2024 TSRS-COMPLIANT

Sustainability Report

Ziraat Katılım

Contents

1 ABOUT THE REPORT

1.1 Scope of the Report
1.2 Preparation of the Report

1.1 Scope of the Report

1.1.1 Scope of the Report

This report has been drawn up under the Turkish Sustainability Reporting Standards ("TSRS"), as published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") in Official Gazette No. 32414 (M) on December 29, 2023, in full compliance with the disclosure and reporting requirements of TSRS 1 – General Provisions on the Disclosure of Sustainability-Related Financial Information and TSRS 2 – Climate-Related Disclosures. The report provides information on climate-related governance, strategy, risk management, metrics, and targets for the period ending December 31, 2024 ("Sustainability Information"). The scope of the report incorporates the "Commercial Banks" Appendix, Volume 16, issued to support sector-specific application of TSRS 2. This guidance ensures that climate-related disclosures relevant to the Bank's operations are addressed in line with sector-specific dynamics. The metrics and disclosure requirements presented in the report have been evaluated within the context of Ziraat Katılım's operations in the commercial banking sector. Additionally, within frameworks permitted by TSRS, the report also references SASB (Sustainability Accounting Standards Board) standards. In line with the referenced guidelines and frameworks, the report presents metrics specific to Ziraat Katılım's operating sector, including the integration of ESG factors into financing processes, information on the applied environmental and social risk assessment system, the number and amount of deposit and financing accounts by the segments indicated in the report, as well as the amount and quantities of sustainable finance products. The report also includes an assessment of the climate heat map of the financing portfolio specific to the banking sector, along with the Bank's methodologies for assessing and monitoring climate risks.

Ziraat Katılım Bankası A.Ş. ("Ziraat Katılım" or the "Bank") is a bank incorporated in Türkiye operating in accordance with the principles of participation banking. This report presents the consolidated climate-related financial disclosures of Ziraat Katılım and its subsidiaries (collectively, the "Group") for the fiscal year ending December 31, 2024. The consolidated climate-related disclosures presented in this report have been prepared to encompass the Bank's financial subsidiaries consolidated in the financial statements as of December 31, 2024, as well as all non-financial subsidiaries and associates that are not consolidated. This has been done in accordance with the Regulation on Accounting Practices and Document Retention of Banks, along with other regulations, communiques, statements, and circulars issued by the Banking Regulation and Supervision Agency ("BRSA") concerning banks' accounting and financial reporting principles. For matters not specifically addressed in these regulations, the provisions of the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK) apply (collectively referred to as the "BRSA Accounting and Financial Reporting Framework").

Within the scope of sustainability information, the report takes into account not only the Bank's core operations but also its consolidated subsidiaries, affiliate portfolio, and value chain elements with which it maintains significant operational interaction. Accordingly, the scope of the report has been defined to include the Bank's subsidiaries as well as its two overseas branches. Data relating to international operations have been collected in compliance with local regulations and analyzed and reported in accordance with the TSRS framework.

Unless otherwise specified, references to the "Bank" pertain to Ziraat Katılım Bankası A.Ş., while the term "Group" refers to the Bank together with its consolidated and non-consolidated subsidiaries and affiliates. Throughout the report, climate performance data, unless otherwise indicated, encompass the Bank's consolidated operations.

As this is the first reporting period under TSRS, temporary exemptions have been defined for certain disclosure obligations. For the 2024 reporting period, the Group benefits from the transitional reliefs provided under TSRS 1 and TSRS 2.

- **TSRS 1 – E3:** This report includes sustainability information solely for the period from January 1, 2024 to December 31, 2024. Comparative information for previous periods is not presented.
- **TSRS 1 – E4:** The Group releases its first TSRS-compliant sustainability report to the public following the publication of the annual financial statements for the relevant period.
- **TSRS 1 – E5, E6 and TSRS 2 – C3:** As this is the first reporting period, comprehensive disclosures regarding the Bank's sustainability-related risks and opportunities are not included in this report.
- **TSRS 2 – C4.b:** Additional information, including Scope 3 data on financed emissions, has not yet been provided. Data collection and methodology development efforts for this disclosure are ongoing.

1.2 Preparation of the Report

The TSRS report is structured around four categories representing the core components of the Bank's operations: governance, strategy, risk management, metrics, and targets. In preparing the report, the Turkish Sustainability Reporting Standards (TSRS) issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK) have been used as the primary reference. In addition, sector-specific guidance referenced in TSRS 1 was consulted, and the Sustainability Accounting Standards Board (SASB) Standards were also utilized to identify material issues relevant to the sector.

The terms "climate risk" and "climate opportunities" used in the report are based on the comprehensive definitions applied within the TSRS 2 framework for identifying environmental and financial risks. Within the scope of this report, climate-related risks are classified into two main categories—physical risks and transition risks—taking into account their potential impacts on the Bank's operations.

1.2.1 Information Related to Financial Disclosures

This report has been prepared for the 12-month fiscal period from January 1, to December 31, 2024. The TSRS-compliant sustainability report serves as a complement to the 2024 year-end consolidated financial statements and the integrated annual report, and should be considered together with these documents. In accordance with Article 70 of the Turkish Commercial Code, year-end financial statements are prepared in Turkish lira, and under Article 24 of TSRS 1, sustainability-related financial information must also be presented in Turkish lira. Accordingly, all sustainability-related financial performance in this report are expressed in Turkish lira in accordance with TFRS 21 "Effects of Changes in Foreign Exchange Rates." Unless otherwise stated, financial figures in the report are presented in thousands of Turkish lira.

The scope of companies covered by this report does not differ from that of the financial reporting scope and is detailed in the relevant section of the report. As with the financial statements, all structural changes within Ziraat Katılım Bank have been considered in the disclosures included in this report.

No structural changes occurred in the Bank during 2024, except for updates to address information. Information regarding changes to the Bank's Shareholding Structure and Articles of Association can be found in detail **on pages 30–31 of the Ziraat Katılım 2024 Integrated Annual Report.**

The relationship between sustainability targets and financial indicators is monitored through specific metrics. These metrics are presented under the Metrics and Targets section in Chapter 6 of the report and are explained in the corresponding sections.

1.2 Preparation of the Report

Subsidiary Information

Table of Subsidiaries

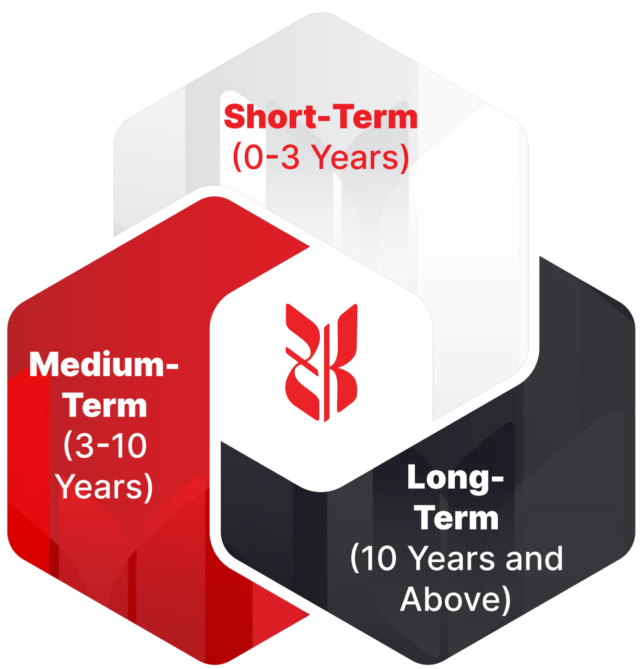
	Shareholders	Date of Establishment	Address	Number of Shares	Number of Shares
Ziraat Katılım Varlık Kiralama A.Ş.	Ziraat Katılım Bankası A.Ş.	22.01.2016	Finanskent Mahallesi Finans Cad. Ümraniye / İSTANBUL	50,000	50,000
ZKB Varlık Kiralama A.Ş.	Ziraat Katılım Bankası A.Ş.	08.09.2017	Finanskent Mahallesi Finans Cad. Ümraniye / İSTANBUL	50,000	50,000

Ziraat Katılım's subsidiaries, Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş., were established with fully paid capital of 50 thousand TRY by Ziraat Katılım, and with the approvals of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB). The companies were incorporated solely to issue lease certificates in accordance with the Capital Markets Board's Communique on Lease Certificates (III-61.1), published in the Official Gazette No. 28760 on June 07, 2013.

1.2.2 Reporting Period

Unless otherwise stated, the information presented in this report covers the activities and performance data for the period between January 1, 2024, and December 31, 2024. The time horizons used when presenting the information are defined as short, medium, and long term, in accordance with the Turkish Sustainability Reporting Standards (TSRS 1 and 2), as illustrated in the accompanying graph. The relationship between these time horizon definitions and the associated risks and opportunities is explained in detail in the section titled Management of Climate-Related Risks and Opportunities.

The reporting framework is largely based on existing internal processes and systems, incorporating both quantitative and qualitative disclosures for non-financial information. The Bank has aligned the time horizon definitions illustrated in the graph with those used in financial reporting, risk management, and strategic planning functions within financial reports, risk reports, and strategic plans.



2 ABOUT ZİRAAT KATILIM

2.1 General Information

Established as the first state-owned participation bank in Türkiye, Ziraat Katılım Bankası A.Ş. (Ziraat Katılım) provides a wide range of products and services in line with the principles of participation banking. Guided by its core philosophy of understanding customers and providing tailored solutions, the Bank is committed for activities aimed at creating value not only for its customers and shareholders but also for society and all stakeholders. Ziraat Katılım Bankası A.Ş. ("the Bank") was established with a fully paid-in capital of 675,000 thousand TRY by the Republic of Türkiye's Treasury, pursuant to the authorization of the Banking Regulation and Supervision Agency (BRSA) dated October 10, 2014 and numbered 6046, published in the Official Gazette dated October 15, 2014 and numbered 29146. The Bank acquired legal entity status upon its registration with the trade registry on February 16, 2015. Following the BRSA's resolution dated May 12, 2015 and numbered 6302, published in the Official Gazette on May 14, 2015 and numbered 29355, the Bank obtained its operating license and commenced participation banking activities on May 29, 2015 with the opening of its first branch, guided by the principle "Achieving More By Sharing."

In accordance with the resolution adopted at the Ordinary General Assembly for 2015 held on April 29, 2016, the Bank's paid-in capital was increased by 72,000 thousand TRY in cash, raising it from 675,000 thousand TRY to 747,000 thousand TRY. At the Ordinary General Assembly for 2016 held on July 13, 2017, the paid-in capital was further increased by 500,000 thousand TRY in cash and 3,000 thousand TRY from internal resources, reaching 1,250,000 thousand TRY.

