat Bank Climate Risk Heat Map



Risk Management

Environmental and Social Impact Management Policy for Lending Activities

Ziraat Bank acts with the awareness of the transformative effect of financial institutions on economic activities in ensuring not only economic prosperity but also environmental and social sustainability. In this regard, the Bank assesses the environmental and social impacts arising from its lending activities through a risk management perspective by implementing the Environmental and Social Impact Management System. The Environmental and Social Impact Management Policy, which was approved by the Bank's Board of Directors and entered into force in 2020, is complementary to the Sustainability Policy.

Under the Policy;

- The Bank adopts an approach that supports the sustainable management of natural resources, the protection of biodiversity, the fight against climate change, and social development by developing its products and services in line with the principles of sustainable development.

- It is ensured that the environmental and social contributions of financed projects are maximized, and activities prohibited or restricted under national legislation and international agreements to which Türkiye is a party are included in the List of Non-Financed Activities and are not financed regardless of amount.

- New or capacity expansion investment projects and loan requests that fall outside the List of Non-Financed Activities and exceed a certain threshold are addressed within the scope of the Environmental and Social Risk Assessment Model. Following the update of the environmental and social risk assessment methodology in 2025, this model will be applied under 2 main headings, namely customer risk and project risk, through an assessment questionnaire consisting of 33 questions.

- With the update work carried out in 2025, the environmental and social risk categories of projects will be classified into 4 categories in 2026 as A (High Risk), B+ (Medium-High Risk), B- (Medium-Low Risk), and C (Low Risk).

- Social issues that may arise as a result of customer activities or project implementation are analyzed separately under both customer risk and project risk.

Thanks to this approach, environmental and social risks are addressed not only on a project basis but also at the customer level through a holistic perspective.

Under the Environmental and Social Impact Management Policy, Ziraat Bank includes activities prohibited or restricted by international agreements in the List of Non-Financed Activities and does not finance these activities, excluding them from financial, technical, environmental, and social impact assessment. The activities not financed by the Bank are listed below:

- Production of weapons of mass destruction and landmines
- Activities contrary to human rights involving forced labor and harmful and exploitative forms of child labor
- Activities carried out in wetlands protected under RAMSAR (Wetlands of International Importance)
- Persons and entities engaged in products and activities within the scope of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora)
- Production or trade of products containing PCB (polychlorinated biphenyl), regardless of sector
- Drift net fishing activities using nets longer than 2.5 km
- Production or trade of ozone-depleting substances
- Production or trade of internationally banned pharmaceuticals, pesticides, herbicides, and other harmful substances
- Production or trade of unbonded asbestos

Action Plans, Monitoring and Reporting

In 2024, projects were categorized as A, B, or C within the scope of the environmental and social risk assessment methodology. Following the update of the methodology in 2025, an Environmental and Social Action Plan is prepared for projects falling within the A, B+, and B- risk categories; through these plans, the actions to be implemented by customers and their monitoring obligations are defined. Following credit approval, customers are requested to provide a commitment of compliance with the action plan; where deemed appropriate, these obligations are annexed to the General Loan Agreement.

The reporting content for environmental and social risk categorizations of A, B+, and B- is determined within the framework of the Environmental and Social Action Plan.

Category A:

- For Category A projects, the customer is required to have an Environmental and Social Due Diligence Report and an Action Monitoring Plan prepared by an independent expert/consultant in line with IFC Performance Standards.

Categories B+ and B-:

- It is required that an independent expert/consultant conduct at least 1 site visit per year during the investment period and 1 additional visit after completion of the investment, and report to the Bank.

- Following the 2025 update of the environmental and social risk assessment methodology, for projects in the B+ and B- risk categories, depending on the assessments of the Bank's environmental experts, it is decided whether the Environmental and Social Due Diligence Report and the Action-Monitoring Plan will be prepared by an independent expert/consultant, whether the requested report and action plan will be prepared by the Bank's environmental expert, or whether no Action Plan will be prepared.

- Following the completion of the relevant operating year, the Annual Implementation Results regarding loans subject to Environmental and Social Impact Assessment are submitted to the Sustainability Committee under the Bank's Sustainability Policy.

Sustainability Policy

Within Ziraat Bank's risk management approach, the holistic monitoring of environmental, social, and governance (ESG) elements is developed under the Sustainability Policy. Under the Policy, the Bank's strategic goals, Türkiye's 2053 Net Zero Emissions target, the Nationally Determined Contribution, the goals of the Paris Climate Agreement, and national and international climate and sustainability commitments, as well as the United Nations Sustainable Development Goals, are among the key inputs taken into account in risk management processes. This framework provides the basis for the strategic assessment of climate- and sustainability-related risks and opportunities.

In line with the Policy, issues such as climate change, natural resource use, greenhouse gas emissions, water stress, and environmental impacts are addressed within Ziraat Bank's risk universe. These areas are positioned among the qualitative parameters used in risk assessment processes. The direct and indirect environmental impacts arising within the Bank's service cycle, sectors' dependency on climate and water, energy and resource efficiency, and compliance risks are evaluated by being associated with relevant risk types, primarily credit and strategic risks. This approach supports the early identification of the potential effects of climate- and environment-related risks on financial risks.

Risk Management

The Policy, which is defined to cover all of the Bank's fields of activity, products and services, and stakeholder interactions, is supported by high-level governance mechanisms in risk management processes. The implementation and monitoring of the Policy are carried out under the coordination of the Sustainability Committee operating under the oversight of the Board of Directors. In this way, climate-related risks are integrated into the Bank's corporate risk management framework. This structure ensures that climate-related risks are addressed consistently and systematically across the organization.

Guideline on the Management of Climate-Related Financial Risks

The processes aimed at managing climate-related financial risks are structured on the basis of the principles and good practices set out in the "Guideline on the Management of Climate-Related Financial Risks" published by the BRSA. Under the Guideline, physical risks and transition risks are defined as the main risk factors, and the effects of these risks on the Bank's financial soundness through the borrower's repayment capacity, asset and collateral valuations, and macroeconomic variables are taken into account in risk management processes. The Guideline is used as the reference framework in assessing the interactions of climate-related financial risks with credit, market, liquidity, operational, and other risk types.

Inputs used in risk management processes include transmission channels relating to climate risk, sector- and geography-based concentrations, short-, medium-, and long-term time horizons, and assumptions based on climate scenarios. In line with the Guideline, qualitative and quantitative thresholds are defined in the materiality assessment of climate-related financial risks. Key risk indicators, heat maps, and scenario analyses are integrated into risk measurement and monitoring processes. In areas where there are data constraints, the use of representative data based on reasonable assumptions is applied with due regard to methodological limitations.

The scope of the Guideline includes the integration of climate-related financial risks into internal systems across the Bank within the framework of the three lines of defense approach, their reflection in internal capital and liquidity adequacy assessment processes including stress tests, and their support through regular monitoring and reporting activities. Within this framework, climate-related risks are addressed as an integral element of the Bank's risk appetite and risk management framework. In parallel with the evolving nature of risks over time, the processes are intended to be updated dynamically.

Risk Management

Internal Data

The main inputs of the analyses used in the assessment of climate-related risks consist of the Bank's and its consolidated subsidiaries' internal data sources. In this context, data relating to the loan portfolio as of December 31, 2025 are used as the main reference in measuring the financial effects of climate risks. Loan principal (risk) balances and ECL provisions compiled on a sectoral and product basis were evaluated within the scope of determining risk concentrations, stress tests, and scenario analyses.

Data such as annual energy expenses and commission income obtained from financial reporting systems are used in the analysis of the indirect effects of climate-related risks and opportunities on the Bank's financial performance. Information on electricity, natural gas, and fuel consumption obtained from operational data systems provides input for the calculation of greenhouse gas emissions. In addition, strategically significant information such as green finance targets and the definition of sustainable agriculture products is obtained from the reporting and planning processes of the relevant business units and included in the analyses. This approach supports the assessment of climate risks across the Bank based on consistent, up-to-date, and holistic datasets.

