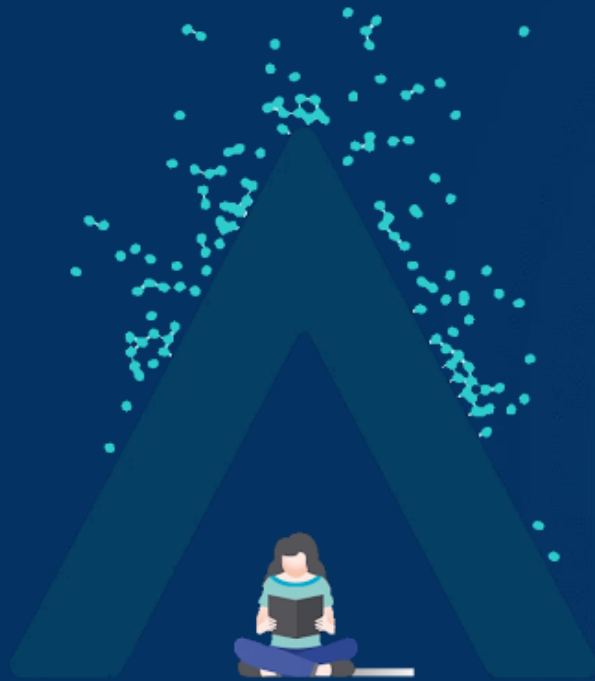


# Garanti BBVA's Sustainability Approach





# 01.

## Sustainability as a Business Opportunity

# Sustainability is the challenge of the century



At the top of world leaders agendas

Under clear worldwide roadmaps:

- The Paris Agreement
- The 2030 Agenda for Sustainable Development with the 17 SDGs<sup>(1)</sup> at heart



Sense of climate urgency

+2.7°C\* Current climate trend<sup>(3)</sup>

+1.5°C\* Global warming target for 2100

*\*Versus pre-industrial levels*



Society calling for action

72%<sup>2</sup> of companies mention SDGs<sup>(1)</sup> in their reporting



Private and public sector on board

Sustainable finance policies are widespread and the pace is increasing

# Recent Policy Developments in Türkiye to set a ground for Sustainable Growth



## Climate Change Problems Observed in Türkiye

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

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

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

Ratification of the Paris Agreement with 2053 target of Net-Zero

Climate Change addition was implied on Environment & Urbanisation Ministry's name

## Garanti BBVA Actions



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



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

## Green Deal Action Plan

32 objectives  
81 actions  
9 categories



CBAM  
Green & Circular Economy  
Green Financing

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

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



02.

Our Sustainability Journey  
Milestones

# Garanti BBVA's long standing trajectory in sustainability

Pioneer Sustainability Report



Sustainability Committee



2010

Sustainability Team



2012

Dow Jones Sustainability Index

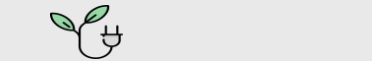


Climate Change Action Plan

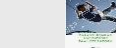


2015

Listed FTSE4Good & Bloomberg Equality Index

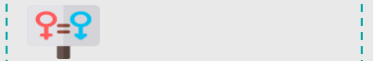


1<sup>st</sup> Integrated Annual Report



2017

Founding member of UNEP FI

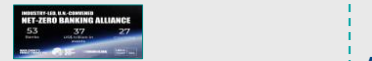


LEED Platinum certificate - Headquarters



2019

BBVA Coal Phase Out Commitment



Best Bank in Sustainable Finance

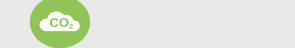


2021

Net Zero Emissions by 2050 commitment – Pioneer in Türkiye



Announcing the decarbonization goals by 2030 in carbon-intensive industries.



2023

E&S Risk Management



2011

Sustainability Policy



2014

Pioneer bank to adopt WEPs



Pioneer bank to receive a Green Office Diploma



Sponsor of CDP Water Program in Türkiye



CDP Climate & Water Leadership Award



2016

BBVA Group Sustainable Finance Commitment announced as €100 billion



2018

Türkiye's Pioneer, Green Loan



Türkiye's Pioneer Green Project Finance Loan



CEE's Best Bank for Sustainable Finance by



World's Pioneer ESG-linked Syndication Loan



2020

World's Pioneer Green Bond in TRY



Pioneer bank in Science Based Target initiative



Became carbon-neutral Bank



Most Innovative Environmental, Social & Governance Loan



BBVA Group Sustainable Finance Commitment updated as €300 billion



2022

150 billion TL Sustainable Finance Commitment



Garanti BBVA improved the score from 75 to 83, achieving the fifth highest score in the global banking industry.