At the Extraordinary General Assembly for 2018 held on September 20, 2018, the paid-in capital was raised by 500,000 TRY thousand in cash to 1,750,000 thousand TRY. At the Ordinary General Assembly for 2021 held on March 25, 2022, the paid-in capital was increased by 900,000 thousand TRY in cash, reaching 2,650,000 thousand TRY. Subsequently, at the Extraordinary General Assembly for 2023 held on March 31, 2023, the paid-in capital was increased by 4,700,000 thousand TRY in cash, bringing the total to 7,350,000,000 thousand TRY. At the Second Extraordinary General Assembly for 2023 held on December 6, 2023, the paid-in capital was increased by 3,000,000 thousand TRY in cash, resulting in a total of 10,350,000 thousand TRY.

Shareholding Structure Table*

Title	Paid-in Capital (thousand TRY)	Share Ratios (%)
T.C. Ziraat Bankası A.Ş.	10,350,000	99.99999996
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	-	0.00000001
Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş.	-	0.00000001
Ziraat Teknoloji A.Ş.	-	0.00000001
Ziraat Yatırım Menkul Değerler A.Ş.	-	0.00000001
Total	**10,350,000**	**100.00**

*Shareholding Structure (as of 31.12.2024)

10,350,000 is fully funded by the Ministry of Treasury and Finance of the Republic of Türkiye. Ziraat Katılım's capital is divided into 10,350,000,000 shares, each valued at 1.00 TRY.

The Chairman and members of the Board, members of the Audit Committee, CEO and Assistant General Managers do not own shares.

Guided by its core strategic priorities—sustainable profitability, capability transformation, focused growth, participation banking, and agricultural banking—Ziraat Katılım delivers high value-added products, services, and solutions aligned with participation banking principles, supported by robust distribution channels and a highly skilled workforce. The Bank regards environmental sustainability not merely as a duty, but also as a compelling financial opportunity. By embedding sustainability and climate-related practices into its operations, the Bank seeks to reinforce its commitment to sustainable profitability. The financial outcomes of this approach are expected to underpin long-term, resilient growth. In line with participation banking principles, ethical banking remains at the heart of its business model. Within the scope of its agricultural banking strategy, the Bank attaches particular importance to supporting investments minimizing environmental impact. Ziraat Katılım's sustainability strategy was formulated in 2023. "Under the Bank's sustainability strategy, the pillars of Climate Action and Transition, Social Contribution and Value, and Sustainability Governance address material issues across ESG dimensions in line with the strategy's focal areas.

As of year-end 2024, the Bank employed 2,864 people. With the opening of 19 new branches during the year, its total number of branches, including international locations, reached 210. Ziraat Katılım actively operates in the fields of Retail, Commercial, Corporate, Private, and Agricultural Banking, with a strategic focus on driving growth across these key segments. In addition to its traditional branch network, the Bank delivers its products and services through advanced alternative distribution channels, including 129 ATMs, Internet Banking, a renewed Mobile Banking platform, Call Centers, Open Banking applications, and approximately 10,594 POS terminals. Within the scope of its Digital Banking activities, Ziraat Katılım meets the financial needs of its customers with the Participation Mobile (Katılım Mobil) application at the most convenient points and with an approach focused on high customer satisfaction.

Ziraat Katılım's total assets reached 510,158,328 thousand TRY in 2024. During the reporting period, the Bank recorded a net profit of 3,452,822 thousand TRY, while its equity rose to 22,384,579 thousand TRY, providing the Bank with the strength necessary for sustainable growth. Detailed information on the Bank's key financial indicators can be found **on page 32 of the 2024 Integrated Annual Report.**

2.2 Organizational Layout and Business Model

Ziraat Katılım Bankası A.Ş. is a key member of the Ziraat Finance Group, one of Türkiye's oldest and most prominent financial institutions. Within this structure, the Bank operates strictly in accordance with participation banking principles. Its organizational design is customer-centric, delivering services through a nationwide branch network, digital channels, and a highly skilled workforce.

Business Model

The Bank's business model is founded on the principle of "Profit-and-Loss Sharing Based, Interest-Free Finance." At its core, this model channels funds collected from participation account holders to retail and corporate customers through interest-free financing methods supporting the real economy.

Ziraat Katılım aligns its participation banking activities with Türkiye's economic priorities and development goals, developing its products and services in line with principles of digitalization, accessibility, and inclusion. In addition to fund collection and financing services for corporate and individual customers, the Bank provides solutions in trade finance, investment, and cash management.

In line with its business model, the Bank upholds participation banking principles across all operations, structuring financing relationships through trade, partnership, or lease-based models. Leveraging its branch network and digital channels, Ziraat Katılım aims to offer customers fast, reliable, and easily accessible services. Participation funds are deployed in activities having direct impact on the real economy, such as production, employment, and exports. Climate-related risks and opportunities are integrated into the Bank's business model. To manage risks arising from the transition to a low-carbon economy and increasing physical climate events, the Bank incorporates climate assessment criteria into its financing processes and decision-making mechanisms. Within this scope, sustainable financing for carbon-intensive and climate-sensitive sectors such as agriculture is prioritized as a key opportunity area in the Bank's business model.

As a member of the Ziraat Finance Group, Ziraat Katılım operates with a strong sense of public bank responsibility, prioritizing financial inclusion, contributing to the national economy, and serving the public interest. This structure enables the Bank to monitor the impacts of its operations from both financial and sustainability perspectives, ensuring a transparent and accountable approach.

Under the TSRS framework, the primary users of sustainability reporting are identified as the Bank's shareholders, existing and potential investors, and senior management. Ziraat Katılım commits to providing climate-related information in a clear, consistent, and reliable manner to support the decision-making processes of these stakeholders.

An overview of the Bank's stakeholders is presented below.

Key Stakeholders

In conducting its operations and defining its strategies, the Bank places transparent, constructive, and continuous engagement with its key stakeholders at the center of its corporate governance approach. The Bank has identified the following key stakeholders as playing a critical role in achieving sustainable success and creating value for society:

Internal Stakeholders

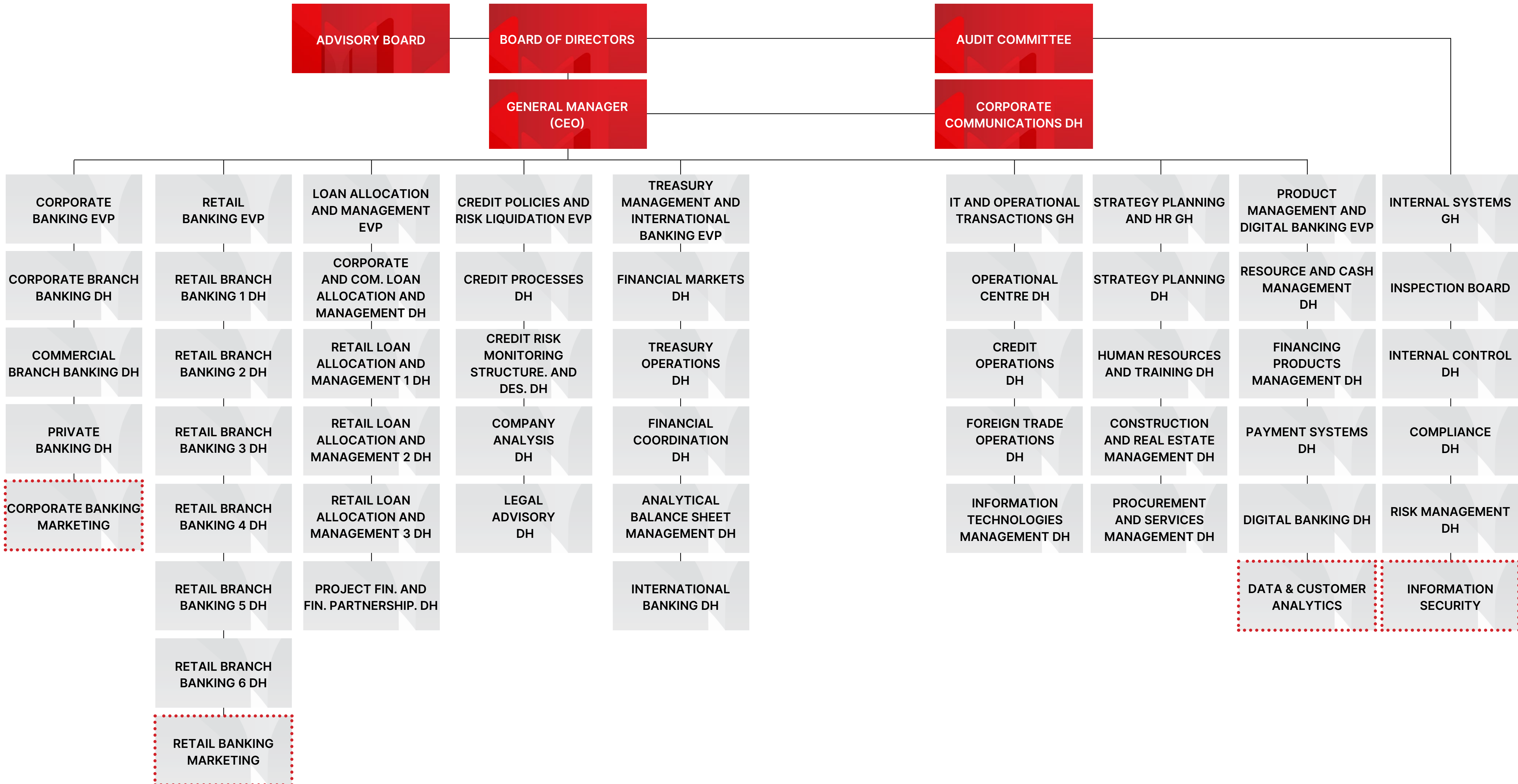
- Shareholders
- Board of Directors
- Employees

External Stakeholders

- Customers
- Society
- Suppliers
- Subsidiaries and Affiliates
- Governmental Bodies and Regulatory Agencies
- National and International Banks and Financial Institutions
- Credit Rating Agencies
- Sectoral Associations and Organizations
- Media

2.2 Organizational Layout and Business Model

Head Office Organizational Chart



SERVICE MANAGEMENT

The General Manager holds the authority to define the Service Management units reporting to the EVPs and Group Heads, as well as the positions within those units.