Key Parameters

Time Horizons

The time horizons used in the assessment of climate-related risks and opportunities are defined in a manner aligned with the Bank's strategic assessment approach, financial planning processes, and business model. Within this scope, time horizons are determined by taking into account the short-, medium-, and long-term perspectives envisaged in TSRS 2. This ensures the consistent analysis of the effects of climate risks on financial performance, risk profile, and strategic goals across different time horizons. Time horizons make it possible to use different assumptions and assessment approaches depending on the nature of the risks and the speed at which they materialize.

Scenario Analyses and Stress Tests

The Bank makes use of quantitative scenario analyses and stress tests in order to assess the potential financial effects of climate-related risks. Within this scope, internationally accepted scenario frameworks are used as references. For physical risks, the Representative Concentration Pathways (RCP) published by the IPCC are used, while for transition risks, the scenarios of the NGFS are used. Scenario analyses make it possible to assess the effects of risks on the loan portfolio under different time horizons and different transition dynamics.

Within the scope of physical risks, the potential effects on the agricultural portfolio in particular are analyzed under the RCP scenarios. While the effects of climate-related disruptions that may occur in agricultural production under the most pessimistic scenarios on loan repayment capacity are assessed, an approach based on a single quantitative threshold value has not been adopted due to the high level of measurement uncertainty. In such cases, rather than expressing the magnitude of the risk with a numerical value, it is presented through qualitative descriptions reflecting the severity of the potential effect, such as "systemic threat." This approach aims to ensure a more accurate understanding of the nature of the risk rather than presenting speculative results that may be misleading in areas involving high uncertainty.

Within the scope of transition risks, based on NGFS scenarios, internal stress testing mechanisms have been developed for the Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer) sectors. These stress tests model the deterioration in customer financials under different transition scenarios and ultimately calculate the potential increase in ECL. Through stress testing and impact analysis studies, it is aimed to expand this work to carbon-intensive sectors, develop special financing products that will support customers' green transformation investments, and integrate climate-related risks into lending criteria and limits.

The outputs obtained from scenario analyses are used as inputs in assessing the Bank's climate resilience, identifying long-term risks at an early stage, and strategic decision-making processes. The findings obtained under the "Orderly and Disorderly Transition" and "Hot House World" (RCP8.5) scenarios reveal that strategic focus areas such as sustainable agriculture finance are critical factors in limiting portfolio losses.

The identified opportunities are measured in terms of their potential financial magnitude and resilience by using NGFS scenarios. In this way, they are evaluated both qualitatively and quantitatively. Within the scope of the Green Finance opportunity, scenario analyses model how much the market may grow and to what extent loan profitability may change under different futures in order to estimate the potential additional net income. For the Sustainable Agriculture opportunity, physical risk scenarios such as RCP4.5 and RCP8.5 were taken as references, and it was aimed to measure the risk mitigation effect of the opportunity. Under these scenarios, the performance indicators of sustainable agriculture loans were evaluated in comparison with traditional loans.

Probability and Impact Parameters

Risks are positioned on a matrix by taking into account the magnitude of their potential financial and strategic effects (Impact Level) and their likelihood of occurrence (Estimated Probability of Occurrence). Risks whose effect and likelihood are both determined as "high" have the highest level of priority.

National Reports and Policies

Information relating to Ziraat Bank's market share data and the insurance coverage ratios under TARSİM is obtained through the Integrated Annual Report published by the Bank, the official reports of relevant public institutions, and reliable secondary data sources. These data are used as key parameters in risk assessment, portfolio analyses, and the measurement of climate-related financial risks.

Greenhouse Gas Emission Factors

In calculating greenhouse gas emissions arising from the Bank's operational activities, the most up-to-date national emission factors published by the IPCC and authorized local authorities are taken as the basis. These factors are used as key parameters in ensuring the accuracy of the emissions inventory, enhancing comparability, and measuring climate-related risks.

Financial Conversion Coefficients

In the consolidation of financial data relating to overseas subsidiaries and in the conduct of climate-focused scenario analyses, the relevant period-end financial parameters, primarily the exchange rates valid as of December 31, 2025, are taken as the basis. These parameters are used as key inputs for ensuring consistency with the financial statements, accurately reflecting exchange rate risk, and increasing the reliability of forward-looking risk projections.

Risk Management





Risk Management

Changes from the Previous Period and Reporting Approach

Although the threshold values and tolerance levels determined within the scope of the risk appetite statement were revised in 2025, these revisions had no effect on decision-making processes.

In order to monitor the risks to which the Bank is exposed through a holistic approach, the scope of early warning mechanisms and stress tests is being developed to include, in addition to credit, market, and balance sheet risks, additional risk factors whose effect on the risk profile is increasing. In this regard, efforts are being carried out to incorporate environmental and climate-related risks into risk management processes.

Within the scope of the Environmental and Social Impact Management Policy for Lending Activities, studies were carried out to improve the assessment methodology for 2026 and subsequent years. Within this scope, the investment amount threshold was set at USD 10 million; the risk assessment model was transformed into a more comprehensive structure consisting of 33 questions and scored across the axes of impact, probability of occurrence, and manageability; and the risk classification was structured under the categories A, B+, B-, and C.



Risk Management



We Are
With You
Everywhere

162 *years*

 Ziraat Bank

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Metrics and Goals

Climate Strategy and Governance

Ziraat Bank manages its climate strategy in line with its established sustainability governance framework. The highest level authorities within this structure are designated as the Board of Directors and the Sustainability Committee, and the strategy is shaped based on the analyses and recommendations of operational business units. During the reporting period, the Bank continued its efforts to develop the "Climate Transition Roadmap Document." The roadmap includes the Bank's scope of activities and targets and is reviewed, where necessary, during annual strategic planning meetings in light of national policies, technological developments and market dynamics.

Carbon Pricing Policies

The Bank monitors local and global developments in carbon markets. By recognizing carbon pricing as an external risk factor, it analyzes potential risks that may arise in its credit portfolio through stress testing. These stress tests are conducted by the Risk Management Department based on potential carbon prices derived from NGFS scenarios. The Bank does not have a formal internal carbon pricing mechanism in place during the current and previous reporting periods.

Through these stress tests, the potential impacts on expected credit losses (ECL) arising from carbon-intensive clients within the credit portfolio are modeled. The Bank benefits from consultancy and knowledge-sharing processes to enhance its institutional capacity regarding national and international practices and methodologies related to carbon pricing mechanisms. The analysis prioritizes selected carbon-intensive sectors such as the Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer). The aim is to ensure preparedness for potential regulations and to monitor the potential impacts of carbon costs on risk management processes. Within the scope of the Sustainable Finance Framework in force during the reporting period, the Bank continues its financing approach towards climate transition by prioritizing green financing and sustainability-themed projects.

Climate-Related Metrics

Within the scope of this report, Ziraat Bank presents metrics for both previous and current reporting periods on a comparative basis. The Bank reports its own and its subsidiaries' key climate-related metrics within the following scopes:

Greenhouse Gas Emissions

Ziraat Bank calculates and verifies emissions arising from all activities under its operational control in line with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), based on the financial control approach. The Bank's greenhouse gas emissions data for both previous and current reporting periods are subject to independent third-party verification in accordance with ISO 14064-3. In addition, during the reporting period, the Bank has not made any revisions to the methodologies, data sources or key assumptions used in greenhouse gas emissions calculations compared to the previous period.

• **Scope 1 Emissions:** Emissions under this scope represent natural gas consumption for heating in the Bank's buildings, fuel consumption in vehicle fleets and refrigerant gas leakages.

• **Scope 2 Emissions:** The Bank calculates Scope 2 emissions under two different categories: location-based and market-based.

