

# Our Value Creation

## Double Materiality Analysis

To determine material issues, the European Financial Reporting Advisory Group's (EFRAG) European Sustainability Reporting Standards (ESRS), the International Sustainability Standards Board (ISSB), which is part of the International Financial Reporting Standards (IFRS), as well as IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information), IFRS S2 (Climate-Related Disclosures), and the GRI Standards have been taken as references. Similar to previous years, the "double materiality" approach has been adopted in identifying material issues.

This involves assessing the impacts of our activities on the environment and people — impact materiality — as well as the effects of environmental and social issues on the company's operations — financial materiality. Impact materiality addresses the positive or negative effects that the Group's activities create on its surroundings. Financial materiality, on the other hand, focuses on the risks and opportunities stemming from how the environment influences or may influence the Group's economic status.

Unlike in previous periods, analyses have been conducted on the impacts, risks, and opportunities defined under the specific categories of ESRS. Topics deemed significant for the Bank have been identified and disclosed accordingly. The significance of these topics has been evaluated in light of the Group's strategic priorities, market conditions, stakeholder interactions, and regulatory developments. These are subject to periodic review as developments in these areas arise.

While impact and financial materiality were considered in the materiality analysis, disclosures prioritize financial materiality to align with Türkiye Sustainability Reporting Standards.

### Methodology

Garanti BBVA's double materiality analysis is based on prior studies and the most accurate and up-to-date information available. This analysis integrates tools, standards, and processes covering both internal mechanisms and market references. Such an approach ensures that the analysis evolves in alignment with the Group's strategy, stakeholder expectations, and regulatory requirements. The methodology is structured into three phases: contextual analysis, identification of impacts, risks, and opportunities (IROs), and evaluation of these elements.

Active participation of teams responsible for managing each topic (Sustainability, Sustainable Office, Sustainable Finance) has been ensured during the process. Their insights and assessments regarding the likelihood and severity of key issues were considered.

### Phase 1: Listing of Topics

Topics impacting or potentially impacting the Bank were identified in light of strategic priorities, stakeholder expectations, global trends, and themes outlined in advanced reporting standards such as GRI and ESRS references.

In this context, along with regulations and global reporting **standards**, the following methods were used for the universe of topics.

- ENCORE Tool: Developed by NCFA and UNEP-WCMC to analyze impacts on natural capital (e.g., climate, environment).
- Stakeholder Survey: Conducted to assess the prioritization and impact of sustainability topics among stakeholders, including employees, subsidiaries, customers, NGOs, and investors.
- Portfolio Impact Analysis Tool for Banks: Developed under the United Nations Environment Programme Finance Initiative (UNEP FI).
- Garanti BBVA Reputation Risk Analysis.

### Phase 2: Identification and Definition of IROs

For the identified topics, assessments and definitions of impacts, risks, and opportunities were carried out with the active input of the responsible teams. Additionally:

- The UNEP-FI Impact Tool and ENCORE Tool were used to determine sectoral and geographical impacts based on the Bank's credit portfolio.
- Stakeholder surveys evaluated the prioritization and impact of sustainability topics. Responses from various stakeholder groups such as employees, subsidiaries, customers, NGOs and investors were taken into consideration.
- Human Rights Due Diligence facilitated the identification of human rights impacts.
- Internal methodologies like Climate Change Risk Assessment and the Reputation and Non-Financial Risk Matrix provided a comprehensive risk perspective.
- Sectoral standards like those defined by SASB and the European Banking Authority (EBA) were used to identify and manage risks and opportunities specific to the financial sector.

IROs were then categorized based on the following criteria:

- Existing/Potential: Distinguishing current impacts, risks, and opportunities from those that may arise in the future.
- Time Horizon
  - **Short-term:** Up to 1 year.
  - **Medium-term:** 1-4 years
  - **Long-term:** Beyond 4 years
- Value Chain Stage: Classified as Upstream, Own Operations, and Downstream.
- ESRS Topics: Allocated to specific themes and categories per ESRS priority topic standards.

### Phase 3: Evaluation

Each topic was scored using the tools mentioned above and through consultations with relevant units. Final results were reviewed and approved by the Sustainability Committee.

### Impact Materiality Assessment

The "inside-out" assessment of impact materiality evaluates how an organization's activities affect its surroundings, including people, the environment, and society at large. The applied methodology is built around three key factors determining the severity of impacts:

- **Magnitude:** Ranges from minimal effects to critical outcomes, ensuring that the most impactful issues are prioritized in strategic decision-making.
- **Scope:** Defines the extent of impact by geographical or sectoral reach (local, national, or global), allowing the Group to adjust its strategies according to the scale of risks or opportunities.
- **Irremediability:** Applied exclusively to negative impacts, assessing the reversibility of harm caused (e.g., biodiversity loss or severe labor rights violations).

Potential impacts were evaluated based on likelihood (ranging from less than 15% - low probability, to over 90% - near certainty) and time horizons. Protecting and respecting human rights remain top priorities for adverse impacts.

These factors were quantified by weighting severity, likelihood, and time horizon, with irremediability added for negative impacts. Impacts were classified under the following thresholds:

- **Positive Impacts:** High-magnitude impacts deemed likely or very likely are considered significant.
- **Negative Impacts:** Medium- or high-magnitude impacts with probable or current likelihood are included within the materiality threshold.

### Financial Materiality Assessment

Garanti BBVA's financial materiality assessment focuses on evaluating ESG (Environmental, Social, and Governance) risks and opportunities that have a significant impact on the Group's financial position. This analysis aligns with international reference standards and adopts an "outside-in" approach, considering key factors such as growth, operational performance, and access to capital.