3 GOVERNANCE

3.1 Ziraat Katılım Board of Directors

At Ziraat Katılım, ultimate responsibility and highest-level oversight for sustainability and climate-related matters rests with the Board of Directors. The Board approves the Bank's sustainability vision, strategy, and policies, and regularly monitors performance in these areas.

The Board's key roles and responsibilities in climate-related governance include:

- **Strategic Oversight:** Ensures that the Bank's overall sustainability strategy, including climate-related risks and opportunities, is aligned with corporate objectives and approves it. Monitors progress in implementing the strategy at the highest level.
- **Policy and Goal Setting:** Oversees and approves the Bank's sustainability and climate-related policies. Reviews the targets set by the Sustainability Committee and ensures their alignment with the Bank's overall risk appetite.
- **Performance Monitoring:** Tracks the achievement of climate-related targets and overall sustainability performance through regular reports submitted by the Sustainability Committee. This includes evaluating the performance of senior management.
- **Accountability:** Holds ultimate responsibility for reporting the Bank's climate-related performance to all stakeholders, primarily shareholders.

To effectively fulfill its oversight and monitoring duties, the Board applies delegation mechanisms within the corporate governance structure. In this context, the Sustainability Committee, chaired by the Bank's CEO and composed of senior executives, has been established to handle detailed sustainability matters, define and monitor strategy, and report to the Board.

General information on the Board members is provided under Section 3.3: Sustainability Governance Structure and Competence, with detailed information available **on page 162 of the Ziraat Katılım 2024 Integrated Annual Report.**

3.2 Sustainability Governance Structure

Sustainability is not merely an element of the Bank's environmental responsibility; but one of the core components of its strategic roadmap. Through well-defined policies and an effective sustainability governance structure, the Bank ensures that every decision considers environmental, social, and governance (ESG) dimensions. By adopting an approach prioritizing long-term value creation in all business lines, the Bank integrates a sustainability perspective into all its decision-making processes, ranging from credit processes and risk management to operational processes and product development. The Sustainability Committee plays a key role in monitoring and reporting on the Bank's sustainability strategy. The Committee tracks the progress of sustainability targets and submits the relevant reports to the Board of Directors on an annual basis. To ensure effective management and oversight of climate-related risks and opportunities, Ziraat Katılım implements a multi-layered governance model. The Ziraat Katılım Sustainability Committee is responsible for planning the goals for risks and opportunities related to sustainability and monitoring the progress of the work carried out on material issues. Additionally, strategies related to these risks and opportunities are carried out by the Strategy, Planning and Sustainability Department, which reports to the Sustainability Coordinatorship. This structure aims to ensure effective coordination of actions linked to the Bank's sustainability strategy, securing the integration of relevant objectives into all operational processes.

Ziraat Katılım evaluates its materiality assessment through the lens of risks and opportunities, undertaking efforts to identify both the environmental, social, and governance (ESG) impacts and the financial implications of each topic. In this manner, the Bank adopts a holistic approach to its sustainable value creation strategy.

Sustainability and climate-related practices at Ziraat Katılım are implemented under the oversight of the Board of Directors and within the scope of the Corporate Sustainability Management System, established under the leadership of the Chief Executive Officer (CEO). These practices are carried out through the Sustainability Committee, the Sustainability Coordination Office, and dedicated Sustainability Working Groups. The Ziraat Katılım Sustainability Committee serves as the highest-level body responsible for establishing the Bank's sustainability goals and material topics.

To ensure that the sustainability governance structure operates as a dynamic and multi-stakeholder mechanism, 6 working groups were established under the Sustainability Coordination Office, each focusing on specific areas. The Strategy Planning and Sustainability Department, reporting to the Head of Strategy Planning, participates in all these working groups, including personnel from 26 different Bank departments. By appointing representatives from diverse teams to each group, the Bank has strengthened communication on sustainability and climate-related matters and ensured that ESG considerations are effectively embedded into its business model.

3.3 Sustainability Governance

The responsibilities of the Sustainability Committee are determined and updated through the Bank's internal procedures. Chaired by the Chief Executive Officer, the Committee convenes twice a year or upon the request of the Chair. In 2024, the Committee held 2 meetings on July 4 and December 9. Presentations and planned actions are submitted to the Committee by the Strategy Planning Department. Resolutions within the Committee are delivered by majority vote and duly recorded. In case of equal number of votes, the Chairperson's vote shall be decisive. When necessary, heads of relevant departments who are not members of the Committee may also be invited to attend meetings.

Members of the Sustainability Committee

- Board Member
- General Manager (Chairperson)
- Executive Vice Presidents
- Group Presidents
- Strategy Planning Department Head (Sustainability Coordinatorship)
- Head of Corporate Communications Department
- Head of International Banking Department
- Head of Project Finance and Financial Partnerships

Sustainability Committee's Duties and Authorities

- Ensuring the coordination of the business plans and the operational tasks within the scope of the Bank's sustainability strategy, vision, and goals,
- Developing the Sustainability Policy and complementary policies and updating them as needed, ensuring integration into all business processes,
- Managing the potential environmental, social, and economic risks and opportunities that can arise within the scope of financed projects and other loans,
- Tracking national and international legislation and standard approaches concerning environmental and social risks, which are material in terms of Bank's credit extension process,
- Identifying the areas and institutions that the Bank will collaborate with in this context to expand the Bank's sustainability network,
- Adopting sustainability-oriented initiatives within the Bank and supporting capacity development,
- Developing social responsibility projects,
- Monitoring and integrating the Bank's studies on banking products and processes supporting sustainable development,
- Managing direct and indirect environmental and social impacts, closely monitoring the endeavors to mitigate these impacts; Managing the potential risks that can have adverse impact on the reputation of Ziraat Katılım,
- Ensuring communication of sustainability initiatives to be conducted within the Bank,
- Defining the duties, authorities, and responsibilities of the sustainability coordinatorship and additional sub-working groups to be established,
- Providing assessment of sustainability-oriented measurements and reporting, review and approval of the sustainability-related section of the activity report,
- Ensuring that all decisions taken and projects conducted within the scope of the Bank's sustainability governance system comply with Ziraat Katılım's other policies and relevant guidelines.

At the Bank, the Head of Strategy Planning has been appointed as the Sustainability Coordinatorship. The coordination of sustainability initiatives rests with the Strategy Planning and Sustainability Department, which operates under the Strategy Planning Division.

Responsibilities of the Sustainability Coordinatorship:

- Provide analysis and guidance for the Bank's sustainability initiatives,
- Monitor sustainability-related activities across the Bank and report to the Committee,
- Manage consultancy services and projects related to sustainability,
- Ensure coordination among sustainability working groups,
- Participate in engagements with regulatory authorities and industry associations on sustainability matters.

Sustainability Governance Structure and Competence

Ziraat Katılım's Sustainability Committee is structured under the leadership of the Chief Executive Officer and includes the entire Executive Management Team, along with relevant Department Heads identified as key stakeholders in sustainability initiatives.

Given the strategic importance of the Committee to the Bank, its chairmanship is assumed by the CEO, with active participation from all members of senior management. Additionally, at the end of 2024, a Board Member—who previously served as CEO and Chairman of the Board at Development Bank of Türkiye, and who currently sits on both the Credit Committee and the Remuneration Committee—joined the Sustainability Committee.

Under the 2022–2025 Strategic Plan, sustainability and climate change have been defined as priority and strategic focus areas for the Bank. Accordingly, sustainability initiatives are managed as a strategic imperative, with the role of Sustainability Coordinatorship entrusted to the Strategy Planning Department. Both the Head of the Department and the Department Manager hold the SEGEM Sustainability Expertise Certificate, issued by the Capital Markets Board (CMB), which is considered a key element supporting the Bank's sustainability vision.

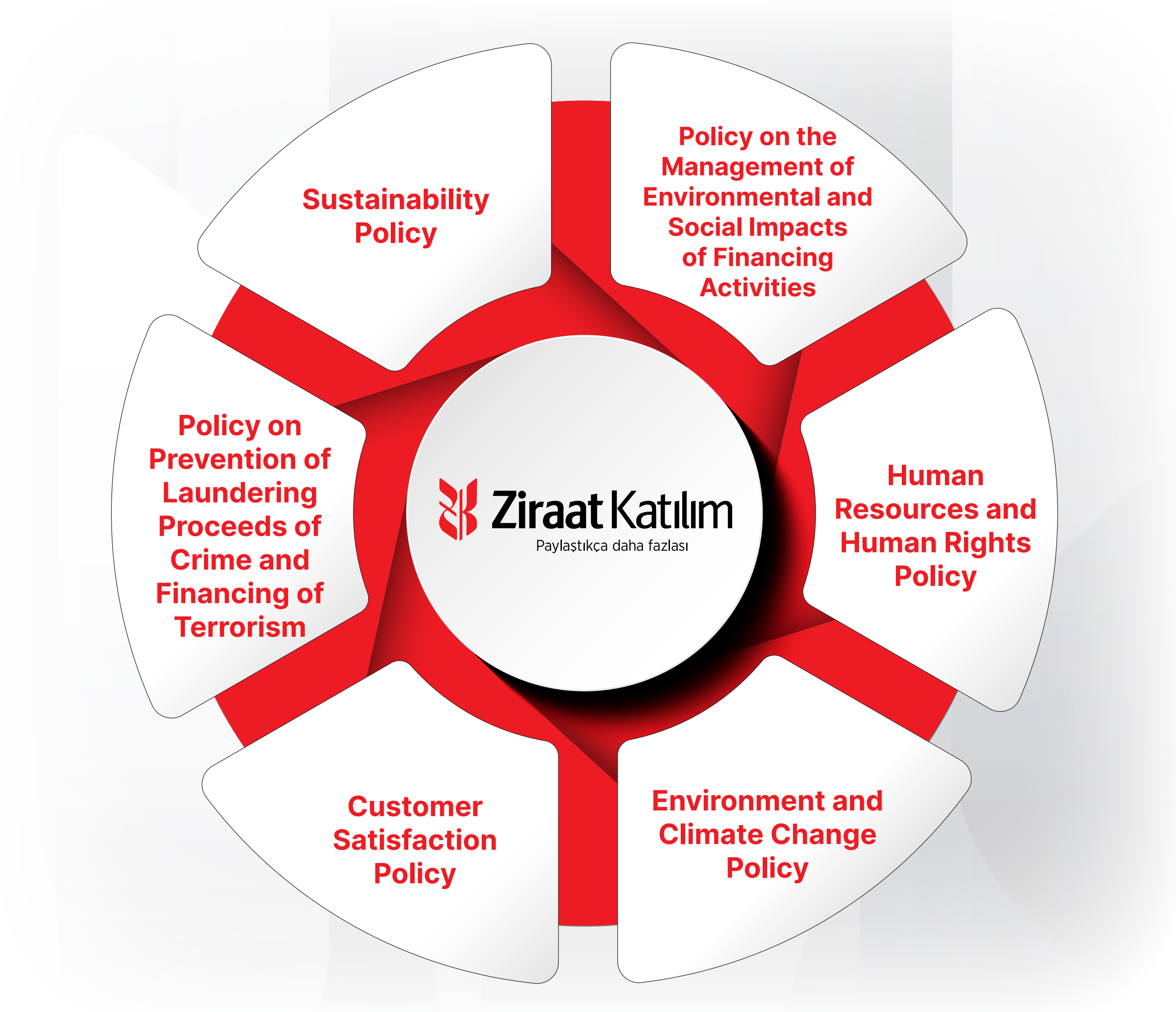
Within the Bank's governance framework and customer relations management, the Department Heads of Corporate Communications, International Banking, Project Finance, and Financial Partnerships also serve as Committee members by virtue of their responsibilities. Where necessary, other Department Heads who are not formal members of the Committee are also entitled to be invited to attend meetings.