Within the scope of the Ziraat Solar Power Plant (SPP) project commissioned in 2025, the Bank has certified its own renewable electricity generation through I-REC certificates. In 2025, Scope 2 emissions were reduced to zero on a market-based basis through the procurement of YEK-G certificates for the remaining limited electricity consumption.



Metrics and Goals

• **Scope 3 Emissions:** The Bank has initiated efforts to calculate financed emissions, which constitute the most significant Scope 3 category, in line with the PCAF (Partnership for Carbon Accounting Financials) methodology, and plans to disclose relevant information in subsequent reporting periods. Once data collection for all Scope 3 categories is completed, Ziraat Finance Group will conduct the relevant calculations and provide disclosures upon the expiration of the Scope 3 exemption under TSRS.

Consolidated Scope 1 and Scope 2 emissions are presented on a comparative basis for the 2024 and 2025 reporting periods. The greenhouse gas emissions table as of 31 December 2025 is presented below:

Breakdown of Greenhouse Gas Emissions by Subsidiaries and Joint Ventures

Organization	Scope 1 (ton CO ₂ e)		Scope 2 – Market Based (ton CO ₂ e)		Kapsam 2 – Location Based (ton CO ₂ e)	
	2024	2025	2024	2025	2024	2025
T.C. Ziraat Bankası A.Ş. (Unconsolidated)	40,842.30	36,425.56	-	-	61,084.59	62,079.50
Ziraat Yatırım Menkul Değerler A.Ş.	53.72	54.69	356.50	448.52	356.50	448.52
Ziraat Portföy Yönetimi A.Ş.	41.77	26.98	353.22	295.66	353.22	295.66
Ziraat Katılım Bankası A.Ş.	2,696.91	2,358.83	103.53	580.24	6,429.00	7,511.56
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	29.15	31.03	300.70	290.54	300.70	290.54
Ziraat Dinamik Banka A.Ş.	25.91	79.16	81.56	549.43	81.56	549.43
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	16.80	47.95	83.89	135.21	83.89	135.21
Ziraat Bank International AG	93.51	131.42	61.82	64.50	61.82	64.50
Ziraat Bank BH d.d.	242.85	295.56	1,008.06	1,234.95	1,008.06	1,234.95
Ziraat Bank (Moscow) JSC	501.57	241.06	115.68	44.66	115.68	44.66
Kazakhstan Ziraat Int. Bank	92.84	84.43	817.68	878.16	817.68	878.16
Ziraat Bank Azerbaijan ASC	155.53	285.98	392.81	607.14	392.81	607.14
Ziraat Bank Montenegro AD	17.06	17.21	63.03	140.06	63.03	140.06
JSC Ziraat Bank Georgia	44.35	79.30	66.53	33.35	66.53	33.35
Ziraat Bank Uzbekistan JSC	93.57	109.55	336.30	333.97	336.30	333.97
Ziraat Finansal Kiralama A.Ş.	-	41.50	-	282.42	-	282.42
Ziraat Teknoloji A.Ş.	1,960.43	742.43	2,932.06	3,048.88	2,932.06	3,048.88
Ziraat Bank Kosova JSC	-	14.31	-	603.95	-	603.95
Türkmen Turkish Joint Stock Commercial Bank	-	3,479.74	-	4.55	-	4.55
Ziraat Finansal Yatırımlar A.Ş.*	20.81	26.47	226.39	145.92	226.39	145.92
Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş.	-	1,076.79	-	194.48	-	194.48
ZG Tarım Piyasaları A.Ş.	-	-	-	-	-	-
ZY Elektrikli Traktör San. ve Tic. A.Ş.	-	60.01	-	105.11	-	105.11
MESA İmalat Sanayi ve Ticaret A.Ş.	-	906.74	-	1,362.10	-	1,362.10
Consolidated Total	46,929.07	46,616.70	7,299.76	11,383.80	74,709.67	80,394.62

* Following its name change in June 2025, Ziraat Girişim Sermayesi Ortaklığı A.Ş. continues its operations under the title Ziraat Financial Investments A.Ş. Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş., ZG Tarım Piyasaları A.Ş., ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş., which are among the subsidiaries and joint ventures of Ziraat Financial Investments A.Ş., are consolidated into the emissions inventory in line with the Bank's ownership share.

For Türkmen Turkish Joint Stock Commercial Bank, Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş., ZG Tarım Piyasaları A.Ş., ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş., greenhouse gas emissions for 2024 were calculated using a sampling-based methodology. In 2025, the greenhouse gas emissions of these entities were calculated in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard and were subject to limited assurance.

As Ziraat Finansal Kiralama A.Ş. and Ziraat Bank Kosova JSC were not operational during the 2024 reporting period, the relevant data were reported as 0.

Metrics and Goals

Climate-Related Metrics

Metrics Related to Risks and Opportunities

Ziraat Bank analyzes its key climate-related metrics using the approach summarized below. In preparing these metrics, the Bank relies on its internal data sources, including credit risk databases and accounting records, as well as national policy documents and international standards such as TCFD. This consolidated approach enables the Bank to construct its metrics based on the most comprehensive data available and to provide transparent and reliable disclosures to its stakeholders.

Expected Credit Loss: Ziraat Bank regularly monitors its loan portfolio in five carbon-intensive sectors— Electricity Generation, Iron and Steel, Cement, Aluminum, and Chemical Products (Fertilizer) —within the scope of transition risks, through stress tests based on the ECL framework. The results obtained during the reporting period remain below the defined financial materiality threshold. However, even a minor percentage deterioration in the risk profile of the relevant portfolio has the potential to generate outcomes exceeding the materiality threshold under future transition risk scenarios. In order to manage this critical potential, the Bank continues its efforts to develop a climate transition approach focused on financed emissions. Decarbonization plans are being developed for the identified carbon-intensive sectors, and corresponding scenario analyses are being conducted.

The percentage share of credit risk exposures in carbon-intensive sectors within the total balance sheet or total loan portfolio has not yet been calculated. Ziraat Bank aims to disclose these metrics on a percentage basis in future reporting periods.

Capital Allocation

Ziraat Bank directs its capital towards “Green Financing” and “Sustainable Agriculture” in response to climate-related opportunities. However, it has not yet calculated CAPEX allocated to climate-related risks and opportunities as a consolidated metric and plans to develop this in future periods.

Remuneration Metrics

During the reporting period, the integration of climate-related performance metrics into executive remuneration policies, on a direct and quantitative basis, has not yet been completed. Accordingly, the impact of climate-related matters on senior management remuneration is 0%. The Bank evaluates its remuneration policy within a broader framework, including overall financial performance, achievement of strategic targets and risk management. It primarily aims to establish a strong institutional data infrastructure based on these elements. Building on this foundation, the integration of climate-related incentive and remuneration mechanisms is planned to be evaluated in future periods.

Sector-Based Metrics

Metrics defined under the sector “Appendix Volume 16: Commercial Banks,” which represents Ziraat Bank’s core line of business, are considered material and are therefore included and disclosed within the reporting scope. In addition, taking into account other entities operating within the Bank’s subsidiary structure, metrics defined under Appendix Volume 15: Asset Management and Custody Activities, Appendix Volume 18: Investment Banking and Brokerage, Appendix Volume 36: Real Estate, and Appendix Volume 58: Software and IT Services have also been reviewed and assessed. As a result of this assessment, it has been concluded that the impact of the metrics included in these appendix volumes on the Bank’s core activities is limited; therefore, such metrics have not been included in the reporting scope.

Climate Risk Profile of the Credit Portfolio: The Bank analyzes its credit portfolio in sectors that may be affected by both physical and transition climate risks. In this context, the agricultural sector, which is exposed to physical risks, is of particular importance for the Bank. The Bank monitors potential impacts over the short, medium and long term.

Green and Sustainable Financing Costs: The Bank measures the volume and nature of financing alternatives that contribute to mitigating the impacts of climate risks.