WWF - 'Türkiye's Life: Fire Management Grant Program'



Sustainability Themed Loan Package



Declared support to TCFD



BBVA Group Sustainable Finance Commitment updated as €200 billion





# 03.

## Our Sustainability Strategy

# Sustainability, at the core of Garanti BBVA's strategy

## OUR PURPOSE

“ To bring the age of opportunity to everyone

## OUR LEAD STRATEGIC AREAS

- Helping our clients' transition towards a sustainable future with our advisory role
- Increase the diversity and the use of our sustainable products
- Observe and manage climate-change related risks of our portfolio and our direct impact
- Increase public awareness and responsibility on sustainability and inclusive growth





# Our transition to low-carbon economy



Climate Change  
Action Plan



E&S Risk  
Management



Sustainable  
Finance



Prioritizing Renewable Energy &  
Putting a Shadow Price on Carbon



Reducing Deforestation



Environmental & Social  
Loan Policies



Environmental & Social Impact  
Assessment System



Innovative financing  
mechanisms such as Green  
Loan, Sustainability Loan, etc.



Decarbonizing our portfolio



Establishing Green Office  
Standards



Managing Water-related  
Risks



Sector Norms



Updated Policies & PACTA



Raising awareness &  
building capacity



Transforming the sector

**Not financing  
New Coal Investments  
from 2021**

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

**Coal Risk Phase Out  
Plan by 2040**

**Net Zero Emission  
Target by 2050**

# Our Sustainability Accomplishments



Neutral Bank in direct emissions in scope 1 & 2 \*and part of scope 3\*\* as of 2020



First Turkish signatory of UN Net Zero Banking Alliance (NZBA)



100% Renewable Energy in new Project Finance Loans since 2014



\*Scope 1-2: This indicator is the GHG emissions (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O and f-gases) from energy consumption from fossil fuel sources for heating, generators, leased vehicle fleet in commercial use and refrigerants for Scope 1, and purchased electricity by Garanti BBVA's operations in Türkiye (Headquarters, service buildings, branches and ATMs) for Scope 2

\*\*Scope 3: Scope 3 emissions related to business air travel by Garanti BBVA employees is reported following the guidance in GRI 305-3 and the GHG Protocol (2015) defined as .

# Limiting direct impact of the Bank..

Purchased carbon credit for the emissions in 2023 and **became a carbon-neutral bank**