All matters regarding the remuneration of Bank employees are determined by the Board of Directors, and the payment of such entitlements is subject to internal regulations issued by the General Management. Details of remuneration for Board Members, senior executives, and other employees are not disclosed in order to protect personal data and safeguard trade secrets. The Bank's climate-related initiatives and targets are integrated into the competency assessment section of its performance scorecard, affecting employee performance bonus payments. As part of the Bank's corporate values, "responsibility" encompasses adopting and implementing a sustainability-oriented approach across all operations. While the Bank's Remuneration Policy does not currently include climate-linked pay components, industry practices are closely monitored.

3.4 Sustainability Policies

The Bank's approach to sustainability, its perspective on ESG issues, and its operational framework are outlined in the Board-approved Sustainability Policy. This policy provides a fundamental framework defining the Bank's sustainability vision, objectives, approach, and governance structure. While steering its activities with a sustainability perspective, the Bank relies on a set of complementary policies supporting the core Sustainability Policy. All policies released by Ziraat Katılım are subject to approval by the Board of Directors. The Bank has established process control measures to assess the integration and implementation of policy commitments in its operations and business relations. In this context, the audit teams conduct regular controls to identify any potential deficiencies and implement the necessary actions.

Sustainability Policy and Supplementary Policies



3.5 Sustainability Audit

The Sustainability Committee reviews factors such as climate-related risks and opportunities, as well as environmental and social impacts, during its meetings and formulates action plans based on these assessments. This process is monitored through an oversight mechanism aligned with TSRS standards.

Additionally, to ensure that matters raised within the Sustainability Corporate Governance Working Group are integrated into the Bank's internal audit plans, the Inspection Board and Internal Control Departments are duly informed. The issues evaluated and the progress of sustainability initiatives are subsequently presented to the Sustainability Committee.

In monitoring its sustainability performance and associated risks, the Bank takes into account potential trade-offs between financial and environmental interests. Evaluations aimed at managing these trade-offs in a balanced manner are conducted during Sustainability Committee meetings and communicated to the relevant working groups. This approach ensures that sustainability practices consider not only opportunities but also potential conflicts and interdependencies within the oversight structures.

To ensure the effectiveness of its sustainability-related policies and associated internal regulations, the Bank addresses these matters holistically within the scope of its internal systems. In this context, the Inspection Board has incorporated the audit of sustainability and climate-related practices into its annual audit plan, which is developed under a risk-based auditing approach. These audits serve as a tool to measure progress toward the Bank's sustainability objectives and implement improvements where necessary. Furthermore, within the Sustainability Corporate Governance Group, representatives from the Inspection Board and Internal Control teams actively participate in working group meetings, thereby integrating sustainability and climate actions into the audit and monitoring processes.

In parallel, the Inspection Board, Internal Control Department, Compliance Department, and Risk Management Department regularly monitor adherence to sustainability regulations and associated risks as part of their ongoing oversight and control activities.

This integrated audit and oversight framework functions as an effective mechanism to transparently measure the Bank's progress toward its sustainability objectives, strengthen corporate accountability, and drive continuous improvement in areas deemed necessary.

4 STRATEGY

Ziraat Katılım's sustainability strategy is to support investments to ensure sustainable development in line with Türkiye's national goals, especially its 2053 Net Zero target and the Green Deal Action Plan. Endeavors have been initiated to calculate the Bank's financed emissions, and upon completion of these calculations, a comprehensive transition plan will be formulated, incorporating concrete targets and actions to facilitate the shift to a low-carbon economy. Preliminary analyses and planning activities toward the development of this transition plan are currently underway. Once the planning phase is finalized, the Bank will define and disclose its initiatives on emissions reduction and climate adaptation within the scope of its business model and strategy.

Ziraat Katılım meticulously analyzes the expectations of its internal and external stakeholders while shaping its business strategies and priorities within the scope of sustainable banking practices. Evaluating the short-, medium-, and long-term impacts of its activities, the Bank adopts a value-driven approach that places the impact on its stakeholders and its own financial performance at the forefront. In this context, the Bank is carrying out studies aligned with TSRS to identify climate-related risks and opportunities. The Bank further aims to manage these identified risks and opportunities with a broader perspective for future periods, prioritizing them based on materiality.

The Bank addresses different dimensions of sustainability through 3 strategic focus areas under its sustainability strategy. Under the Climate Action and Transition focus, the Bank targets not only comprehensive measurement and reduction plans for its operational emissions but also the expansion of its sustainable finance activities and the development of transition pathways aligning its financed emissions with the 2053 net zero target. In this process, the Bank particularly seeks to contribute to the green transformation by prioritizing the transition of carbon-intensive sectors. Under the Social Contribution and Value focus, the Bank goes beyond being merely present for its customers; it supports social development with a multidimensional approach through projects designed to understand community needs and build a strong, inclusive economy. Under the Sustainability Governance focus, the Bank aims to ensure transparent communication with its stakeholders, addressing not only its economic performance but also its progress in sustainability and climate-related areas, and regularly sharing material information reasonably expected to material affect its current and future financial position. To ensure the effective implementation of these strategies, annual budget allocations are made for sustainability projects.

4.1 Climate-Related Risks and Opportunities in the Value Chain

Ziraat Katılım's climate strategy is implemented as an integral component of the Bank's sustainability strategy across its entire value chain. As a participation bank operating with public capital, the Bank embeds climate and ESG considerations throughout all processes—from resource utilization to the financing solutions offered to customers. This approach seeks to minimize risks while generating measurable, socially beneficial outcomes aligned with the Bank's public service mandate. Recognizing the financial system impacts of climate change, Ziraat Katılım aims to integrate this perspective into every stage of its operations. Managing climate-related risks and capturing related opportunities across the value chain is critical for the Bank's long-term resilience and its public-interest-driven business model.

The Bank's business model, constituting the cornerstone of its climate strategy, is structured around three key stages of the value chain:

- **Upstream Activities:** Ziraat Katılım's capital structure, composed entirely of public resources, differs fundamentally from that of private sector institutions. This structure ensures relatively low exposure to climate risks at the upstream level. However, to guarantee the deployment of public funds in climate-aligned investments, the Bank acts in strict alignment with national and public policies in this area.
- **Internal Operations:** Ziraat Katılım is restructuring its internal operations to mitigate climate-related risks and adapt to the transition process. This includes implementing measurement, monitoring, and reduction mechanisms for activities directly affecting energy consumption and carbon emissions. Energy efficiency measures (such as LED lighting, thermal insulation, and smart climate control systems) are currently widely disseminated in Bank buildings. Additionally, location-based and market-based initiatives are undertaken to reduce electricity consumption and lower carbon emissions.
- **Downstream Activities:** As a participation finance institution with a public-interest focus, Ziraat Katılım channels its resources toward areas contributing to the real economy and Türkiye's sustainable development. In this context, the Bank evaluates criteria such as climate risk and environmental impact in relation to financed projects. This stage represents the area where climate-related impacts—and the associated risks and opportunities—are most pronounced. The Bank promotes awareness among carbon-intensive sectors and encourages customers to adopt transition plans through tailored products and services.

Through its role as a public bank in Türkiye's green transformation process, Ziraat Katılım aims to ensure the proper allocation of financial resources, thereby contributing both to economic development and sustainable growth.

4.2 Management of Climate-Related Risks and Opportunities

Escalating environmental risks worldwide impact not only financial performance but also the long-term sustainability of society and the real economy. In identifying these risks, the Bank draws on expert insights, industry best practices, and guidance from the TCFD and SASB frameworks. This has enabled the identification of potential climate-related risks and opportunities that could affect the Bank in the short, medium, and long term. With this understanding, we analyze our level of exposure to climate risks and develop strategies aimed at converting these risks into opportunities. In line with our priority on Combating Climate Change and in compliance with TSRS 2 regulations, the Bank conducts an in-depth assessment of climate-related risks and opportunities from its perspective. These identified risks and opportunities are reviewed by the relevant business units and presented to the Sustainability Committee for evaluation. “The Sustainability Committee, operating under the oversight of Ziraat Katılım’s Board of Directors, holds full authority with respect to the risks and opportunities identified in alignment with the Bank’s strategy.

Building on the analyses and internal assessments conducted, the Bank continuously reviews its products, services, and business models to adapt to climate change, prepare for transition risks, and mitigate the effects of physical risks.

Accordingly, we enhance our investment decisions, financing policies, and credit evaluation processes in line with climate-related risks and opportunities.

In its planning processes, the Bank considers short-, medium-, and long-term horizons, assessing the specific implications the climate risks may present for each timeframe. These horizons align with the planning cycles the Bank uses for strategic decision-making:

- In the short term (0–3 years), alongside initiatives such as measurement and awareness-raising, the Bank has begun taking structural transformation steps to align its business model with climate change. Within this scope, both qualitative and quantitative analyses are being conducted, with a priority focus on transition risks. Initially, stress tests are carried out for carbon-intensive sectors within the Bank’s portfolio using heat map methodology and climate change-based scenarios. In addition, climate risk definitions are being incorporated into internal regulations and the Bank’s risk appetite.
- In the medium term (3–10 years), the Bank plans to develop credit policies for sectors and assets exposed to climate risks, while also implementing measures such as emissions reduction, energy efficiency, and adaptation initiatives to address risks that could affect its operations and corporate reputation. These efforts are intended to promote climate resilience and capitalize on emerging opportunities over the medium term.
- In the long term (10+ years), the proactive management of climate-related risks and opportunities, allocation of resources toward emerging opportunities, management of greenhouse gas emissions in line with Türkiye’s 2053 Net Zero target, and contribution to the country’s green transformation process will remain among the Bank’s strategic priorities.