Green Asset Ratio (GAR): The Bank regularly reports and monitors its metrics within the scope of the GAR as part of regulatory reporting requirements.

Integration of Sustainability and Climate-related Criteria into Credit Processes:

Within the scope of its ESG framework, Ziraat Bank integrates ESG criteria into its credit processes and plans to incorporate climate-related risks into these processes in a more systematic manner in the coming periods. The Bank continues its efforts to define a decarbonization framework for selected sectors that constitute a significant share of its portfolio emissions. The Climate Transition Roadmap Document is planned to be put into effect in 2026.

Financed Emissions: Ziraat Bank does not disclose financed emissions quantitatively, benefiting from TSRS transition reliefs. Under this metric, the sources of risk have been identified as five carbon-intensive sectors. Through the aforementioned climate transition plan, science-based decarbonization roadmaps are being developed for these sectors.

Appendix Volume 16: Commercial Banks – Sustainability Disclosure Topics and Metrics

Topic	Metric	Code
Integration of Environmental, Social and Governance Factors into Credit Analysis	Description of the approach to integrating ESG factors into credit analysis	FN-CB-410a.2

Ziraat Bank’s Response

Ziraat Bank, being aware of the transformative impact of financial institutions on economic activity, adopts sustainability as a fundamental principle and undertakes an active role in this area. In this context, the Bank has established a framework approach to integrate ESG factors into its credit analysis and manages its activities accordingly.

Integration of ESG Factors into Credit Analysis – Description of the Approach: Ziraat Bank’s approach to integrating ESG factors into credit analysis forms the basis of its sustainable financing and lending activities. This approach enables the Bank to effectively manage environmental, social and governance risks in projects it finances within its lending operations.

General Framework and Objective: The Bank aims to finance sustainable investments, projects and activities that support the transition to a low-carbon, resource-efficient and inclusive economy. In this context, the “Sustainable Finance Framework” and the “Environmental and Social Management System (ESMS)” have been established. These systems ensure the integration of ESG factors into credit allocation, monitoring and follow-up processes, enabling the Bank’s financing activities to actively contribute to sustainable finance and sustainable economic development.

Risk Assessment and Classification: All credit requests are evaluated in terms of their potential environmental and social impacts. Projects/activities within the scope of the **Environmental and Social Risk Assessment Model** are classified into four categories—A, B+, B- and C—based on their environmental and social risk levels.

Category A: Projects with significant, diverse or irreversible adverse environmental and social impacts (e.g., large-scale infrastructure, mining, energy and manufacturing sectors, as well as activities involving risks of land degradation and biodiversity loss). These projects require comprehensive environmental and social assessments and risk management plans.

Category B+: Projects with largely reversible impacts, where mitigation measures are already in place, and which may have limited adverse environmental and/or social risks and/or impacts. In order to monitor and regularly report all environmental and social aspects of the investment, an appropriate Environmental and Social Due Diligence Report and Action Plan must be prepared by an in-house environmental and social expert/consultant. Where deemed necessary, the Environmental and Social Due Diligence Report and Action Plan may also be prepared by the Bank’s environmental expert.

Metrics and Goals

Ziraat Bank's Response

• **Category B-:** Projects with largely reversible impacts, where mitigation measures are already in place, and which may have minor adverse environmental and/or social risks and/or impacts. Based on the assessments of the Bank's environmental expert, the preparation of a detailed Environmental and Social Due Diligence Report and Action Plan-Monitoring Plan is not mandatory; identified areas for improvement within the environmental and social risk assessment process may be monitored through periodic reporting. However, where deemed necessary, an Action Plan may be prepared by an in-house environmental expert/consultant of the client or by the Bank's environmental expert.

• **Category C:** Projects with minimal or no adverse environmental and social impacts (e.g., microfinance, retail loans, general services). This categorization determines the scope of environmental and social due diligence to be conducted and ensures that credit processes are structured accordingly.

• In 2025, a total of 49 projects were subject to environmental and social assessment within the scope of the Environmental and Social Impact Management Policy in Lending Activities.

Distribution of Environmental and Social Assessment Projects by Sector During the Reporting Period

Sector	2024		2025	
	Number	2024 Total Investment (USD)	Number	2024 Total Investment (USD)
Manufacturing	19	1,432,660,492.69	15	1,658,598,581
Energy	14	874,710,215.70	13	1,826,782,288
Tourism	6	619,853,900.00	14	1,596,657,183
Trade	7	799,595,759.90	2	210,124,597
Construction	0	0	5	1,495,965,412
Total	46	3,726,820,368.29	49	6,788,128,061

Internal Processes and Tools:

The Bank utilizes internal regulations such as the "Environmental and Social Impact Management System Procedure" and the "Environmental and Social Impact Management System Risk Assessment and Monitoring Guideline" within its credit analysis processes.

• Environmental and Social Action Plans (ESAP) are prepared, where necessary, to manage and mitigate environmental and social risks, and the implementation of these plans is monitored.

• Environmental and social risk management and monitoring processes are carried out in compliance with relevant national legislation as well as international standards (e.g., IFC Performance Standards).

• The Bank's credit allocation authorities and all relevant employees are regularly trained on environmental and social risk management, and their awareness is enhanced.

• **Decision-Making and Monitoring:** ESG due diligence results are integrated into credit decision-making processes, and the environmental and social performance of projects is continuously monitored throughout their lifecycle.

• **Continuous Improvement:** Ziraat Bank is committed to continuously improving its framework and related processes to enhance sustainability performance and deepen ESG integration into credit processes. Recognizing the transformative role of sustainable development within the financial system, the Bank considers supporting investments that generate environmental and social impact as a strategic priority. In this context, the Sustainable Finance Framework, updated in November 2024, aims to ensure that the Bank's lending and financing activities contributing to sustainable development are carried out under a systematic, transparent and internationally aligned structure. The Sustainable Finance Framework covers green financing, social financing and sustainability financing instruments that address both areas together. The framework is structured in alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and LMA Green and Social Loan Principles. This alignment ensures that the Bank's sustainable financing activities are consistent with internationally recognized best practices.

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Climate-Related Goals

Ziraat Bank addresses its climate-related targets within a holistic framework in order to strengthen its capacity to adapt to the impacts of climate change and to capture climate transition opportunities. In line with this approach, climate-related targets are envisaged to be integrated as a component of the Bank's strategic planning and performance monitoring processes.

At the core of efforts to define climate targets is the effective management of financed emissions, which constitute a significant component of the Bank's overall climate impact. In this context, during 2025, science-based analyses were conducted for carbon-intensive sectors with significant exposure in the credit portfolio, namely Electricity Generation, Iron and Steel, Cement and Crop Production. Technical assessments were carried out to support a decarbonization approach aligned with the Bank's portfolio transformation. The framework and related disclosures for these efforts are planned to be shared with the public in 2026.

Accordingly, it is planned to establish intensity-based targets for the measurement, monitoring and reduction of emissions arising from the credit portfolio, and to develop and implement a long-term decarbonization approach that supports portfolio transformation. In achieving climate targets, the Bank also aims to leverage its client engagement approach by supporting customers' transition to low-carbon production and operating models through financing tools and products.

Progress towards defined climate transition targets is planned to be monitored and reported through structured tracking and update mechanisms. In this context, performance against targets will be reviewed annually, and updates to targets will be assessed in line with sectoral developments, improvements in data quality and changes in the policy framework.

Goals Required to Be Achieved Under the Legislation

I **Target :** To act in full alignment with Türkiye's Nationally Determined Contribution under the Paris Agreement and its 2053 Net Zero Emissions targets.

Description of the Target: The target constitutes the primary reference point of the Bank's climate strategy and aims to contribute to Türkiye's decarbonization process through its financial capacity.