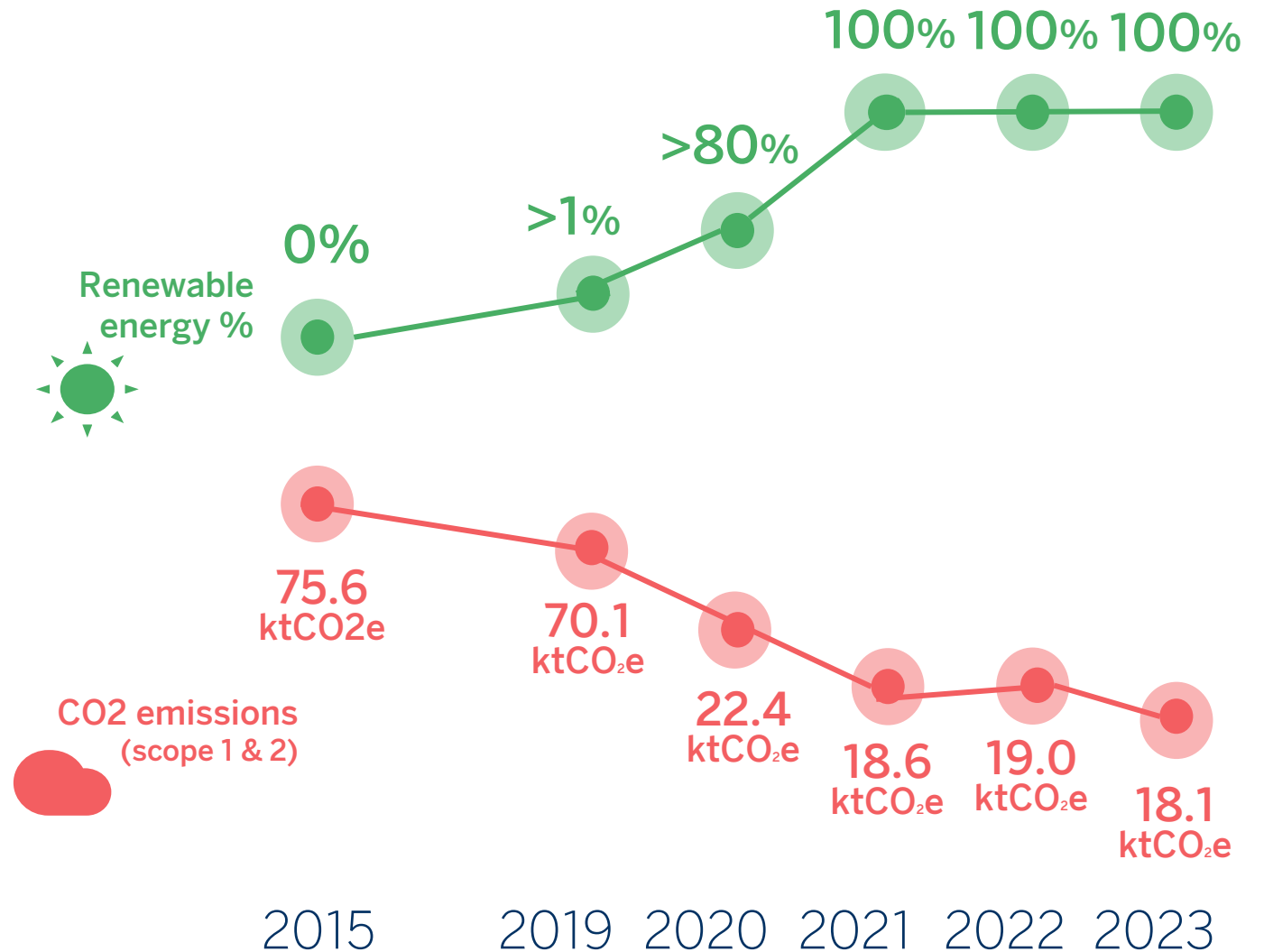
Used **100% renewable energy** for its electricity consumption (proven by IREC certificate)

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

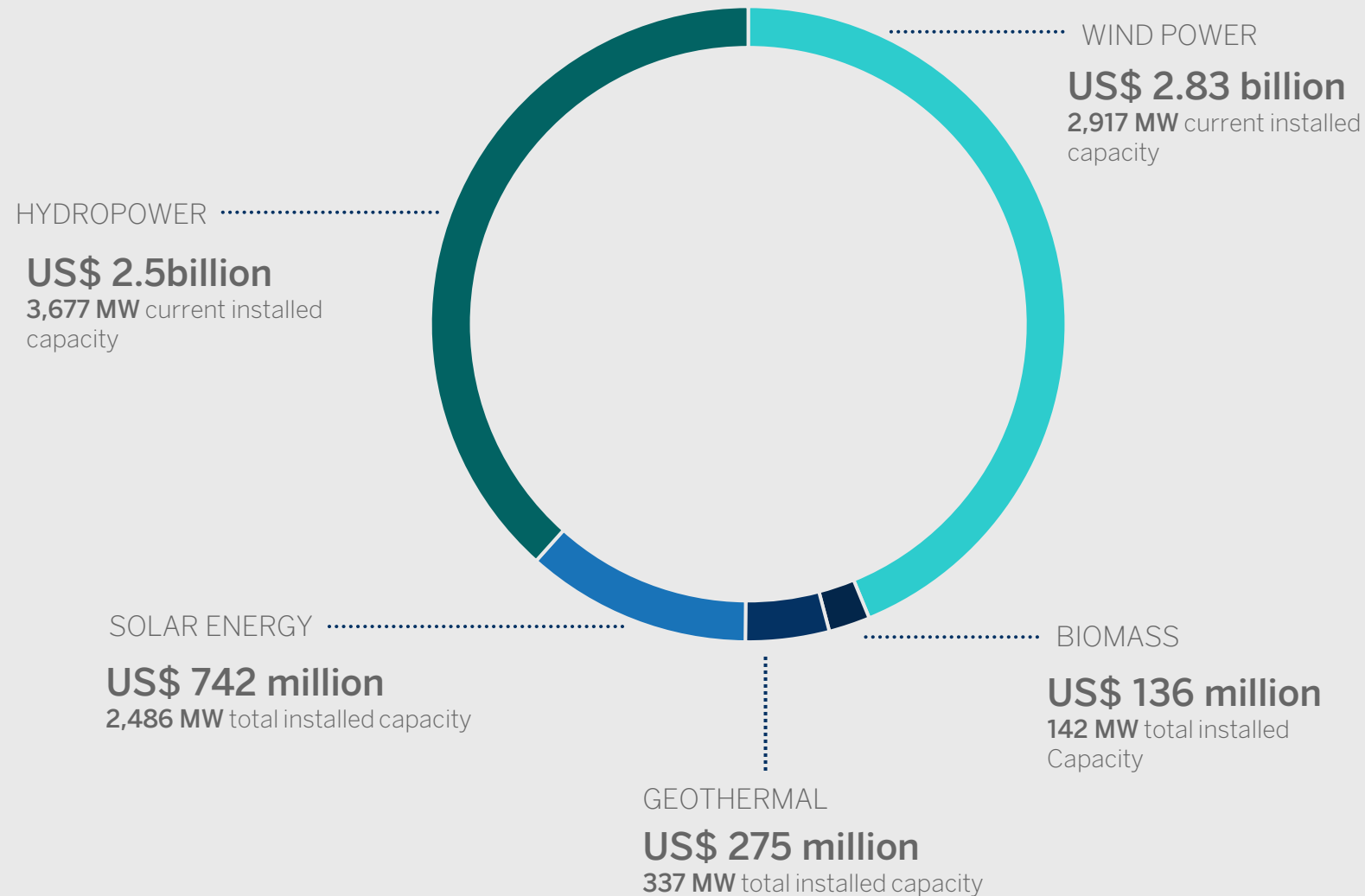
Thanks IREC Certification **43,000 tCO<sub>2</sub>e** carbon emission, which corresponds to the amount of greenhouse gas that approximately 2.7 million trees can reduce, has been prevented.