The Bank leverages international guidelines and frameworks to analyze its financing portfolio with respect to climate-related risks. These analyses cover:

- **Physical risks:** The impact of events such as floods, extreme temperatures, and droughts on the Bank’s assets and customers is assessed.
- **Transition risks:** The potential effects of regulatory changes, carbon taxes, and sectoral restrictions on the industries within the Bank’s credit portfolio are analyzed.

The Bank assesses the nature, likelihood, and magnitude of these risks in accordance with TSRS 2.

Accordingly, the Bank categorizes climate-related risks into two main groups: “Transition Risks,” which may arise during the shift to a low-carbon economy and affect the Bank’s financial condition and operations, and “Physical Risks,” which stem from environmental impacts caused by climate change. The table containing these risks and their sub-headings is shown below.

Transition Risks	Supply-Demand	The risk of changes in the supply and demand for specific commodities, products, and services.
	Legal-Regulatory	The risk factor arising from the increase in operational costs incurred in the process of adaptation to the policies and legal regulations established within the scope of combating climate change.
	Technology	The risk low-carbon technologies pose to the competitiveness and costs of firms.
	Reputation	The risk of reputational damage resulting from unfavorable perceptions due to environmentally harmful activities during the transition to a low-carbon economy.
Physical Risks	Acute	The risks causing sudden/indirect damage to the organization's assets or operational disruption as a result of sudden and severe events.
	Chronic	These are persistent physical risks arising from long-term climate change occurring gradually over time and can have lasting impacts.

As a result of research and scenario analysis conducted to identify risks and opportunities, it has been observed that transition risks are concentrated in certain companies within sectors covered under the CBAM regulation, while physical risks are particularly prominent in the agricultural sector due to water stress.

Within the Bank, transition risks are expected to negatively affect net sales revenues of firms due to additional costs, whereas physical risks—particularly those related to drought-induced water stress—may lead to production disruptions and, consequently, adversely impact firm turnover.

On the opportunities side, increasing demand for renewable energy and energy efficiency investments, coupled with a clearer need for green transformation, is expected to direct investments toward these areas. Financing required by firms during their green transformation initiatives, as well as financing for sustainable practices and climate-resilient projects in the agricultural sector, are considered opportunities.

4.3 Identification of Climate-Related Risks and Opportunities and Financial Materiality

The climate-related risks and opportunities identified by Ziraat Katılım are summarized in the tables below. Risks and opportunities with significant financial impact on the Bank's performance have been distinguished. The identified risks and opportunities have been analyzed qualitatively and quantitatively based on their type, time horizon, and materiality level. Impact analyses have also been conducted for those assessed as material.

At Ziraat Katılım, "material impact" is defined as the set of climate-related risks and opportunities that could lead to financially or strategically significant changes in our operations, and thereby affect our future capital adequacy or business model.

Materiality assessments are carried out by the Risk Management Department and the Strategy and Sustainability Directorate teams, and the results are reviewed by senior management. As of 2024, an impact level equivalent to 1% of equity has been set as the "materiality threshold." This threshold is reviewed annually and updated if necessary, taking into account business factors such as macroeconomic indicators, current climate policies, and sectoral risk concentrations.

Climate risks and opportunities deemed to have material impact are rated based on the defined threshold, internal analyses, and expert opinions. The severity and likelihood of risks are assessed separately for the Bank's defined time horizons (short, medium, and long term). The outputs of these analyses are integrated into strategic planning and risk management processes. The Bank's objective is not only to remain resilient against current risks but also to actively support Türkiye's climate transition by channeling financial resources toward a low-carbon economy. Within the risk catalog, climate risk is treated as an emerging risk that can impact traditional risk categories, including credit, operational, market, and liquidity risks.

In this context, the table below outlines transition and physical risks, illustrated with the broader context and relevant examples. These explanations are considered in relation to the specific circumstances of the Bank and its consolidated subsidiaries.

Climate-Related Risks

Company	Risk Type	No.	Risk Definition	Action	Estimated Likelihood / Time Horizon	Financial Materiality Level
Ziraat Katılım Bankası A.Ş.	Transition	R.1	Additional financial burdens arising from regulatory frameworks such as CBAM and ETS may impact the revenues and profitability of the Bank's customers operating in carbon-intensive sectors. Potential percentage changes in customer revenues and profits, along with possible increases in default probabilities and expected loss provisions.	Environmental risk assessment studies are utilized for customers in the relevant sectors, portfolio-level stress tests are conducted, and changes in default probabilities and expected loss provisions are monitored. Development initiatives have been planned to continuously improve data quality and establish tailored processes for financing these customers.	Medium/ Medium Term	Material
Ziraat Katılım Bankası A.Ş.	Physical	R.2	Long-term climate-related changes, such as drought, biodiversity loss, and altered precipitation patterns, may lead to yield reductions, increased input costs, and repayment difficulties in financed agricultural projects, potentially affecting collateral values and posing credit repayment risks.	In addition to applying risk measurement models including physical risk factors, regional climate risk maps are planned to be incorporated into analyses. Climate-aligned financing products supporting sustainable agricultural production models are also offered to customers to maintain repayment performance in the agricultural finance sector.	High/Long-Term	Material

Climate-Related Opportunities

Company	Opportunity Type	No.	Description of Opportunity	Action	Estimated Likelihood / Time Horizon	Financial Materiality Level
Ziraat Katılım Bankası A.Ş.	Transition	F.1	To support customers' green transformation and climate adaptation processes, environmental and climate-themed loans, financial leasing, sustainability-linked credits, customer advisory services, environmental and social impact assessments, and services developed to meet sectoral demands will be provided in accordance with participation banking principles, targeting areas such as renewable energy, energy efficiency, sustainable agriculture, electric vehicles, and waste management, where financing demand is growing.	Sustainability-themed financing products are offered to our customers exposed to carbon costs, aiming to reduce the transition expenses they may encounter during their adaptation processes. Additionally, the objective is to support companies' investment plans and requirements related to climate change adaptation by providing financing instruments in line with the sustainable sukuk framework, utilizing funds obtained from both national and international sources.	High/Short & Medium Term	Material
Ziraat Katılım Varlık Kiralama A.Ş. & ZKB Varlık Kiralama A.Ş.	Transition	F.2	In response to the growing demand for financing sustainable and climate-themed investments, green and sustainable sukuk issuances provide an opportunity to support both the Bank's and its customers' environmental and social transformation investments. Accordingly, for the subsidiaries established solely for sukuk issuance, securing funding from national and international financial institutions and developing capital market instruments specifically targeting projects reducing environmental impact and enhance climate resilience are considered significant opportunities. Sukuk structures developed in line with interest-free finance principles make sustainability-themed issuances compatible with a sustainable finance model.	Through the issuance of green, social, and sustainable sukuk aligned with national and international sustainability standards and frameworks, the funds obtained from investors are intended to be channeled, via the Bank, into low-carbon and climate-resilient projects. To raise the credibility of these issuances, efforts are undertaken to develop second-party opinions, impact assessments, and sustainable finance framework documentation. In this context, the Bank is strengthening internal expertise and developing dedicated assessment methodologies to support the technical infrastructure of sustainable sukuk issuances. Priority project pools are established for the environmental and socially qualified projects that will serve as the underlying assets of the sukuk, and environmental impact assessments are conducted for these projects.	High/Short & Medium Term	Material

4.3 Identification of Climate-Related Risks and Opportunities and Financial Materiality

Ziraat Katılım conducts its operations from its headquarters, Ziraat Towers, located in the Istanbul Finance Center. Its branch network extends across Türkiye, retail and corporate customers through 208 branches as of the end of 2024. Since almost all branches are located in city centers or central districts, the Bank's ability to manage physical climate risks is more effective and robust. To date, no service disruptions have occurred due to climate-related events or disasters. Looking ahead, potential incidents are being analyzed, and emergency action plans are in place to minimize associated risks. Initiatives are also underway to improve operational efficiency, reduce emissions, and lower costs based on branch location.

Ziraat Katılım actively pursues sustainable-themed funding sources and financing opportunities. In this context, the Bank engaged with national and international banks and financial institutions to secure funding aligning with both Türkiye's policies and customer needs. As part of these efforts, the Bank established the **Ziraat Katılım Sustainable Sukuk Framework** and obtained a **Second Party Opinion** from Sustainable Fitch in 2024. This framework supports thematic financing products for both retail and corporate customers. These activities are fully integrated into the Bank's overarching strategic plan and proceed under the guidance and evaluations of the Sustainability Committee.

Given Ziraat Katılım's participation-based commercial banking operations and the distribution of its existing assets, the most material area of climate-related impact is the Bank's financing portfolio. Based on transition and physical risks, the Bank has developed a climate risk measurement model based on a heat map methodology (visualizing portfolio concentrations according to sectoral exposure to transition and physical risks). Internal assessments analyzing the sectoral composition of the Bank's financing portfolio evaluate risk and opportunity categories with the potential for significant financial and strategic impact, particularly concerning climate-related risks and opportunities. By the end of 2024, it was noted that importing customers in carbon-intensive sectors exceeding the thresholds defined under CBAM regulations could face additional cost pressures, potentially affecting their financial position in the medium term.

The total credit risk exposure to the energy production, iron-steel, aluminum, cement, and fertilizer sectors—which fall under the scope of CBAM—has been monitored at approximately 7% of the total corporate portfolio for 2024. The distribution of the financing portfolio according to climate risk levels is detailed in the Risk Management section of this report.

On the physical risk side, drought-induced water stress, particularly in the agricultural sector—one of the Bank's main strategic focus areas—and other potentially affected projects, has been assessed as having a significant potential impact on customers' financial performance. The Bank's strategic focus on this area, coupled with pathways that drought-related water stress risks in Türkiye may increase in the coming period, supports the assessment that the potential impacts in this domain are financially significant. To promote sustainable agriculture and strengthen resilience in the sector, Ziraat Katılım offers bio-agriculture operational financing, pressurized irrigation system investment financing, and agricultural renewable energy (agricultural PV) financing products to customers. By the end of 2024, these 3 financing products had reached a total credit volume of approximately 420,000 thousand TRY.