The methodology employed assesses the probability and magnitude of financial impacts based on internal and external tools and information sources. One of the key tools used in this assessment is ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure), which facilitates the identification and management of risks and opportunities related to natural capital. This tool provides insights into the dependency of economic activities on ecosystem services and their potential impacts.

Garanti BBVA's Climate Risk Assessment process plays a critical role in evaluating physical and transition risks, analyzing the impact of ESG risks on the Bank's operations and business model. For further details, please refer to the 'Sustainability' section.

Additionally, Garanti BBVA has leveraged sectoral standards such as SASB, which provides key metrics for assessing social and governance risks, particularly in areas related to human capital and business ethics.

**The elements derived from sustainability and climate-related risks and opportunities identified through the double materiality analysis require comprehensive and long-term studies to assess their potential impact on cash flows and revenue growth.**

However, when evaluating the credit portfolio and expected credit loss provisions associated with climate-related aspects such as the transition to a low-carbon economy, sustainable finance, and greenhouse gas emissions, no significant short-term adjustment risk to the financial statements has been identified.

The material risks identified through this analysis (excluding climate risk) have been mapped to the operational risk categories used in the Bank's operational risk management framework. As a result, the number of identified risks, their inherent and residual risk values, and the associated risk control measures have been recorded in the Risk and Control Self-Assessment (RCSA) framework. Based on this analysis, it has been concluded that no significant short-term adjustment risk exists for accounting records.

The concrete financial impacts of studies on sustainability and climate-related risks and opportunities are expected to be observed mainly in loans, expected loss provisions and equity items in the bank's balance sheet, and these effects are disclosed only if they are of financial significance within the framework of compliance with

Turkey Sustainability Reporting Standards. The financial materiality criterion was determined by taking into account a certain proportion of pre-tax profit and the analysis was carried out accordingly.

### Results and Materiality Evaluation

The double materiality analysis identified significant IROs under seven main themes. These findings reflect emerging challenges and opportunities shaping the organization's business model, aligning with strategic priorities in an ever-evolving environment.

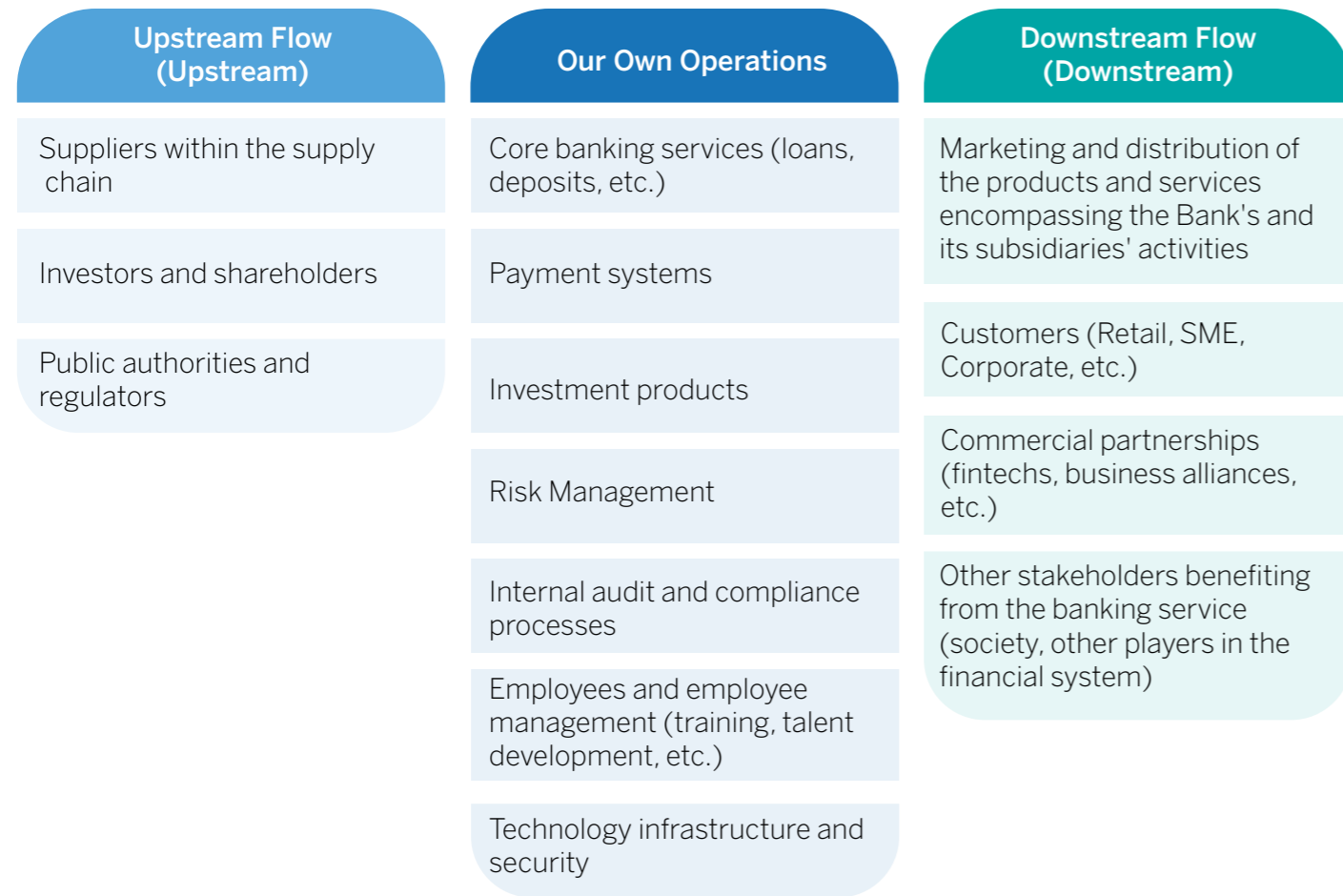
The table below outlines the results of the double materiality analysis by impact, risk, and opportunity:

ESRS Main Topics	Impact Materiality		Financial Materiality		FINAL RESULT
	Positive Impact	Negative Impact	Risks	Opportunities	
Material	ESRS E1: Climate Change	Material	Material	Material	Material
	ESRS S1: Own Workforce	Material	Non-material	Non-material	Material
	ESRS G1: Business Conduct	Material	Non-material	Material	Material
	ESRS S4: Consumers and End-Users	Material	Material	Material	Material
	ESRS E2: Pollution	Material	Somewhat Material	Material	Material
	ESRS E5: Resource Use and Circular Economy	Material	Non-material	Material	Material
	ESRS E3: Water and Marine Resources	Somewhat Material	Non-material	Material	Material
	ESRS S3: Affected Communities	Non-material	Somewhat Material	Non-material	Somewhat Material
	ESRS S2: Workers in the Value Chain	Somewhat Material	Non-material	Non-material	Material
	ESRS E4: Biodiversity and Ecosystems	Non-material	Non-material	Non-material	Non-material

Material Somewhat Material Non-material

## Impacts, Risks and Opportunities on the Value Chain

The value chain refers to the Bank's activities, processes and stakeholders required to provide products and services. The three main categories that represent the value chain are shown below



In the assessment, material issues are mainly concentrated in the downstream stage of the value chain, and some, such as those related to business ethics and employees, are related to internal operations.

The table below shows material impacts, risks and opportunities' impact on the value chain.