The Basic Level Zero Waste for Zincirlikuyu Headquarters and Pendik Campus buildings.

Since the Bank's Environmental Management System was implemented in 2012, the Bank's carbon intensity has decreased by 98%.



# Renewable Energy Financing



**100% Renewable Energy**  
in new Project Finance Loans since 2014



**US\$6.47 billion**  
financing to renewable energy to date



**24.6%**  
market share in wind PP financing








**14.65 million tCO2e**  
avoided in 2023





# 2030 Decarbonization Target

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

	Emission Metrics	Scope of Emission	Garanti BBVA Baseline (2022)	Garanti BBVA Progress (2023)	Benchmark Scenario	Reduction Target by 2030
 Energy	kgCo2e/MWh	1+2	388	339	IEA Net Zero 2050	(-72%)
 Automotive	gCo2e/km	3	182	179	IEA Net Zero 2050	(-40%)
 Iron & Steel	kg Co2e/Tiron&steel	1+2	1.096	1.320	IEA Net Zero 2050	(-10%)
 Cement	kg Co2e/Tcement	1+2	726	726	IEA Net Zero 2050	(-20%)
 Coal						

**Phase out plan already announced in March 2021**

☐ Phase-out of the sector by 2040

\*Calculated in line with PACTA methodology

# Sustainable Finance



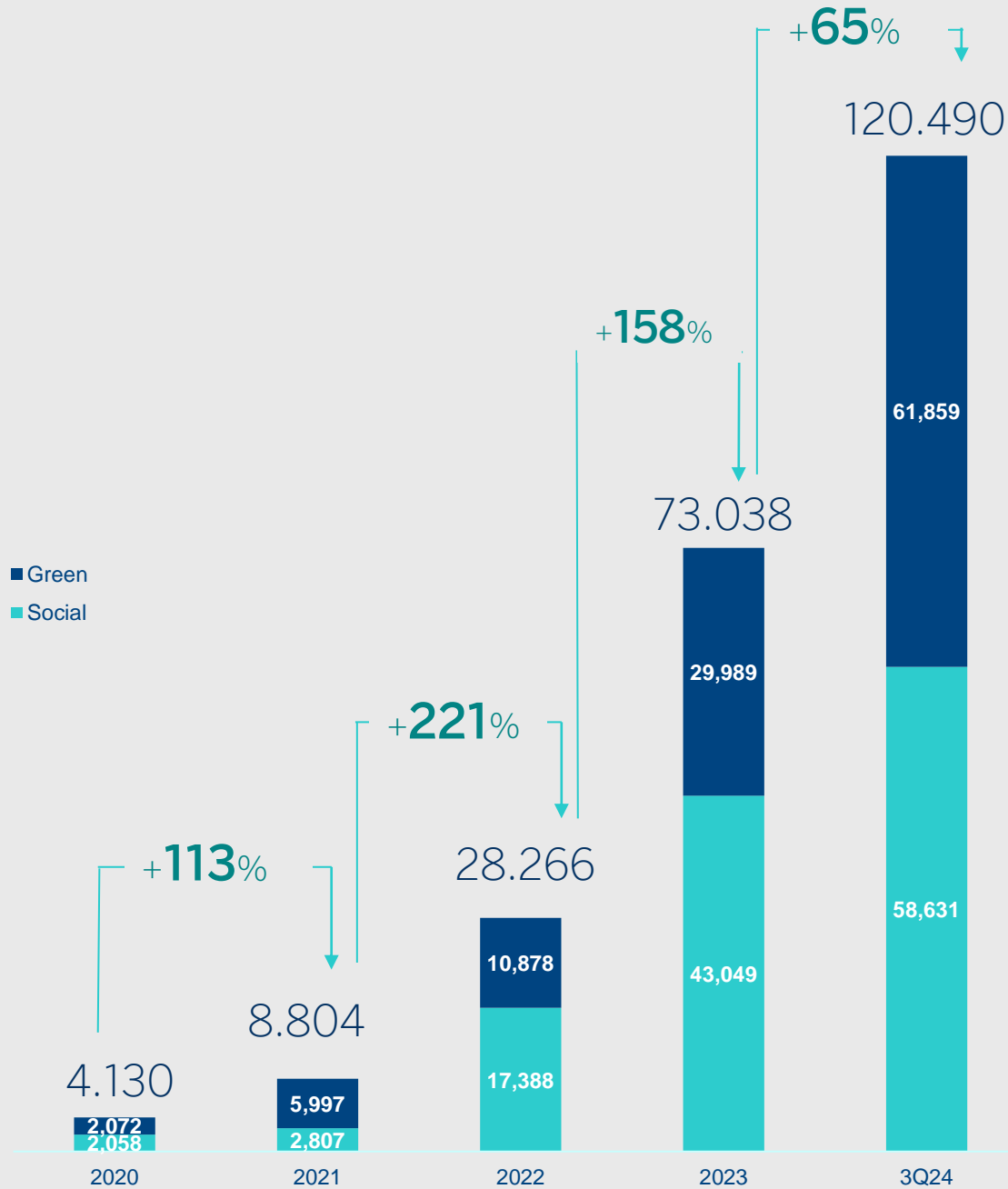
Garanti BBVA's 2018-25 Target: ~400 bn TL