The green transformation needs of customers operating in carbon-intensive sectors are also considered opportunities. In 2024, the Bank carried out sub-projects aimed at raising awareness among firms with carbon-intensive business models and value chains, as well as supporting the necessary investments for their transition. Through projects such as value proposition development and climate strategy implementation, Ziraat Katılım not only provides the opportunity to finance customers' transition plans but also considers both financial and non-financial products holistically. These strategic efforts are expected to boost the Bank's capacity to respond to climate-related risks—particularly transition risks—thereby expanding the opportunity space.

However, delays in this transformation by relevant customers in the Bank's financing portfolio, or a decline in their financial performance, could amplify the impact on the Bank. The amplification of potential impacts may lead to higher provisioning ratios, affecting asset quality. If companies falling within the scope of the CBAM regulations are affected more severely, the Bank may observe an increase in credit risk costs. Within the scope of climate-related risks in risk management practices, initiatives are underway to incorporate climate risks into the risk catalog, publish regulations pertaining to climate risks, integrate climate-related parameters into the risk appetite, and develop robust risk measurement models. The status of CBAM-sector customers within the Bank's financing portfolio is detailed under the Risk Management section, alongside information on the monitoring and reporting of risks and opportunities.

Climate-related risks and opportunities classified as "High" are analyzed below according to selected scenarios, in order to understand their current and projected impacts on the Bank's strategy, business model, value chain, and financial performance.

Risk Definition and Impact on the Business Model:

R1: The tightening of national and international climate policies, particularly CBAM, is identified as the most significant transition risk, as it may lead to increased costs and reduced competitiveness for customers in key sectors—such as Energy Generation, Iron & Steel, Aluminum, Cement, and Fertilizers—potentially translating into credit risk.

This scenario may require the Bank to review its financing policies and concentration limits for CBAM sectors and other potentially carbon-intensive sectors.

Timing and Value Chain Impact:

For short-term (0–3 years) and medium-term (3–10 years) transition risks:

- **Upstream Activities:** Cost pressures may arise for suppliers of raw materials, energy, and intermediate goods within carbon-intensive supply chains, which are indirectly exposed to CBAM. This could increase the operational costs of customers receiving indirect financing from these suppliers, thereby elevating the Bank's credit risk. Additionally, financial difficulties among these suppliers could negatively affect the operational continuity and revenue-generating capacity of producer customers within the Bank's portfolio.
- **Internal Operations:** More effective management of climate transition risks may require structural and competency transformations within the Bank's internal operations. It may increase the need for modeling and expertise in climate risk management, while also necessitating sector-specific improvements in credit and risk monitoring policies, thereby raising the operational burden.
- **Downstream Activities:** Customers operating in CBAM-regulated sectors may face carbon regulations in their export markets, increasing their costs and reducing profitability.

This could lead to reduced sales volumes, pricing pressures, and overall revenue loss, impairing customers' credit repayment capacity. Simultaneously, customers may require to make high-cost investments within a short timeframe to reduce their carbon footprint and comply with sustainability standards. The increased financing needs for these investments could result in higher credit demand from the Bank; however, because these projects carry higher risk premiums, the Bank may need to reassess its risk appetite and collateral structures.

Current Financial Impact Explanation: The transition risk is considered not only as a potential future risk but also as a factor already affecting the current credit portfolio in carbon-intensive sectors. Rising costs and investment needs of customers operating in CBAM-covered sectors are reflected in the Bank's risk indicators through reduced profitability and potential deterioration in credit repayment capacity. This situation has the potential to particularly affect the non-performing loan (NPL) ratios and loss given default (LGD) values of the credit portfolio in these sectors.

4.3 Identification of Climate-Related Risks and Opportunities and Financial Materiality

Portfolios in sectors that are highly exposed to carbon regulations are considered more sensitive to transition risk. As of the end of 2024, the size of the Bank's credit portfolio in SKDM-prioritized sectors was calculated at 25,560,000 thousand TRY. The potential future impact of the risk realized so far in the Bank's financing portfolio corresponds to an estimated annual potential credit loss of approximately 30,150 thousand TRY. While the effect of the identified transition risk on the Bank's total credit portfolio is monitored, it currently remains below the materiality threshold. Therefore, it is not considered a material element in the present financial impact classification. The anticipated effect of this risk could manifest in the financial statements as a decrease in pre-tax net profit, an increase in net credit provisions on the asset side, and a reduction in equity growth derived from earnings.

Projected Financial Impact Explanation:

The projected financial impact analysis under various scenarios depends on numerous external variables, such as the timing of regulations, carbon price levels, the speed of customer adaptation, and customer production profile data. Given that these data sets are still being formed and refined, the Bank provides qualitative explanations rather than model-based quantitative figures. The results of numerical analyses conducted at this stage indicate that there is not a significant risk to the Bank's financing portfolio from the current uncertainties. As data quality and regulatory clarity improve in the future, the presentation of quantitative analyses will become feasible.

Under the NGFS Net Zero 2050 scenario, carbon pricing and climate policies are implemented early and predictably. For the Bank, this allows customers operating in sectors within the scope of CBAM to be prepared for the transition in a timely manner. Adaptation costs remain reasonable, and default risk is limited. The decline in the credit portfolio can be mitigated if the Bank takes on a supportive role through management and sustainable financing products. Significant declines in collateral values are not expected, and restructuring requests remain controlled.

Under the NGFS Delayed Transition scenario, climate policies are implemented later, albeit in a coordinated manner. The delayed regulations impose high adaptation pressure on customers in a short timeframe. For the Bank, this implies an increase in credit demand alongside rising risk premiums. Customers with lower adaptation capacity may face a higher likelihood of default. Moderate declines in collateral values and an increase in restructuring and extension requests are anticipated. The concentration of the Bank's credit portfolio in carbon-intensive sectors represents a significant vulnerability in this scenario.

Based on current assessments, the Bank currently has no direct or indirect divestment plans concerning assets associated with customers in CBAM sectors that may be impacted by transition risks linked with carbon pricing.

Risk Definition and Impact on the Business Model:

R.2: Drought and water stress caused by climate change may weaken the income levels and repayment capacities of financed farmers and agricultural enterprises, thereby posing a direct credit risk on the Bank's agricultural finance portfolio.

Due to the structural sensitivities of the agricultural sector, this risk is also significant enough to potentially affect the Group's strategic focus on the sector.

Timing and Value Chain Impact:

As a long-term (10+ years) physical risk, the effects are assessed as follows:

- **Upstream Activities:** Companies supplying agricultural inputs (fertilizers, seeds, pesticides, etc.) may experience declines in business volume and financial health.
- **Internal Operations:** A general crisis in the agricultural sector and increasing stresses may cause minor disruptions in the Bank's internal operations.
- **Downstream Activities:** Crop losses on agricultural lands, revenue reductions, and narrower debt repayment capacity could negatively affect the Bank's financial performance over the long term.

Current Financial Impact Explanation:

This risk is not only a potential future concern but also already reflected in portfolio quality. The inherent variability in climate and weather conditions in the agricultural sector is mirrored in the current Non-Performing Loan (NPL) ratio and Loss Given Default (LGD) of the portfolio. This demonstrates that, even under present climate conditions, the risk generates an "expected credit loss" impacting the Bank's profitability.

The total credit risk of the selected agricultural portfolio, deemed more sensitive to physical climate risk, was 6,920,000 thousand TRY at the end of 2024. Under current data, the potential annualized impact is approximately 4,930 thousand TRY. The Bank's anticipated annual average allocation for the selected portfolio is regarded as a factor influencing the provision expense. Nonetheless, this amount remains below the financial materiality threshold concerning the Group's total portfolio. The expected impact of this risk is projected to affect the pre-tax profit from ongoing operations in the income statement, increase expected loss provisions on the asset side of the balance sheet, and consequently reduce equity growth derived from earnings; additionally, the higher provision expenses are expected to alter cash flows generated from operating activities.

Projected Financial Impact Explanation:

Scenario analyses based on RCP 4.5 and RCP 8.5 indicate that Türkiye is exposed to drought-related water stress. Türkiye ratified the Paris Agreement in 2021 as part of its commitment to combating climate change, having established a net zero emissions target for 2053. Through its Nationally Determined Contribution (NDC), the country has updated its pledge to reduce greenhouse gas emissions by 2030. As outlined in the long-term climate strategy document, the energy sector is expected to drive renewable and energy storage investments, while agriculture is expected to adopt sustainable practices focusing on water efficiency, soil conservation, and crop diversification. Under these scenarios, significant water scarcity is expected in Türkiye by the 2030s. Accordingly, water stress is projected to begin affecting companies in the Bank's portfolio in the medium term (3–10 years). Future risk pathways, however, rely on climate scenarios with high uncertainty (RCP 4.5 and RCP 8.5), requiring additional assumptions and expanded data sets to clarify temporal and sectoral distributions. Therefore, the projected financial impact is presented qualitatively. As modeling infrastructure improves, the quantitative effects of this risk will be more comprehensively assessed in the future.

4.3 Identification of Climate-Related Risks and Opportunities and Financial Materiality

Under the RCP 4.5 (Moderate Pessimistic Scenario), the frequency and severity of drought and water stress incidents are expected to gradually increase. This will exert continuous pressure on the repayment capacity of agricultural enterprises, increase restructuring requests, and lead to a moderate decline in the value of collateral.

Under the RCP 8.5 (Pessimistic Scenario), the failure to curb global emissions would make droughts and water stress far more frequent, prolonged, and destructive. This could trigger a systemic crisis in the agricultural sector, potentially leading to widespread repayment issues, sharp increases in NPL ratios, and significant declines in collateral values.

Based on current assessments, the Bank has no direct or indirect plans to divest assets in the agricultural sector as a response to physical climate risks.

Opportunity Definition and Impact on the Business Model:

F1: In line with Türkiye's 2053 Net Zero target, the Bank's ability to meet growing financing demand in areas such as renewable energy, energy efficiency, and sustainable agriculture through innovative, participation finance-compliant products represents a key opportunity. This could expand market share, create new revenue streams, and diversify funding sources.

F2: Moreover, the Bank evaluates this opportunity not only on its own behalf but holistically within its group, together with its subsidiaries Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş. Collaborating with subsidiaries on the development and issuance of green and climate-themed sukuk enables both deeper engagement in sustainable finance markets and the diversification of long-term funding sources. This structure enhances the Group's ability to operate effectively in capital markets under participation finance principles, in alignment with sustainable development goals.