## Impacts, Risks and Opportunities identified as priority regarding sustainability

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS E1: Climate Change	Adaptation to Climate Change	Providing loans to customers unable to adapt to new regulations and changing market conditions during the transition to a low-carbon economy could negatively impact the bank's revenues and portfolio quality	Potential	Risk (Transition Risk)	Long Term	Downstream (Customers)
		Financing emission-intensive or non-transition strategy companies, sectors, and operations could increase greenhouse gas emissions from Garanti BBVA's portfolio, complicating alignment with the decarbonization targets set by the Paris Agreement.	Current	Negative Impact	-	Downstream (Customers)
		Financing companies and sectors without decarbonization strategies or with high-emission profiles could increase total greenhouse gas emissions in Garanti BBVA's portfolio, creating a risk of deviation from the Paris Agreement targets.	Current	Negative Impact	-	Downstream (Customers)
		Many customers in carbon-intensive sectors may need to improve their production lines to align with the 1.5-Degree Roadmap of the Paris Agreement	Potential	Risk (Transition Risk)	Long Term	Downstream (Customers)
		Supporting the reduction of greenhouse gas emissions and providing financing and support for customers/sectors transitioning to a low-carbon economy to achieve the targets of the Paris Agreement.	Current	Positive Impact	-	Downstream (Customers)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS E1: Climate Change	Adaptation to Climate Change	Encouraging financed companies to adopt sustainable business models to mitigate and adapt to the impacts of climate change, thereby enhancing their resilience.	Current	Positive Impact	-	Downstream (Customers)
		Supporting customers in adapting to the impacts of climate change and increasing their resilience by promoting sustainable business models.	Current	Positive Impact	-	Downstream (Customers)
		Redirecting financing to more sustainable sectors and activities to reduce greenhouse gas emissions and support the targets of the Paris Agreement.	Current	Positive Impact	-	Downstream (Customers)
		Reducing emissions associated with increased demand for sustainable financial products and services (including investment and pension funds).	Current	Positive Impact	-	Downstream (Customers)
		Facilitating more effective dialogue with companies about reducing the impacts of climate change and contributing to these processes by implementing decarbonization policies and influencing management.	Current	Positive Impact	-	Downstream (Customers)
	Adaptation to Climate Change (Energy)	Supporting financed customers in transitioning to sustainable and efficient energy systems, offering them tailored solutions to achieve transformation goals.	Current	Positive Impact	-	Downstream (Customers)
ESRS S2: Pollution	Air Pollution	Reducing pollution levels and focusing on more sustainable sectors by redirecting financing appropriately.	Current	Positive Impact	-	Downstream (Customers)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS E3: Water and Marine Resources	Water Discharges Water Discharges to Oceans	Financing companies highly dependent on water resources or causing water pollution could lead to portfolio devaluation and issues with environmental commitments (This could also result in reputational and financial performance damage due to regulatory penalties).	Potential	Risk (Transition Risk)	Long Term	Downstream (Customers)
		Financing customers with high dependency on water consumption or adverse impacts on water resources could lead to repayment performance issues, regulatory pressures, and reputational loss (In the long term, such operations could threaten the bank's sustainability commitments).	Potential	Risk (Transition Risk)	Long Term	Downstream (Customers)
ESRS E5: Resource Use and Circular Economy	Resources and Resource Usage	Providing financing for projects and sustainable business models that promote the efficient use of renewable and non-renewable natural resources in production and consumption processes.	Current	Positive Impact	-	Downstream (Customers)
ESRS S1: Own Workforce	Working Conditions (Safe Work Environment) Working Conditions (Social Dialogue, Culture)	Ensuring individuals work under conditions of freedom, equality, security, and dignity.	Current	Positive Impact	-	Our Own Operations (Employees)
		Supporting employees in creating and adopting a strong corporate culture.	Current	Positive Impact	-	Our Own Operations (Employees)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS S1: Own Workforce	Working Conditions Work-Life Balance Training and Talent Development	Achieving higher employee satisfaction and productivity through quality job offers and competitive compensation.	Current	Positive Impact	-	Our Own Operations (Employees)
	Diversity and the Value of 'Equal Pay for Equal Work'	Promoting equal opportunity among employees and ensuring sustainable support for this equality.	Potential	Positive Impact	Short Term	Our Own Operations (Employees)
ESRS S4: Consumers and End-Users	Impacts Related to Information for Customers and/or End-Users	The lack of transparency in product and service information could erode customer trust and lead to legal sanctions (Additionally, this could reduce customer satisfaction and competitive advantage).	Current	Risk	Medium Term	Downstream (Customers)
		Investments of time and money in the development of training programs increase the bank's costs and negatively affect its profitability.	Potential	Risk	Short Term	Our Own Operations (Activities)
		Incorrect or inappropriate use of data in awareness campaigns could decrease customer satisfaction and erode trust.	Potential	Risk	Short Term	Our Own Operations (Activities)
	Impacts Related to Information for Customers and/or End-Users (Privacy)	Non-compliance with data protection regulations could lead to lawsuits, financial penalties, and regulatory actions, increasing operational costs and causing reputational damage.	Current	Risk	Short Term	Our Own Operations (Compliance)
		The lack of transparency and control mechanisms in personal data processing could lead to a loss of trust in Garanti BBVA's market reliability and tarnish its reputation with stakeholders.	Current	Risk	Short Term	Our Own Operations (Compliance) Downstream (Stakeholders)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS S4: Consumers and End-Users	Impacts Related to Information for Customers and/or End-Users (Privacy)	Insufficient protection of customers' financial resources could weaken trust in the financial system and negatively impact the overall health of the economy.	Potential	Negative Impact	Short Term	Our Own Operations (Compliance, Risk Management) Downstream (Stakeholders, Other players in the Economy)
		Taking steps to protect customer and shareholder data, facilitating control mechanisms over personal data, and enabling stakeholders to exercise their rights effectively.	Current	Positive Impact	-	Downstream (Stakeholders, Customers)
		Misjudging personal data security risks could result in privacy breaches, data losses, and security vulnerabilities, reducing the bank's competitiveness and customer trust.	Potential	Risk	Medium Term	Our Own Operations (Compliance, Risk Management)
		Enhancing transparency in personal data processing to build trust with stakeholders and strengthen the institution's positive image.	Current	Positive Impact	-	Our Own Operations (Compliance, Risk Management)
		Conducting educational campaigns and awareness efforts on responsible data use for customers and shareholders.	Current	Positive Impact	-	Downstream (Stakeholders, Customers)
		Inadequate cybersecurity measures could lead to the theft of sensitive information and significantly damage customer trust.	Potential	Risk	Medium Term	Downstream (Stakeholders, Customers)
		Implementing robust control mechanisms and transparent data processing policies to protect individuals' privacy rights and prevent unauthorized use of personal data.	Current	Positive Impact	-	Downstream (Stakeholders, Customers)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS S4: Consumers and End-Users	Impacts Related to Information for Customers and/or End-Users (Privacy)	Strengthening financial security by establishing an effective cybersecurity infrastructure and designing procedures and actions to protect customers' financial resources.	Current	Positive Impact	-	Downstream (Stakeholders, Customers)
		Over-reliance on IT service providers could lead to operational disruptions and interruptions in customer services during a security incident affecting these providers, increasing the bank's operational risks.	Potential	Risk	Short Term	Our Own Operations (Activities) Downstream
		Technical issues in information systems and weaknesses in cybersecurity measures could disrupt operational processes, cause revenue losses, and erode customer trust.	Potential	Risk	Short Term	Our Own Operations (Technology) Downstream (Customers)
		Providing greater convenience and accessibility to banking services for customers through digitalization.	Current	Positive Impact	-	Downstream (Customers)
	Inclusion of Customers and/or End-Users in the Financial System	Facilitating access to funding and subsidies from governments and international organizations for sustainability projects, thereby improving customers' financial health.	Current	Positive Impact	-	Downstream (Customers)
		Offering financial solutions and programs to support the growth and sustainability of small and medium-sized enterprises (SMEs), fostering economic development and value creation.	Current	Positive Impact	-	Downstream (Customers, Stakeholders)
		Promoting gender equality by financing projects and programs that contribute to a society where men and women have equal rights, responsibilities, and opportunities.	Current	Positive Impact	-	Downstream (Customers, Stakeholders, Society)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS S4: Consumers and End-Users	Impacts on Personal Security of Customers and/or End-Users	The lack of diversity in products and services, coupled with lagging digital transformation, could result in an inability to meet new customer needs, causing revenue losses.	Potential	Risk	Short Term	Our Own Operations (Activities, Technology)
		Unpredictable or erroneous decisions made by AI, privacy violations, algorithmic biases, and misuse of AI.	Potential	Risk	Medium Term	Our Own Operations (Activities, Technology)
		Weak cybersecurity measures could lead to leaks of sensitive information and security breaches, resulting in competitive and revenue losses.	Potential	Risk	Medium Term	Our Own Operations (Activities, Technology)
		Customers' lack of knowledge about cybersecurity could increase fraud cases, harm customers' financial situations, and lead to customer attrition.	Current	Risk	Medium Term	Downstream (Customers) Our Own Operations (Activities, Technology)
ESRS G1: Business Conduct	Corporate Culture	The lack of transparency in sustainability claims and practices, misleading information, or "greenwashing" activities could damage stakeholder trust and result in long-term reputational harm.	Potential	Risk	Medium Term	Our Own Operations (Activities, Risk Management)
		Non-compliance with anti-money laundering and counter-terrorism financing regulations or the use of products and services for illegal activities could expose the bank to legal sanctions, regulatory penalties, and significant financial and reputational losses.	Potential	Risk	Short Term	Our Own Operations (Activities, Risk Management)