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



## Sustainable Finance Channeling (TL mn)



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



GREEN  
%47

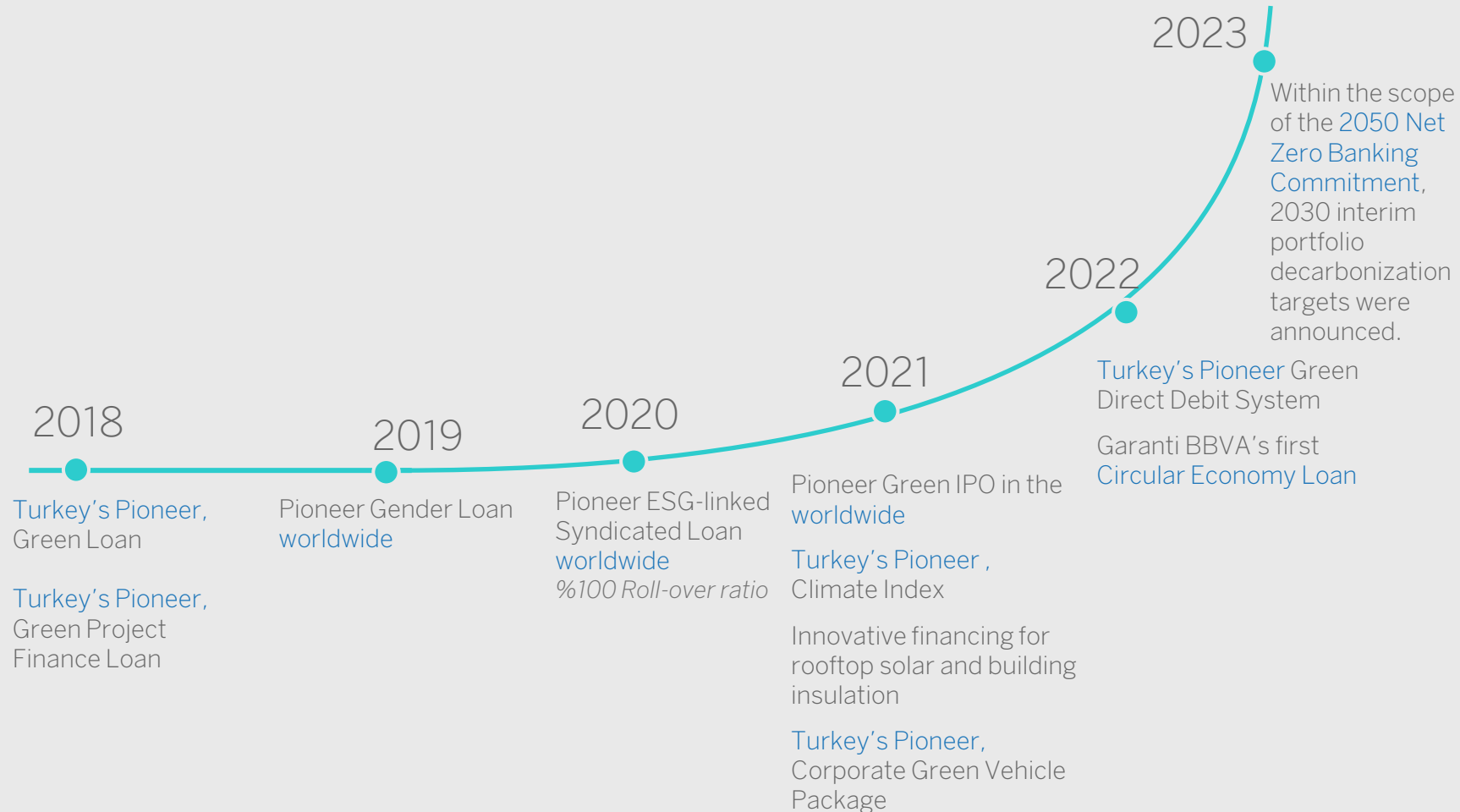
TL ~240 bn  
Channeled since 2018

SOCIAL  
%53

TL 400 bn  
Goal until 2025

\*As of 30.09.2024

# A pioneer in innovative sustainable products



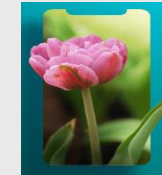
## New sustainable solutions for all clients



Sustainability-Themed Loan Package to support customers, who want to reduce their greenhouse gas emissions, in cooperation with TSE.



Carbon footprint calculator for corporates & SMEs & Enterprises



Agreement with Erguvan, Türkiye's Pioneer digital carbon credit trading platform

**Garanti BBVA offers a sustainable alternative for all its main products**



## Appendix

Pg. 18-19 Initiatives & Rewards & Indices

# We are a part of major international initiatives



Member



Member  
Paris Pledge  
for Action



Member  
Net-Zero Banking Alliance  
Steering Group



Member  
UNEP FI Banking  
Principles Core Group



Member  
30% Club Türkiye



Member  
International Integrated  
Reporting Council (IIRC) -  
Pilot Program



Member  
Business World and Sustainable  
Development Association  
(SKD Türkiye)



Supporter  
TCFD Recommendations



Global Compact  
Network Turkey

Signatory  
Since 2012

# Rewarded internationally for its sustainability focus

## SUSTAINABILITY INDICES ON WHICH GARANTİ BBVA IS LISTED

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

The bank with the highest  
score in Türkiye



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



FTSE4Good

REFINITIV



KURUMSAL YONETİM ENDEKSİ  
SÜRDÜRÜLEBİLİRLİK ENDEKSİ  
SÜRDÜRÜLEBİLİRLİK 25 ENDEKSİ

## SUSTAINABILITY AWARDS



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



Best Bank for Sustainable Financing,  
(2022)



Best Sustainable Finance Bank in  
Central and Eastern Europe  
(2020)



Best Sustainable Finance Bank in  
Central and Eastern Europe  
(2020 & 2018)



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



Most Innovative Environmental,  
Social and Governance Loan  
(2020)



UNGC Ukraine Local Network –  
People Category Partnership  
(2020)



Best Sustainable Finance Bank  
in Türkiye  
(2020)

The background is a solid teal color with several green leaves scattered across it. The leaves are of various sizes and orientations, some pointing towards the top, some towards the bottom, and some towards the sides. They have a natural, slightly textured appearance with visible veins.

Thank You