Timing and Value Chain Impact:

For the short-term (0–3 years) and medium-term (3–10 years) effects identified as a transition opportunity for the Bank and its subsidiaries:

- **Upstream Activities:** Establishing partnerships with project development consultants, certification providers, technology suppliers, and equipment vendors for sustainable energy, agriculture, and industrial investments can nourish the Bank's product development processes and deepen sectoral expertise. Bringing these actors to a fundable state strengthens the investment value chain.
- **Internal Operations:** Expanding internal capacity may be required for developing sustainable finance products, structuring financing solutions to meet customer requirements, and ensuring compatibility with participation finance principles. Deepening climate and ESG risk assessment processes may also require subsidiaries to develop institutional readiness and new procedures for green and climate-themed sukuk issuance. These processes support the Bank's medium-term strategic positioning.
- **Downstream Activities:** Providing financing for customers' green transformation and low-carbon production investments through retail and commercial products aimed at raising their sustainability performance not only improves customers' competitiveness but also supports the Bank's loan repayment performance. Acting as a financial solution partner aligned with customers' green transformation roadmaps can bolster customer loyalty and positively contribute to corporate reputation.

Current Financial Impact Explanation: The opportunity to provide sustainable and climate finance instruments to customers represents an existing but not yet fully realized potential for the Bank and its subsidiaries. The Bank's proactive provision of financing solutions, particularly in areas such as sustainable agriculture and renewable energy, reflects both the current potential and ongoing activities in this field. Consequently, while the current financial impact remains limited, a strategic foundation has been laid in this domain.

These transition opportunities are assessed within the Group's strategic priorities, with significant steps being taken to develop the sustainable finance ecosystem. However, as of now, no tangible financial outcomes have been fully realized. Therefore, the financial impact of these opportunities has not yet reached a material level. Conducting a detailed analysis to forecast the potential future financial effects of these opportunities requires considerable effort and involves macroeconomic uncertainties. Project-specific variability, access to funding, customer demand, economic conditions, and regulatory developments are among the many factors rendering the estimation of potential financial returns uncertain.

Projected Financial Impact Explanation:

Under the NGFS Net Zero 2050 scenario, the early and decisive implementation of carbon policies provides a favorable environment for the development of sustainable finance products. For the Bank and its subsidiaries, this creates a first-mover advantage in bringing green instruments to market. Issuance of green sukuk and similar instruments aligned with participation finance principles increases funding access at the group level, strengthens brand reputation, and ensures integration with international sustainability standards.

Under the NGFS Delayed Transition scenario, where climate policies are implemented later but consistently, sustainable investments and funding demands increase gradually. This scenario offers the Bank temporal flexibility in terms of product diversification and internal capacity building. However, in a context where competition among financial institutions accelerates, strategic positioning and coordinated product development with subsidiaries become critical. Issuances such as green sukuk emerge as advantageous and strategic instruments for securing long-term funding under this scenario.

In light of this analysis, and guided by TSRS standards, Ziraat Katılım's climate strategy will adhere strictly to principles of transparency and accountability. In this context, methodologies will be developed for calculating and reporting climate-related performance metrics, with a primary focus on financed emissions, thereby enhancing reporting in alignment with TCFD and national standards. This scenario analysis will be regularly updated and increasingly integrated into strategic decision-making processes.

There are no climate-related risks or opportunities that would require adjustments for the reporting period.

5 RISK MANAGEMENT

The main purpose of the Bank risk management system is to ensure the definition, measurement, monitoring and control of the risks, to which the Bank is exposed, through the policies and the limits determined to monitor, control, and when necessary to change the operations' nature and level in relation to the risk-return structure that the future cash flows will include.

The Bank's risk management activities are conducted in accordance with the "Regulation on Banks' Internal System and Intrinsic Capital Adequacy Assessment Processes" and other pertinent regulations, as well as BRSA Good Practice Guidelines, with the aim of cultivating a risk culture throughout the Bank and bringing the risk management function closer to best practices by continuously improving the system and human resources.

Activities carried out within the scope of the risk management system cover the fundamental categories of credit risk, market risk, operational risk, balance sheet risks (profit share rate risk arising from banking accounts, net stable funding rate risk, and liquidity risk), and model-process validation.

The Bank conducts its risk management activities in compliance with BRSA regulations and Basel standards, aiming to disseminate a robust risk culture across the organization while developing both systems and human resources. Credit, market, operational, and liquidity risks are comprehensively identified, measured, monitored, and reported.

5.1 Assessment of Climate-Related Risks

In the ICAAP report, which is prepared in order to internally calculate the level of capital to cover the risks to which the Bank is and may be exposed and to ensure that the Bank's activities are carried out with capital above this level, climate risk is included in the same second structural pillar together with liquidity, customer concentration, country concentration, and banking account profit share risks. The first structural pillar includes capital requirements calculated using the standardized approach for credit risk, market risk, and operational risks.

The Bank's Climate Risk Regulation defines climate risks and their relationships with other risk types. Risk measurements have been initiated to ensure compliance with the designated risk levels for each category. These measurements continuously support adherence to risk appetite limits and policy requirements.

Ziraat Katılım approaches climate risk with the emerging risks methodology and calculates an internal capital requirement for climate risk under other risks as part of the internal capital assessment. Within the scope of emerging risks, the Bank treats climate risk as a risk factor affecting traditional risks, such as credit risk, operational risk, and liquidity risk. In prioritizing climate risk within the Bank's risk profile, credit risk—constituting the largest portion—is impacted by both transition and physical risks, whereas operational risks are primarily influenced by physical risks. Climate risk is linked to traditional risks based on materialization according to their relative weight within the Bank's risk profile.

Additionally, relevant criteria will be incorporated into the ESRA model studies to facilitate more comprehensive climate risk calculations during the financing utilization stages conducted by the Bank.

5.1.1 Measurement and Modeling of Risks

A climate risk heat map is generated by standardizing, weighting, and scoring data on the exposure levels of sectors in the Bank's portfolio to climate-related risks, taking into account their relative share within the portfolio. The analyses cover all sectoral breakdowns within the portfolio and involve harmonizing data from multiple sources, applying appropriate weights, and converting the results into final risk scores.

To ensure accurate representation of the sectors comprising the Bank's portfolio and to reflect activities classified under the 6-digit NACE codes consistently, the analyses classify sectors into 5 distinct risk levels—High, Medium-High, Medium, Medium-Low, and Low—based on benchmarking against comparable banks' methodologies.

The distribution of the Bank's portfolio according to the climate risk heat map as of year-end 2024 is presented below.

Climate Risk Level*	Sector	2024 Financing Portfolio Risk Distribution (%)***
High	Iron-Steel	3.51
	Electricity Generation (Renewable & Non-Renewable)**	2.54
	Other Metals	2.41
	Petroleum Products	0.86
	Maritime Transportation	0.75
	Livestock Farming	0.74
	Aluminum	0.74
	Road Transportation	0.50
	Cement	0.19
Medium-High	Agriculture	3.24
	Construction Materials	2.57
	Mining	2.44
	Automotive	1.88
	Other Chemical Products	1.73
	Basic Chemical Products	1.54
	Water Supply and Waste Management	0.25
	Other Road Transportation	0.08
	Air Transportation	0.06
Medium	Textile	11.01
	Food	7.22
	Infrastructure Construction	6.39
	Forestry	3.07
	Automotive Trade	2.98
	Accommodation	0.75
	Electricity Transmission and Distribution	0.40
	Electricity Trading	0.16
	Fishery	0.08
Medium-Low	Construction	14.16
	Other Production	4.78
	Retail Trade	3.86
	Financial Services	2.35
	Trade in Chemical Products	1.46
	Real Estate Activities	1.37
	Storage	0.62
	Food Services	0.43
	Public Administration and Defense	0.20
	Rail Transportation	0.01
Low	Electronic Products	7.03
	Administrative Services	2.16
	Health	1.11
	Professional Services	0.99
	Contact Details	0.84
	Education	0.27
	Entertainment and Art	0.18
	Other Services	0.07
TOTAL		**100.00**

**The risk categories has been weighted towards transition risk during the scoring phase.*
***The risk categories of sub-activities of the activities categorized as renewable and non-renewable differ.*
****Risk weight calculation is based on cash and non-cash loans.*

5.1 Measurement and Modeling of Risks

5.1.1 Measurement and Modeling of Risks

The climate risk heat map serves as a key tool in the Bank's ongoing risk management, visually representing the exposure levels of sectors in the portfolio to climate change and their respective portfolio shares. This visualization enables more informed risk management decisions and strategic planning. It facilitates the identification of high-risk sectors and supports the development of strategies to manage these risks effectively.

Within the heat map, the two sectors with the largest credit balances in the high climate risk category have been identified to be iron & steel and electricity generation.

These sectors play a critical role in climate change mitigation due to their high energy consumption and carbon emissions, making them ideal candidates for stress testing and scenario analysis.

Stress testing is an analytical method evaluating how a portfolio or financial institution responds to specific shocks and determines its sensitivity. Climate stress testing functions similarly, examining the potential impacts of climate change and helping identify climate-related risks. Its primary goal is to understand the portfolio's exposure to climate risks, assess its vulnerability, and provide forward-looking insights. To model these risks, sectors to be stressed are identified, and scenarios under which the financial performance will be stressed are determined. NGFS (Network for Greening the Financial System) climate scenarios, including Net Zero 2050 and Delayed Transition, are used as reference.

The selection criteria consider Türkiye's medium-to-long-term carbon neutrality targets. The stress testing framework incorporates sectoral and macroeconomic inputs, such as energy prices, supply-demand curves, emissions intensity, and production volumes.

For the electricity generation and iron & steel sectors, which hold significant credit exposure and are classified as high climate risk in the heat map, dedicated modeling efforts are underway. The purpose of the stress test model is to assess how much the provisions would need to be raised in response to stressed financial scenario. The model observes how stress affects the Bank's probability of default (PD) and, consequently, the expected credit loss (ECL). Additionally, supply-demand elasticity values are used to construct a supply-demand graph, allowing for the estimation of production changes in response to shifting carbon prices. These changes, in turn, inform the calculation of the percentage change in revenue.

Ziraat Katılım supports its strategic perspective by leveraging quantitative models integrated into its risk management system, alongside strategic analyses and assumptions, to assess the potential financial impact of programs such as CBAM and ETS on customers operating in carbon-intensive sectors, including the additional costs these initiatives may impose and the consequent effects on customer revenues and profitability. This also helps guide and shape the Bank's responses to climate-related risks and opportunities.

5.1.2 Monitoring and Reporting of Risks

Ziraat Katılım adopts an integrated approach to monitoring and reporting climate-related risks. Within this framework, the Bank considers climate risks in line with its overall risk appetite, implementing concentration limits in high-risk sectors. Specifically, for sectors classified as "high" according to the climate risk heat map methodology, a defined percentage of risk tolerance is established within the financing portfolio.