ESRS Topic Headings	Material Issue	Description	Current / Potential	Impact / Risk / Opportunity	Time Horizon	The Value Chain It Affects
ESRS G1: Business Conduct	Corporate Culture	Contributing to socioeconomic well-being by adopting and adhering to good corporate governance standards and principles to prevent money laundering and counter-terrorism financing.	Current	Positive Impact	-	Downstream (Customers, Stakeholders)
		Promoting and developing equal opportunities among employees of financed companies, including within their boards of directors.	Current	Positive Impact	-	Downstream (Customers, Stakeholders)
	Whistleblower Protection	Ineffective complaint mechanisms or lack of customer accessibility could negatively impact Garanti BBVA's customer satisfaction and trust (This could lead to reputational damage, legal disputes, and sanctions).	Potential	Risk	Medium Term	Our Own Operations (Compliance)
		Involvement in or tolerance of unethical practices could damage reputation and lead to lawsuits, regulatory sanctions, or financial losses.	Potential	Risk	Medium Term	Our Own Operations (Compliance)
	Corruption and Bribery	Reputational risks and legal issues could arise from unethical activities such as corruption, fraud, and bribery.	Potential	Risk	Medium Term	Our Own Operations (Compliance)

## Integration of Double Materiality Analysis into Strategy

Garanti BBVA's strategy, in parallel with the BBVA Group, is based on six strategic priorities that respond to critical global trends essential for economic transformation, such as digitalization, innovation, and carbon reduction. These trends are aimed at fundamental goals, including expanding the customer base, enhancing financial health, and supporting the transition to a sustainable future. This approach is supported by operational excellence, a highly engaged team, and the implementation of advanced technology and data analytics capabilities, ensuring scalability and security.

To ensure the alignment of the double materiality analysis with the Group's strategy, established practices such as the integration of non-financial risks, reputation risks, and sustainable business channel creation plans have been incorporated.

The results of the double materiality analysis are structured around seven main significant categories: climate change, employees, business ethics, consumers and end-users, environmental pollution, circular economy, and water and marine resources. These categories reflect the Group's strategic priorities and reinforce alignment with corporate objectives.

ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page
ESRS E1: Climate Change	Adaptation to Climate Change	Sustainability	Our contribution to the financing of sustainable development	Target for the 2018-2025 period: 400 billion TL	Page 132
			Coal Phase Out Plan	We aim to minimize coal-related risks by 2030 and eliminate them completely by 2040.	Page 170
			Transition to a Low-Carbon Economy Strategy	Decarbonization Goals	Page 167
	Adaptation to Climate Change (Energy)		Environmental and Social Impact Assessment Process	The control of compliance with advanced environmental and social criteria was defined as the Environmental and Social Impact Assessment Process (ESIAP) and was created by referencing international standards and good practices, including but not limited to IFC Performance Standards and World Bank Environmental and Social standards. ESIAP is based on the scope determined in the Equator Principles (IV) standard and is additionally carried out to include all project finance and project finance advisory loans. Specific action plans, including adaptation to climate change in the projects monitored, are included in the loan agreement and these actions are monitored throughout the loan term.	Page 141-143
			Support for Renewable Energy Projects	Share of renewable energy in financing new electricity generation projects: 100%	Page 170

ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page
ESRS S2: Pollution	Air Pollution	Sustainability	Coal Phase Out Plan	We will minimize our risks related to coal activities by 2030 and completely eliminate them by 2040 at the latest.	Page 170
			Transition to a Low-Carbon Economy Strategy	Decarbonization Goals	Page 167
			Environmental and Social Impact Assessment Process	In projects/investments subject to the Environmental and Social Impact Assessment Process (ESIAP), we develop specific action plans, including but not limited to IFC Performance Standards and World Bank Environmental and Social Standards, referencing international standards and best practices. These action plans, covering Environmental Pollution, are incorporated into loan agreements and monitored throughout the loan term.	Page 141-143
ESRS E3: Water and Marine Resources	Water Consumption Water Discharges Marine Resources	Sustainability	Sustainable Finance Products	<ul style="list-style-type: none"> <li>Increasing the utilization of sustainable finance products in this area.</li> <li>Biodiversity / Blue bond issuances will be evaluated.</li> </ul>	Page 134-136
			Environmental and Social Impact Assessment Process	In projects/investments subject to the Environmental and Social Impact Assessment Process (ESIAP), we develop specific action plans, including but not limited to IFC Performance Standards and World Bank Environmental and Social Standards, referencing international standards and best practices. These action plans, covering Water and Marine Resources, are incorporated into loan agreements and monitored throughout the loan term.	Page 141-143
			TURMEPA Collaboration (Blue Breath Project)	Through the Blue Breath Project, scientific conservation and monitoring efforts will continue to enhance the resilience of our seas and water resources.	Page 223

ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page
ESRS E5: Resource Use and Circular Economy	Resources and Resource Usage	Sustainability	Sustainable Finance Products	Increasing the utilization of sustainable finance products in this area.	Page 134-136
			Environmental and Social Impact Assessment Process	In projects/investments subject to the Environmental and Social Impact Assessment Process (ESIAP), we develop specific action plans, including but not limited to IFC Performance Standards and World Bank Environmental and Social Standards, referencing international standards and best practices. These action plans, covering Circular Economy and Resource Usage, are incorporated into loan agreements and monitored through-out the loan term.	Page 141-143
			Transition to a Low-Carbon Economy Strategy	Decarbonization Goals	Page 167
ESRS S1: Own Workforce	Working Conditions (Safe Working Environment Employee Experience Training Diversity)	The Best and Most Engaged Team	Strengthening Diversity and Inclusion	<ul style="list-style-type: none"> <li>Developing a dynamic compensation management model by utilizing skill-based approaches and analytical solutions in remuneration processes.</li> <li>Maintaining an inclusive work environment where employees have equal rights and opportunities. The percentage of employees receiving training on equal opportunities and diversity will be increased.</li> <li>The target for the proportion of women on the Board of Directors is 25% (achieved in 2024).</li> <li>Increasing internal mobility rates.</li> <li>Aiming to improve employee and candidate experience through satisfaction surveys.</li> </ul>	Page 213-215
			Employee Well-being and Safety		Page 216-217
			Strengthening Ethical Values and Anti-Violence Policies		Page 213-214
			Developing a Competitive and Fair Compensation System		Page 197-204
			Enhancing Talent Acquisition, Career, and Development Opportunities		Page 195-196








ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page
ESRS S1: Own Workforce	Working Conditions (Safe Working Environment Employee Experience Training Diversity)	The Best and Most Engaged Team	Creating an Accessible Work Environment for People with Disabilities	<ul style="list-style-type: none"> <li>Leadership Training Programs: The relaunch of Leadership Training Programs and The Good Manager trainings will offer personalized development journeys for leaders.</li> <li>Empathy Journey Training Program: An Empathy Journey Training Program will be implemented for all employees and leaders. This program will provide training and development solutions to enhance employees' understanding of customer needs and enable more effective service delivery.</li> <li>The Camp Initiative: A global and gamified learning experience designed to foster the strategic competencies targeted by the Garanti BBVA Group will be launched in 2025.</li> </ul>	Page 213-215
			Promoting Gender Equality		Page 213-215
			Surveys and Focus Groups to Improve Workplace Conditions and Employee Well-being		Page 195
			Enriched and Improved Digital and Classroom Training to Promote a Continuous Learning Culture		Page 205-212
			Empowering leadership program		Page 210
			Diversity and Inclusion Guide		Page 213-215
			Domestic Violence Policy Sexual Harassment, Assault, and Discrimination Policies Domestic Violence Support Platform		
			Equal Opportunity Model Accessibility Community Meetings		Page 213-215
Environmental and Social Impact Assessment Process	In projects/investments subject to the Environmental and Social Impact Assessment Process (ESIAP), we develop specific action plans, including but not limited to IFC Performance Standards and World Bank Environmental and Social Standards, referencing international standards and best practices. These action plans, covering Labor and Working Conditions, are incorporated into loan agreements and monitored throughout the loan term.	Page 141-143			

ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page
ESRS S4: Consumers and End-Users	Impacts Related to Information for Customers and/or End-Users	Financial Health	In 2024, the "My Status" section in our mobile application was expanded with My Vehicle, My Home, and My Trips pages, offering a comprehensive and holistic user experience to help customers improve their financial health.	Our efforts to improve existing functions of 'My Status' area in mobile banking and efforts to add innovative functions in line with customer needs will continue uninterrupted.	Page 237-238
			Open Banking		
		Data and Technology	As part of External Fraud Risk Management, three new AI and machine learning-based analytical models have been deployed to strengthen decision-making processes.	AI-powered and data-driven decision support systems will be utilized to minimize bank and customer losses from external fraud cases.	Page 250
		Reaching More Customers	In 2024, 16 corrective actions reduced customer dissatisfaction by 4.7%, while 5 proactive actions prevented potential dissatisfaction	Actions to enhance customer experience will continue.	234