Type of Target: Qualitative

Applicable Period: Long-term

The target serves as the ultimate reference point shaping the Bank's long-term strategic framework and operational approach, and its achievement will be realized through the gradual implementation of short- and medium-term actions. During the reporting period, the Second Nationally Determined Contribution was reviewed, and the alignment of the Bank's strategies within this scope was assessed.

Metric Used for Tracking: The main metric used under this target reflects the degree of alignment of the Bank's credit portfolio and decision-making processes with Türkiye's national decarbonization targets and sectoral transition priorities. This alignment is monitored based on the Bank's proactive compliance performance with national climate action plans and regulatory frameworks.

Relevant Departments: The target concerns the entire Bank under the leadership of the Board of Directors and the Sustainability Committee, and progress towards the target requires the collaboration of all relevant departments, primarily Strategic Planning, Credit Policies, Risk Management, Treasury and all credit allocation functions.

Performance Against the Target: As of 2025, concrete steps have been implemented to reduce environmental impacts arising from the Bank's operations; with the commissioning of three solar power plants (SPP) in Kayseri, approximately 93% of the electricity demand of the Bank's service units has begun to be met from renewable energy sources. This development significantly increases the share of low-carbon sources in operational energy consumption and directly contributes to the Bank's decarbonization journey.

In addition, within the scope of its sustainable financing approach, the Bank continues to contribute to the green transition of the Turkish economy by prioritizing financing activities that support the real sector's transition to low-carbon production models. This approach strengthens the alignment between national decarbonization targets and credit allocation and financing decisions.

Revision of the Target: No revision has been made to the target during the reporting period.

Metrics and Goals

Goals Set by the Bank

I **Target :** Alignment of financing activities with the green transition.

Description of the Target: The Bank aims to play an active role in financing the green and sustainable transition, to contribute to emission reductions through financing provided to areas such as renewable energy and energy efficiency, and to capture market opportunities arising from the low-carbon economy.

Type of Target: Qualitative

Applicable Period: Short-, Medium- and Long-term

The target covers a continuous approach to activities that are implemented from the current period onwards and maintained in alignment with long-term strategic objectives.

- **Short-term:** Maintaining the utilization of existing green financing products and preserving the current market position.
- **Medium-term:** Developing new green financing products and diversifying international funding sources.
- **Long-term:** Gradual transformation of the Bank's portfolio in alignment with Türkiye's 2053 Net Zero Emissions target.

Metrics Used for Tracking:

- **Increase in Green Financing Volume:** The annual total volume of loans extended in areas such as renewable energy, energy efficiency and sustainable transportation within the scope of green financing opportunities.
- **Expansion of the Sustainable Agriculture Portfolio:** The share and absolute size of the "Green Agriculture" portfolio supporting climate-resilient agricultural practices within the total agricultural portfolio.
- **Sustainability-themed Funding Performance:** The performance level of sustainability-themed funds obtained from international markets, monitored within the framework of defined performance and compliance criteria.
- **Green Asset Ratio:** The processes set out in the Communiqué on the Calculation of Green Asset Ratio of Banks published by BRSA on 11 April 2025 are observed. The GAR, a key performance indicator showing the extent to which assets on banks' balance sheets are directed towards environmentally sustainable economic activities, is monitored by the Bank.

Relevant Departments: As this target is directly associated with revenue generation and business growth, it is primarily monitored by customer- and product-oriented units. The main departments responsible for the implementation of the target are as follows:

- Project Finance and Sustainability Department
- Corporate and Commercial Branch Banking Department
- Retail Banking Department
- Agricultural Banking Department
- Corporate/Retail Products and Customer Experience Management Department
- Financial Institutions and Investor Relations Department (in the context of access to international funding sources)

Performance Against the Target: In line with its approach to financing the green transition, the Bank continues to direct its credit portfolio towards supporting low-carbon economic activities. On the international funding side, the Bank has continued its efforts to increase access to sustainability-themed financing sources and diversified its funding structure by securing sustainability-linked syndicated loans in 2025. These resources represent a significant advancement in supporting sustainable financing activities and strengthening green transition-oriented lending.

• During the reporting period, Ziraat Bank secured a total of USD 1.75 billion in sustainability-linked syndicated loans in April 2025, comprising USD 850 million and EUR 789 million, with participation from 69 banks across 29 countries. In October of the same year, a second transaction provided an additional USD 988 million (USD 509 million and EUR 413 million), with participation from 31 banks.

• As a result of these transactions, the total amount of sustainability-linked syndicated loans obtained by Ziraat Bank in 2025 reached USD 2.8 billion (2024: USD 1.7 billion). The funds were primarily used to finance foreign trade, support sustainable agriculture projects and fund real sector investments.

Within the scope of agricultural banking activities, financing solutions continue to be provided to support sustainable production models, reduce carbon footprint and strengthen food security.

- During the reporting period, Ziraat Bank extended TL 10.5 billion in loans for Pressurized Irrigation Systems to 12,459 producers, contributing to water conservation.
- In 2025, TL 659 million in agricultural renewable energy loans were provided to 755 producers, supporting the use of clean and renewable energy sources in production.

• Approximately 1,800 individuals received a total of TL 9.5 billion in loans in 2025 to finance controlled-environment crop production, mitigating climate-related impacts.

• In 2025, TL 8.2 billion in loans were extended to 2,100 producers to support organic farming, good agricultural practices, and biological and biotechnical control methods, contributing to the expansion of low-carbon and responsible production models.

Revision of the Target: No revision has been made to the target during the reporting period.

II **Target :** Management of transition risks in carbon-intensive sectors.

Description of the Target: The target aims to identify and manage risks that may arise in carbon-intensive sectors at an early stage and to support the transition of these sectors. Progress towards the target is monitored through tracking additional ECL impacts calculated under various climate and policy scenarios. The primary objective of this approach is to enhance the resilience of the Bank's credit portfolio against potential financial risks arising from future policy and regulatory developments. At the same time, the target also aims to contribute to indirect emissions reduction by supporting the decarbonization processes of clients operating in carbon-intensive sectors.

Type of Target: Qualitative

Applicable Period: Medium- and Long-term
The impacts of the target and the activities carried out in line with this target are expected to become more evident in the medium and long term, when climate policies and regulations such as emissions trading systems and carbon border adjustment mechanisms are effectively implemented. The stress testing activities conducted by the Bank aim to anticipate potential impacts in these periods and to prepare the Bank for such regulatory developments.

Metrics Used for Tracking:

- **Expected Credit Loss (ECL) Impact:** Regular monitoring of discounted additional ECL amounts (profit/loss impact) calculated for carbon-intensive sectors under various scenarios defined by NGFS. This indicator reflects changes over time in the Bank's level of exposure to risks in these sectors.

Metrics and Goals

• **Expansion of Stress Testing Scope:** Gradual expansion of customer-level stress testing practices by increasing the number of sectors covered.

Relevant Departments: The target is a core component of the Bank's risk management and credit evaluation processes and is primarily carried out by the following units:

- **Risk Management Department:** Modeling of stress testing studies and monitoring of risk indicators.
- **Credit Analytics and Processes Department:** Determination and updating of credit criteria and limit structures.
- **Corporate and Commercial Branch Banking Department:** Management of customer relationships and initial assessment of risks.

• **Project and Company Analysis Department:** Conducting project- and company-based credit analyses.

Performance Against the Target: The Bank monitors its credit portfolio within a holistic risk management framework that takes into account economic, environmental, and regulatory developments in order to manage transition risks that may arise in carbon-intensive sectors. In this context, supporting the transition processes of clients operating in carbon-intensive sectors is considered an important element in credit assessment and financing decisions.

Ziraat Bank continued the preparation process of the "Climate Transition Roadmap Document" during the reporting period.

In addition, through its financing approach that supports the transition to low-carbon production models, the Bank contributes to the transformation of the real sector and addresses transition risks not only from a risk mitigation perspective but also from an opportunity management perspective. This approach supports the reduction of credit risks in carbon-intensive sectors in the long term and helps preserve portfolio quality.

Revision of the Target: No revision was made to the target during the reporting period.

Metrics and Goals



Target : Reduction of operational greenhouse gas emissions.

Description of the Target: The target covers the reduction of environmental impacts arising from the Bank's own operations. In this context, the Bank has implemented various pilot practices aimed at improving energy efficiency on a non-consolidated basis. The primary objective of the target is to directly reduce greenhouse gas emissions resulting from building energy consumption, vehicle fleets, and similar activities, thereby contributing measurably to Türkiye's national emission reduction targets and strengthening trust and reputation among stakeholders.

As of the current reporting period, the Bank has not yet publicly disclosed a quantitative and time-bound emission reduction target based on a specific base year on a consolidated basis. The main reasons for this include the expectation of clearer national and sectoral decarbonization roadmaps, as well as the ongoing development of data infrastructure and methodologies in areas such as financed emissions.

The target is based on a gross greenhouse gas emission reduction approach that aims to achieve a direct decrease in total emissions generated by the Bank's activities, without relying on carbon offset mechanisms. In this regard, the Bank has structured its emission reduction strategy around practices such as energy efficiency projects, on-site renewable energy generation, and green energy procurement, all aimed at reducing emissions at the source. During the current reporting period, the Bank has not purchased carbon credits for the purpose of offsetting its emissions.

At this stage, the target has not been derived from a specific sectoral decarbonization plan. The approach adopted by the Bank is based on a "bottom-up" methodology that relies on reduction potentials derived from concrete projects such as energy efficiency initiatives. In the coming periods, it is also envisaged to evaluate "top-down" sectoral approaches in order to establish a decarbonization framework specific to the financial sector.

Type of Target: Qualitative

• **Target for Operational Greenhouse Gas Emissions:** This target is based on reducing the absolute amount of total greenhouse gas emissions (in tons of CO₂e) released into the atmosphere, independent of changes in the Bank's scale or volume of operations.

• **Targets for Green Financing and Sustainable Agriculture:** These targets are based on the total amount of financing provided in the relevant areas (in Turkish lira), enabling the clear and comparable monitoring of the capital allocated by the Bank to climate-related opportunities.

Base Year of the Target: 2024

Applicable Period: Short-, Medium-, and Long-term
The target is addressed within a framework of continuous development and improvement.

• **Short Term:** Implementation of pilot applications such as "Smart Branches" and continuation of practices aimed at maintaining Scope 2 emissions at zero level.

• **Medium Term:** Scaling up successful pilot practices across the Bank and including subsidiaries in the Scope 2 emission reduction process.

• **Long Term:** Reduction of emissions arising from the Bank's operational activities.

Metric Used for Tracking: The main indicator used to define and monitor the performance of the target is the total annual consolidated Scope 1 and Scope 2 greenhouse gas emissions of the Bank (tons of CO₂e). In this context, the baseline emission value for 2024 has been determined as 54,228.83 tons of CO₂e. As a supporting sub-indicator, the reduction in energy consumption achieved through energy efficiency projects (MWh) is also regularly monitored.

Relevant Departments: The target falls within the responsibilities of the units managing the Bank's physical infrastructure and administrative operations. The main units responsible for the implementation and monitoring of the target are as follows:

• **Project Finance and Sustainability Department:** Ensuring overall coordination and monitoring performance.

• **Construction Management Department:** Implementation of building-based energy efficiency practices and renewable energy investments.

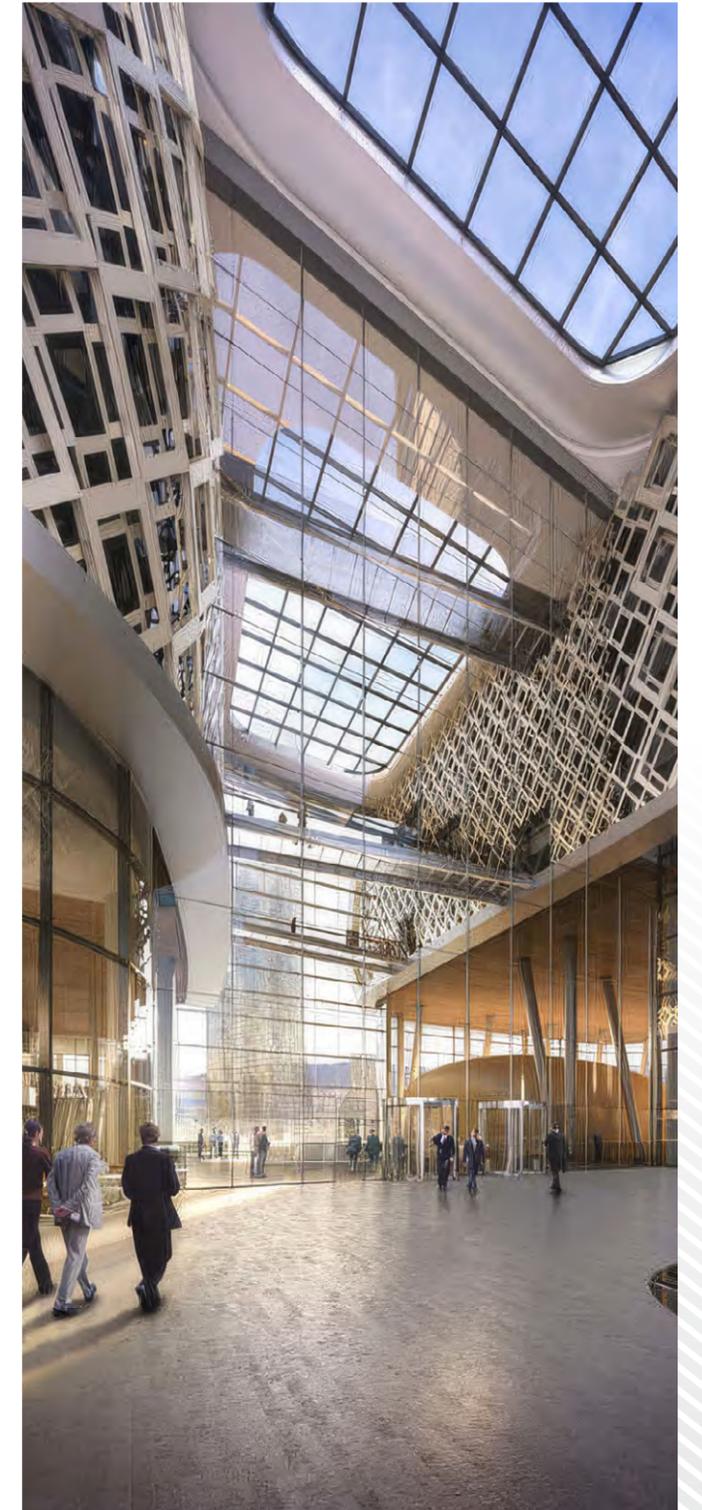
• **Procurement and Services Management Department:** Management of vehicle fleet, energy procurement, and other purchasing processes.

• **Information Technologies Management Department:** Improving energy efficiency in data centers and IT infrastructure.

Performance Against the Target: In line with its objective of reducing greenhouse gas emissions from operational activities, the Bank continued to implement practices aimed at enhancing energy management and increasing the use of renewable energy during the reporting period. In this context, with the commissioning of three SPP projects in Kayseri, approximately 93% of the electricity needs of the Bank's service units began to be met from renewable energy sources, significantly increasing the share of low-carbon sources in operational energy consumption. The commissioning of renewable energy investments contributed to the reduction of emissions related to the Bank's electricity consumption, and Scope 2 emissions were realized at zero level under the market-based approach.

Revision of the Target: No revision was made to the target during the reporting period.