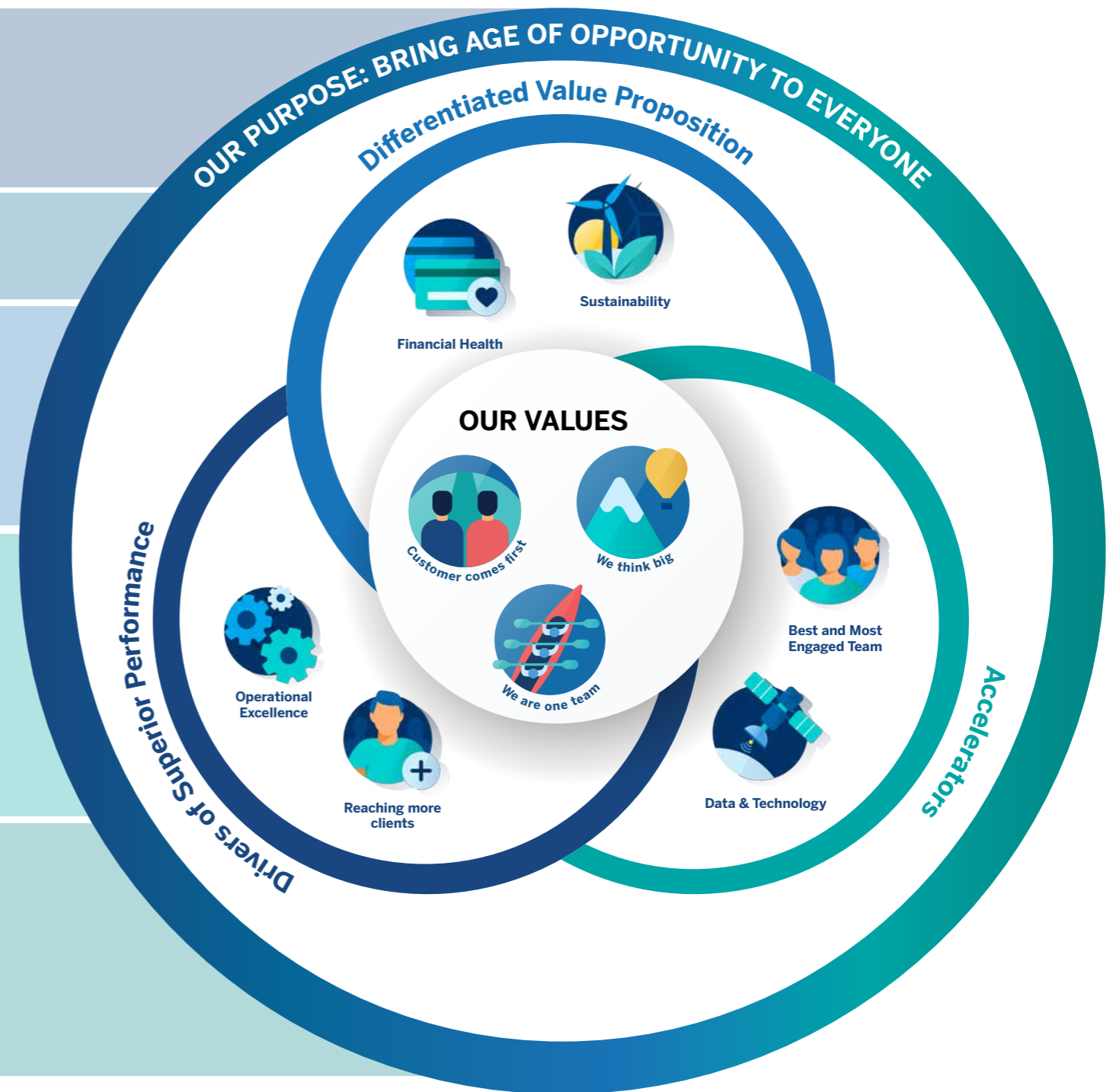
ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page
ESRS S4: Consumers and End-Users	Privacy and Personal Security Impacts for Customers and/or End-Users	Data and Technology	Over 700 AI models have been developed using various algorithms, covering customer satisfaction, marketing and sales, pricing, fraud detection, and credit evaluation	By leveraging large language models and generative AI, the bank aims to further improve service quality for its customers.	Page 246-251
			24/7 Cyber Defense Center		
		With personalized customer journey capabilities, Ruler AI analyzed the behavior of an average of 10.7 million customers daily across 158 different scenarios through digital channels and branches			
		Personal Data Protection Policy			
	Operational Excellence	Personal Data Retention and Disposal Procedure	Efforts to increase employees' knowledge and awareness levels will continue.	Page 296-297	
		Personal Data Breach Response Procedure			
Inclusion of Customers and/or End-Users in the Financial System	Financial Health Reaching More Customers	5 Pebbles Social and Financial Leadership Program	Financial literacy education will continue for primary and secondary school students.	Page 222	
		Within the Technology Entrepreneurs Service Model, a dedicated service for tech entrepreneurs was launched at Ankara Bilkent Branch.	The Technology Entrepreneurs Service Model will be expanded to reach more tech entrepreneurs. Garanti BBVA Partners Tech Program will onboard five new entrepreneurs	Page 230	
		5 entrepreneurs supported within the scope of Garanti BBVA Partners Tech Program graduated from the program			
		Accessible Banking Services	Continuous work and collaborations will be pursued to meet needs and enhance experiences.	Page 231	

ESRS Topic Headings	Material Issue	Relevant Strategic Priority	Actions Taken	Targets	Related Report Page	
ESRS G1: Business Conduct	Corporate Culture	Operational Excellence	Anti-Bribery and Corruption Policy, Competition Policy, Conflict of Interest Policy, Ethics Reporting Line Management & Whistleblower Protection Policy, Gift and Event Standard, Anti-Money Laundering (AML) Policy	The Compliance Department, Audit Board, Internal Control Center, Talent & Culture Department, Legal Department, Customer Experience, and Service Model Management Department will continue working in coordination.	290-297	
			Bank Compliance Program			
			Financial Group Compliance Program			
			General Anti-Money Laundering And Counter-Terrorist Financing Policy			
			Standard for Termination Process			
			Standard for Financial Sanctions			
			AML Risk Assessment Standard			
			AML Customer Admission and Due Diligence Standard			
			Protection of Whistleblowers			Ethics Reporting Line
			Corruption and Bribery			Ethical & Integrity Principles

# Our Value Creation Model

	INPUTS	OUTPUTS
 HUMAN CAPITAL	<ul style="list-style-type: none"> <li>Competent human resource</li> <li>Hybrid Working Model</li> <li>Trainings in various fields from personal awareness to technical training</li> <li>Investments to programs for employee happiness</li> <li>Enhancing Employee Engagement and Feedback</li> <li>Equal pay for work of equal value</li> <li>Integration of values into daily operations</li> <li>Diversity policies</li> </ul>	<ul style="list-style-type: none"> <li>Employee turnover</li> <li>Employee engagement score</li> <li>Hours training per FTE</li> <li>Absentee rate</li> <li>Employee survey results</li> <li>Gender pay gap</li> <li>Improving participation levels and satisfaction</li> <li>Senior and middle-level woman employee rate</li> </ul>
 FINANCIAL CAPITAL	<ul style="list-style-type: none"> <li>Equity</li> <li>Asset size</li> <li>Business model focused on capital generation, dynamic balance sheet management</li> <li>Data-driven and agile decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>33% Return on Equity</li> <li>Turkey's most profitable bank</li> <li>Most valuable company in BIST 100</li> <li>Leading bank in TL loans and TL customer deposits</li> </ul>
 DIGITAL AND INTELLECTUAL CAPITAL	<ul style="list-style-type: none"> <li>Integration of artificial intelligence and machine learning systems</li> <li>Continuous investment in technology since the early 90s</li> <li>Investments in robotic process automation since 2019</li> <li>Implementation of 16 corrective actions in 2024</li> <li>Open Banking</li> <li>24/7 operational Cyber Defense Center.</li> <li>Experienced professionals in data science, teams working with agile discipline</li> </ul>	<ul style="list-style-type: none"> <li>Delivering smarter, customizable solutions for customers more quickly</li> <li>Minimizing operational risk</li> <li>Ensuring customer privacy and information security, mitigating external fraud risks</li> <li>Providing a unique and value-added customer experience</li> <li>Financial health</li> <li>Data and Technology</li> <li>Contributing to customers' digital transformation, digital customer penetration</li> </ul>
 RELATIONSHIP CAPITAL	<ul style="list-style-type: none"> <li>Women Entrepreneur support program, Türkiye's Woman Entrepreneur Competition, Türkiye Women Entrepreneur Academy, Garanti BBVA Accelerator Program, "Trade of Women" platform, technology entrepreneurs service model</li> <li>Accessible Banking Services, Partnership with Blindlook ve Garanti BBVA Engelsiz Çeviri</li> <li>Unbanked Women Program</li> <li>Root cause analysis to reduce customer dissatisfaction</li> <li>AI and machine learning-based analytics models for customer security and transaction risk management</li> <li>Behavioral analysis of 10.7 million customers</li> <li>Awareness and educational initiatives on cybersecurity and external fraud</li> </ul>	<ul style="list-style-type: none"> <li>"Hyper-personalized" customer experience</li> <li>Contributing to both the physical and financial freedom of customers with disabilities</li> <li>Supporting entrepreneurs and women within the framework of inclusive growth</li> <li>Strengthening customers' financial health</li> <li>Ensuring customer privacy and data security, eliminating external fraud risks</li> <li>Improving customer service quality</li> <li>Raising customers' awareness of the climate crisis</li> </ul>
 NATURAL AND SOCIAL CAPITAL	<ul style="list-style-type: none"> <li>400 billion TL Sustainable Finance target</li> <li>15 years of efforts focused on combating the climate crisis and promoting inclusive growth</li> <li>Environmental and Social Impact Assessment Process (ESIAP) and Loan Standard (ESLS)</li> <li>Active membership in 45 working groups and 26 initiatives</li> <li>Partnership with TURMEPA ("Blue Breath" initiative)</li> <li>First Turkish signatory of the United Nations Net-Zero Banking Alliance</li> <li>Sustainability Policy</li> <li>Transition strategy to a low-carbon economy</li> <li>Commitment to coal phase-out</li> </ul>	<ul style="list-style-type: none"> <li>Financing the transition to a low-carbon economy</li> <li>Managing the environmental impacts of our operations</li> <li>Supporting customers in adapting to and increasing their resilience against the effects of climate change by promoting sustainable business models</li> <li>Managing sustainability risks and opportunities</li> <li>Long-term projects contributing to societal vision in the fields of sports, music, and culture</li> <li>Supporting quality education</li> </ul>

MEGA TRENDS  
RISKS & OPPORTUNITIES



CORPORATE GOVERNANCE AND RISK MANAGEMENT



## VALUES CREATED

- A Happy and Engaged Organization
- Competency Development-Focused Education Solutions
- Acquiring The Right Talent and Strong Employer Brand Management
- An inclusive workplace with equal opportunities and diversity
- Best and Most Engaged Team
- Employee Health and Well-being

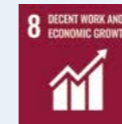
- %33 ROE
- In terms of net profit, the most profitable bank in Türkiye
- Most valuable company in BIST 100
- Leading bank in TL loans and TL customer deposits

- Delivering smarter, customizable solutions for customers more quickly
- Minimizing operational risk
- Ensuring customer privacy and information security, mitigating external fraud risks
- Providing a unique and value-added customer experience
- Financial health
- Data and Technology
- Contributing to customers' digital transformation, digital customer penetration

- "Hyper-personalized" customer experience
- Contributing to both the physical and financial freedom of customers with disabilities
- Supporting entrepreneurs and women within the framework of inclusive growth
- Strengthening customers' financial health
- Ensuring customer confidentiality and information security, mitigating external fraud risks
- Improving customer service quality
- Raising customers' awareness of climate crisis issues

- Financing the transition to a low-carbon economy
- Managing the environmental impacts of our operations
- Supporting customers in adapting to and increasing their resilience against the effects of climate change by promoting sustainable business models
- Managing sustainability risks and opportunities
- Long-term projects contributing to societal vision in the fields of sports, music, and culture
- Supporting quality education

## SDG



HUMAN CAPITAL



FINANCIAL CAPITAL



DIGITAL AND INTELLECTUAL CAPITAL



RELATIONSHIP CAPITAL



NATURAL AND SOCIAL CAPITAL