Metrics and Goals





Metrics and Goals

Reporting Methodology and Assurance

Emissions have been calculated using the formula “Activity Data × Emission Factor,” covering all subsidiaries under the Bank’s financial control. For Scope 2 emissions, a “dual reporting” approach—both market-based and location-based—has been applied to transparently reflect the impact of the Bank’s green energy purchases. Emission calculations have been subject to third-party verification. However, the climate-related targets disclosed in this report and the internal methodologies used to determine these targets have not been subject to a separate third-party assurance engagement.

There are no regulatory requirements imposed by a competent authority or a stock exchange on which the Bank is listed that mandate the use of a measurement methodology different from this standard.

The Bank has determined its organizational boundaries for greenhouse gas emissions reporting by adopting the financial control approach among the three approaches defined under the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) (operational control, financial control, equity share). Accordingly, emissions arising from all activities under the Bank’s financial control are included in the Ziraat Finance Group greenhouse gas inventory in line with TFRS/IFRS consolidation principles. This approach is applied consistently across reporting periods to ensure comparability.

In line with its objective to expand the scope and depth of climate-related reporting, Ziraat Bank plans to assess emissions arising from such investments in future reporting periods and explore the possibility of including them within the reporting scope.

No changes have been made in the measurement approach, inputs, or assumptions compared to the previous reporting period. There are no matters requiring restatement of disclosures made in the previous reporting period. The primary inputs used in the calculations consist of primary data obtained from the operational activities of Ziraat Bank and its subsidiaries:

Scope 1 Inputs:

- **Stationary Combustion:** Amounts of natural gas consumed for heating purposes (m³). These data have been obtained from invoices and facility management records.
- **Mobile Combustion:** Amounts of fuel (gasoline and diesel, liters) consumed by the vehicle fleet owned or operationally leased by Ziraat Bank. These data have been obtained from fuel purchase records and fleet management systems.

- **Refrigerant Gas Leakage:** Amounts of refrigerant gas (kg) leaked during maintenance, repair, and refilling operations of air conditioning and cooling systems (e.g., air conditioners, chillers) in buildings and branches.

Scope 2 Inputs:

- **Purchased Electricity:** Total amount of electricity consumed by Ziraat Bank and all its subsidiaries over a year (kWh). These data have been obtained from electricity invoices and consumption records of the relevant units.
- **Renewable Energy Certificates:** I-REC certificates purchased by T.C. Ziraat Bankası A.Ş. (non-consolidated) to reduce its Scope 2 emissions to zero under the market-based approach have been used as a key input in this calculation.

The following key assumptions and factors have been used to convert activity data into emission amounts:

Emission Factors:

- **Scope 1 (Fuel Consumption):** The most recent emission factors published by IPCC and DEFRA, which are internationally recognized and aligned with local conditions, have been used to calculate emissions from fuel combustion (natural gas, gasoline, diesel).
- **Scope 2 (Location-Based):** For location-based calculations, the average emission factor of Türkiye’s national interconnected electricity grid has been used, reflecting the average emission intensity of the grid.
- **Scope 2 (Market-Based):** For market-based calculations, the emission factor has been assumed as zero (0) for renewable energy consumption certified by I-REC certificates. For subsidiaries not using certificates, the average grid emission factor of the relevant country (location-based factor) has been used as a proxy.
- **Global Warming Potentials (GWP):** To standardize the impact of different greenhouse gases (such as methane – CH₄, nitrous oxide – N₂O) on climate change, these gases have been converted into carbon dioxide equivalent (CO₂e) using the 100-year Global Warming Potential (GWP) coefficients specified in the IPCC Sixth Assessment Report (AR6).



Metrics and Goals



162 *years*

 **Ziraat Bank**

Appendices

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Appendices

Events After the Reporting Period

During the period from the end of the reporting period until the date on which the 2025 TSRS was approved for issue, no significant transaction or event occurred that would require disclosure in the report.



Appendices

Calculation Methodology for Metrics

The information included in this guide covers the fiscal year ended December 31, 2025 and the operations under the responsibility of Ziraat Bank, its subsidiaries, and jointly controlled entities, as detailed in the section “Key Definitions and Reporting Scope”.

The subsidiaries and jointly controlled entities included in reporting are as follows;

- Ziraat Yatırım Menkul Değerler A.Ş.
- Ziraat Portföy Yönetimi A.Ş.
- Ziraat Katılım Bankası A.Ş.
- Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.
- Ziraat Finansal Yatırımlar A.Ş.
 - Ziraat Filo Yönetimi ve Mobilite Çözümler A.Ş.
 - ZG Tarım Piyasaları A.Ş.
 - ZY Elektrik ve Traktör San. ve Tic. A.Ş.
 - MESA İmalat Sanayi ve Ticaret A.Ş.
- Ziraat Dinamik Banka A.Ş.
- Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.
- Ziraat Bank International AG
- Ziraat Bank BH d.d.
- Ziraat Bank (Moscow) JSC
- Kazakhstan Ziraat Int. Bank
- Ziraat Bank Azerbaycan ASC
- Ziraat Bank Montenegro AD
- JSC Ziraat Bank Georgia
- Ziraat Bank Uzbekistan JSC
- Ziraat Finansal Kiralama A.Ş.
- Ziraat Teknoloji A.Ş.
- Ziraat Bank Kosovo JSC
- Turkmen Turkish Joint Stock Commercial Bank

General Reporting Principles

In the preparation of this guidance document, attention has been paid to the following principles:

In the preparation of information - emphasizing the fundamental principles of relevance and reliability of information for users of the information,

In the reporting of information - emphasizing the principles of comparability/consistency with other data, including the previous year, and the principles of understandability/transparency that provide clarity to users.

Appendices

Appendices

Key Definitions and Reporting Scope

For the purpose of this report, the Company makes the following definitions:

Capital	Indicator	Scope
Environmental	Scope 1 Emissions of Ziraat Bank and its subsidiaries (tCO ₂ e)	During the reporting period, this refers to the tons of carbon dioxide equivalent of direct greenhouse gas emissions arising from fixed combustion source natural gas consumption at the specified locations of Ziraat Bank and its subsidiaries, generator diesel and gasoline consumption tracked through invoices, diesel and gasoline consumption of leased and owned company vehicles, and refrigerant gas refills made to fire extinguishers and cooling equipment tracked through the service forms of the maintenance company. Ziraat Bank calculates greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol, 2004)". Biogenic emissions are not included within total Scope 1 emissions.
Environmental	Scope 2 Emissions of Ziraat Bank and its subsidiaries - Market-Based (tCO ₂ e)	During the reporting period, this refers to the tons of carbon dioxide equivalent arising after deducting the amount of purchased renewable energy certificates (for example, I-REC) from the indirect greenhouse gas emissions generated as a result of electricity consumption tracked through invoices representing indirect energy consumption at the specified locations of Ziraat Bank and its subsidiaries, energy systems used in branch and head office buildings, and imported natural gas and electricity consumption tracked through invoices. Ziraat Bank calculates greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol, 2004)".
Environmental	Scope 2 Emissions of Ziraat Bank and its subsidiaries - Location-Based (tCO ₂ e)	During the reporting period, this refers to the tons of carbon dioxide equivalent of indirect greenhouse gas emissions generated as a result of electricity consumption tracked through invoices representing indirect energy consumption at the specified locations of Ziraat Bank and its subsidiaries, energy systems in branches and head office buildings, energy consumption systems of third-party companies in jointly used buildings and facilities, and imported natural gas and electricity consumption tracked through invoices. Ziraat Bank calculates greenhouse gas emissions in accordance with the "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol, 2004)".
Environmental	Total Energy Consumption (GJ)	During the reporting period, this refers to the value in GJ obtained after conversion following the consumption of the energy sources constituting Scope 1 and Scope 2, as stated above, at the specified locations of Ziraat Bank and its subsidiaries.

Preparation of Data

Environmental Indicators

Total Energy Consumption (GJ)

Within the scope of direct energy consumption of Ziraat Bank and its subsidiaries, primary fuel sources consisting of natural gas, electricity, vehicle fuels diesel and gasoline, and generator diesel consumption are reported.

The energy conversions used were carried out using the following calculations;

The references used in the calculation are provided in the table below;

Energy Source	Net Calorific Value	Unit	Reference
Fuel (Lignite)	11.9	TJ/Gg	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Table 1.2
Fuel (Natural Gas)	48	TJ/Gg	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Table 1.2
Fuel (Fuel Oil)	40.4	TJ/Gg	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Table 1.2
Fuel (Diesel) stationary	43	TJ/Gg	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Table 1.2
Fuel (Diesel) mobile	43	TJ/Gg	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Table 1.2
Fuel (Gasoline) mobile	44.3	TJ/Gg	2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1, Table 1.2
Other Primary Solid Biomass	11.6	TJ/Gg	IPCC (2006), Vol. 2, Chapter 1, Table 1.2.

Scope 1 Greenhouse Gas Emissions (tCO₂e)

Scope 1 emissions have been calculated in accordance with TSRS, within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard", based on the operational control principle. In the calculations, conversion factors of CO₂, CH₄, and N₂O into CO₂ equivalent were used. The emission factors used were taken from the Guidelines for National Greenhouse Gas Inventories (2006, IPCC), while the Global Warming Potential (GWP) coefficients were taken from the IPCC 6th Assessment Report.

Formula:

Emission Amount (tCO₂e) = Activity Data (It-m³-ton) * Emission factor (CO₂-CH₄-N₂O) (Kg/TJ)

The energy sources constituting Scope 1 consist of natural gas consumption, fuel oil consumption, diesel consumption, vehicle fuel consumption, and refrigerant gas use.

Natural Gas;

Natural gas consumption is tracked in m³ through invoices obtained from service providers at the locations where consumption occurs.

Vehicle Fuels;

For owned and leased vehicles, diesel and gasoline consumption is tracked through invoices obtained from service providers at the locations where consumption occurs.

Refrigerant Gases;

Refrigerant gas consumption is tracked through refill slips used for machines consuming refrigerant gases and based on leakage rates for the machines.

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Emission Source - Scope 1	CO ₂ (kgCO ₂ /TJ)	CH ₄ (kgCH ₄ /TJ)	N ₂ O (kgN ₂ O/TJ)	Reference
Fuel (Natural Gas)	56,100	5.00	0.10	IPCC (2006), Vol. 2, Chapter 2, Table 2.2.
Fuel (Fuel Oil)	77,400	10.00	0.60	IPCC (2006), Vol. 2, Chapter 2, Table 2.2.
Fuel (Lignite)	101,000	10.00	1.50	IPCC (2006), Vol. 2, Chapter 2, Table 2.2.
Fuel (Diesel) stationary	77,400	10.00	0.60	IPCC (2006), Vol. 2, Chapter 2, Table 2.2.
Fuel (Diesel) mobile	74,100	3.90	3.90	IPCC (2006), Vol. 2, Chapter 3, Tables 3.2.1 and 3.2.2.
Fuel (Gasoline) mobile	69,300	25.00	8.00	IPCC (2006), Vol. 2, Chapter 3, Tables 3.2.1 and 3.2.2.

Emission Source - Scope 1 Refrigerant Gases	GWP (kgCO ₂ e/kg)	Reference
R32	771	IPCC 6th Assessment Report
R410A	2,255	IPCC 6th Assessment Report
R134A	1,530	IPCC 6th Assessment Report
R600A	0.06	IPCC 6th Assessment Report

Scope 2 Greenhouse Gas Emissions (tCO₂e)

Scope 2 emissions have been calculated in accordance with TSRS, within the framework of the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard”, based on the operational control principle.

In the calculations, conversion factors of CO₂, CH₄, and N₂O into CO₂ equivalent were used. The emission factors used for electricity were based on the 2022 electricity emission factor published in 2024 by the Ministry of Energy and Natural Resources.

Formula:

Emission Amount (tCO₂e) = Activity Data (kWh-h) * Emission factor (CO₂-CH₄-N₂O) (Kg/TJ)

The energy source constituting Scope 2 consists of electricity consumption. These calculations are carried out in accordance with the formulations above.

Electricity:

Electricity consumption is tracked in kWh through invoices obtained from service providers at the locations where consumption occurs.

Emission Source - Scope 2	Emission Factor (tCO ₂ e/MWh)	Reference
Türkiye Electricity Energy (Grid-Sourced)	0.434	ETKB-EVÇED-FRM-042 Rev.01

Key Judgments and Measurement Uncertainties

The process of determining Ziraat Bank’s financially material sustainability-related risks and opportunities and identifying the material information to be reported is based on estimates and forward-looking information that include its short-, medium-, and long-term expectations regarding equity, which is a sectorally material performance indicator. However, these assessments require the use of estimates for certain amounts that cannot be directly measured. While assumptions regarding operational boundaries and emission calculations are provided under the heading “Preparation of Data”, information on metrics is disclosed on pages 75-76 of this Report.

The Company uses transition and global climate scenarios (NGFS, IPCC RCP8.5, and IPCC RCP4.5) to estimate the outputs of the financial and physical dimensions of the impacts of its sustainability-related risks and opportunities. These scenarios involve uncertainties as to how climate change, including the effects of transition risks and increases/decreases in greenhouse gas emissions, will affect the frequency and intensity of climate events that the Bank may face. These uncertainties arise from variability in climate projections and from potential unexpected changes in the behavior of natural and abnormal weather events due to changing weather patterns and evolving climate conditions.

The changes in the Company’s financial performance arising from the transition mechanism to a lower-carbon economy and the additional financial obligations that may arise within this mechanism, as set out on pages 34-35 of this Report, are based on estimates and forward-looking information that include expectations for the short, medium, and long term.

The calculation steps of the financial effects of physical climate risks and the changes that may occur in the Company’s financial performance in line with these effects, as set out on pages 32-33 of this Report, are based on estimates and forward-looking information that include expectations for the short, medium, and long term.

The financial statement effects presented on pages 32-33-34-35 represent expected credit loss provisions for loans. The Bank recognizes expected credit loss provisions in accordance with the provisions of “TFRS 9 Financial Instruments Standard”. TFRS 9 is a complex accounting standard that requires a significant degree of judgment and interpretation in practice. These judgments and interpretations are key in the development of the financial models applied to measure expected credit losses on loans measured at amortized cost. The accounting policies relating to the calculation of these provisions are included in the independently audited financial report.

Re-Statement of Opinion

The measurement and reporting of verified data inevitably involve a certain degree of estimation. In the event of a change of more than 5% in the data at Group level, a restatement statement may be considered.



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Limited Assurance Statement on the TSRS-Compliant Sustainability Report



INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi,

We have undertaken a limited assurance engagement on Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi and its subsidiaries (collectively referred to as the "Group"), sustainability information for the year ended 31 December 2025 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures" ("Sustainability Information").

Our assurance engagement does not extend to information in respect of other information linked to the Sustainability Information (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA"). We do not express an assurance conclusion on information in respect of earlier periods.

Inherent Limitations in Preparing the Sustainability Information

As discussed in Calculation Methodology for Metrics on pages 75 to 79 the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.



Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Management of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi are responsible for:

- The Group management is responsible for the preparation of the sustainability information in accordance with Turkish 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;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- 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 Directors of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

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Limited Assurance Statement on the TSRS-Compliant Sustainability Report



As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) 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.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") 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 management 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 experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

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, we:

- Inquiries 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 assess and review the information related to sustainability;



- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but 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;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.

The procedures 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 a reasonable assurance engagement been performed.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 27 March 2026

Appendices

Reporting Advisory
KPMG Yönetim Danışmanlığı A.Ş.

Report Design
Krea-Reports



Ziraat Bank

More than a bank