Metrics related to climate risks are tracked on a regular basis. As part of this monitoring mechanism, the climate risk appetite metric is reported monthly to the Asset-Liability Committee and quarterly to the Audit Committee, and submitted annually to the BRSA under the ICAAP framework. Reports prepared by the risk management teams are used to monitor the evolution of climate-related risks, ensure timely implementation of preventive measures, and support informed, strategic decision-making at the senior management level.

Plans are underway to establish a system enabling proactive monitoring of climate risks and opportunities within the Bank. Additionally, the integration of climate risk criteria into the credit allocation process is identified as a strategic development area for the upcoming period, as part of the 2024 climate strategy and risk measurement project initiatives. It should be noted that no comparative analysis of prior-year process changes is included in this report.

The table below presents the top 10 sectors by portfolio weight, which together account for 64% of the portfolio. As of the end of 2024, approximately 50% of the Bank's corporate portfolio falls within the medium and medium-low risk categories.

Climate Risk Distribution of the Top 10 Sectors in the Bank's Portfolio

Sector	Climate Risk Level	2024 (%)
Construction	Medium-Low	14.16
Textile	Medium	11.01
Food	Medium	7.22
Electronic Products	Low	7.03
Infrastructure Construction	Medium	6.39
Other Production	Medium-Low	4.78
Retail Trade	Medium-Low	3.86
Iron-Steel	High	3.51
Agriculture	Medium-High	3.24
Forestry	Medium	3.07

The iron and steel sector, classified as having a high climate risk level, stands out as the only sector at this level among the top 10 sectors by portfolio weight.

5.1 Measurement and Modeling of Risks

5.1.3 Evaluation of the Risk Management Process

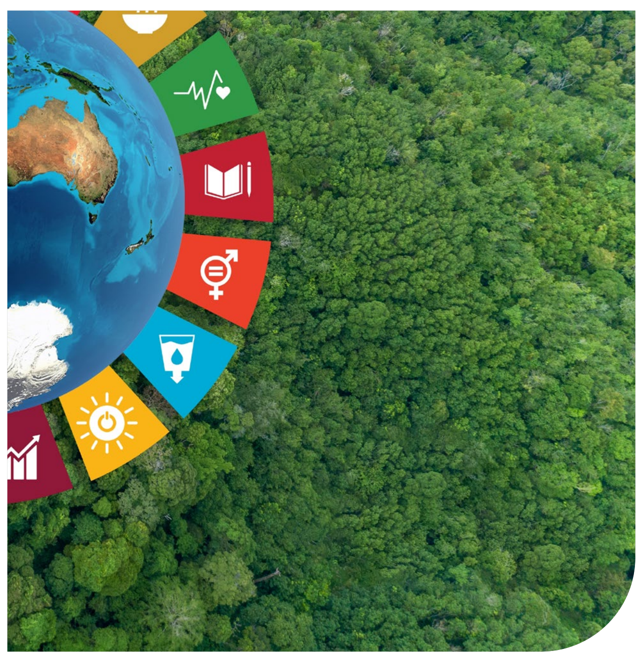
The Bank's risk management process—from risk identification through measurement, monitoring, and reporting—is supported by internal regulations and specialized modeling tools designed for emerging climate risks. In addition, in alignment with TSRS, climate scenario analyses have been integrated into the risk assessment cycle to evaluate the resilience of the Bank's portfolio against climate change.

Processes and internal documentation related to the assessment of climate risks are reviewed at least annually and updated in light of new developments. The process is structured as a continuous cycle, encompassing risk identification, measurement, monitoring, and reporting.

The Bank's climate risk management process consists of the following stages:

- Identification: Incorporating climate risks into the Bank's risk taxonomy and determining the traditional risks they impact.
- Measurement: Assessing risk levels through sector-based climate risk heat maps and stress testing.
- Monitoring: Establishing concentration limits within the credit portfolio and regularly tracking high-risk sectors.
- Reporting: Communicating risk information to management bodies and regulatory authorities.
- Action: Using the insights gained to refine risk appetite, strategy, financing, and operational processes.

The Bank implements these processes with a continuous improvement approach and plans system- and process-level enhancements to respond swiftly and flexibly to the evolving nature of climate risks. To this end, scenario analyses are also employed to identify climate-related opportunities, with a particular focus on sustainable finance, renewable energy, and energy efficiency investments, which are evaluated as strategic opportunity areas.



5.2 Integration of Environmental, Social, and Governance Factors into Credit Analysis

In its credit allocation processes, the Bank employs an Environmental and Social Risk Assessment (ESRA) model based on IFC Performance Standards to identify environmental and social risks and embed them into credit decision-making. Throughout the investment lifecycle, the IFC framework promotes best practices in areas such as Environmental and Social Risk and Impact Assessment and Management, Labor and Working Conditions, Resource Efficiency and Pollution Prevention, Community Health, Safety and Security, Land Acquisition and Involuntary Resettlement, Biodiversity Conservation and Sustainable Management of Living Natural Resources, Indigenous Peoples, and Cultural Heritage.

For investments of USD 20 million and above, the Bank manages not only financial risks but also environmental and social risks. Through the integration of the ESRA model into the credit process, the Bank has established a structured approach allowing closer environmental oversight of both investments and customers, including the engagement of independent advisors when deemed necessary. Work is also underway to incorporate climate-related criteria into the ESRA indicators. Additionally, the Bank plans to integrate climate factors into credit analysis and allocation processes to enable proactive risk assessment.

Beyond its immediate contribution to project evaluation, Ziraat Katılım believes the ESRA system will bolster the Bank's intellectual capital and knowledge base in sustainability and ESG practices. ESRA will additionally enhance ESG awareness in companies by providing them with resources. In the upcoming period, the Bank will closely monitor any changes in external conditions in order to ensure that the ESRA remains up-to-date and will incorporate the weights of high-risk issues into the calculation process, considering the evolving risks and integrating them into the model. ESRA aims to minimize the adverse impacts that can arise from environmental and social risks. It aims to assess opportunities and risks while maximizing positive impacts on both nature and society.

The resource allocation actions within the participation banking scope pinpoint the sector's most intense leverage effect and the broadest sustainability impact it produces. The Bank has conducted a comprehensive study on environmental and social risk management and has released the **Environmental and Social Risk Management Policy in Financing Activities** as a result of this process.

Ziraat Katılım does not finance resource requests within the scope of the List of Non-Financed Activities, the annex of the subjected Policy, under any circumstances. The Bank's assessment criteria in the environmental and social context are outlined in the Environmental and Social Risk Management Policy in Financing Activities. The Bank also encourages its customers to ensure occupational health and safety, protect public health and welfare, foster social development, preserve the natural environment and biodiversity, etc. With ESRA, it is envisaged that projects candidate for resource use will be examined under 2 main headings and according to 10 criteria. Ziraat Katılım is committed to generating value in line with the principle of responsible income generation for both the Bank and its stakeholders through ESRA.

New investment projects or project financing requests exceeding the investment threshold, for which financing was requested in 2024, were assessed for their potential environmental and social impacts. Once evaluated, requests are classified into three risk categories: High (A), Medium (B), and Low (C). In accordance with our Policy on the Management of Environmental and Social Impacts in Financing Activities, which was developed for the implementation of the ESRA in the 2024 fiscal year, an environmental and social impact analysis was conducted for 8 projects. No projects have been rejected based on the Non-Financed Activities (NFA) list or the ESG risk category.

Information below pertains to projects undergoing environmental and social risk assessments in 2024, along with their ESG risk scores. Additional related data can be found in the metrics and targets section.

ES Risk Categories of Investments Evaluated in 2024	
High (A)	4 investments
Medium (B)	2 investments
Low (C)	2 investments

Sectoral Breakdown of Investments Evaluated in 2024	
Manufacturing	3 investments
Energy	3 investments
Mining and Quarrying	2 investments

6 METRICS AND TARGETS

6.1 Explanatory Notes on Metrics and Targets

Ziraat Katılım discloses specific metrics and targets aligned with the Turkish Sustainability Reporting Standards (TSRS) to assess its climate-related risks and opportunities, as well as its overall sustainability performance in accordance with its sustainability strategy.

These metrics and targets allow the Bank to monitor its progress in key areas such as emissions, resource consumption, sustainable financing, employee management, digitalization, and innovation, while increasing accountability in the sustainability reporting process.

The indicators detailed in this section illuminate both current performance and long-term strategic objectives. The disclosed metrics are chosen based on measurable and actionable data reflecting the environmental and social impacts of the Bank's activities in relation to its financial performance and climate considerations.

The reporting metrics encompass activities from January 1, 2024, to December 31, 2024. Any significant changes in measurement methods or data sources will be explained separately alongside the relevant indicators. Through this approach, Ziraat Katılım seeks to provide stakeholders with a comprehensive view of its climate and sustainability performance, adhering to the principles of comparability, transparency, and reliability.

6.1.1 Climate-Related Metrics and Targets

Greenhouse Gas Emissions Management

The Bank expanded its greenhouse gas (GHG) inventory in 2024 by including refrigerant leakage emissions, building on the emissions accounting initiated in 2023. For 2025 and beyond, the Bank has planned initiatives to calculate financed emissions, prioritizing these efforts in line with the current status of its Climate Risk Heat Map.

To reduce resource consumption and corporate GHG emissions, the Bank implements environmentally conscious practices such as improving energy efficiency across branches, reducing paper consumption, minimizing waste, and increasing recycling rates.

In 2024, the Bank undertook system improvements for its Integrated Management Systems (ERP) module launched in 2023 to collect and monitor data on resource consumption and waste generated from internal operations. It continues to update its systems and processes in line with evolving needs, adhering to the principle of continuous improvement.

The Bank measures its GHG emissions based on the GHG Protocol, in compliance with TSRS 2 standards. Scope 1 and Scope 2 emissions are measured for all locations. The Bank's GHG emissions reporting boundary has been defined using a risk-based approach, consistent with the GHG Protocol. A materiality assessment was conducted, and all emission sources required for reporting under the standard were included in the calculations. Accordingly, Scope 1 and Scope 2 data, along with related disclosures, are presented in this report. Information on Scope 3 emissions has not been included; certain indirect sources considered immaterial by the verification firm were excluded. No significant emission sources were omitted, and control systems were tested through on-site audits. Reported GHG emissions represent gross emissions, with 2024 established as the baseline year for all targets. Reductions achieved through electricity consumption are disclosed separately and deducted from total emissions to present net emissions. The verification process was carried out by an independent firm, and details of the independent verifier's GHG Emissions Verification Statement can be found **on page 475 of Ziraat Katılım's 2024 Integrated Annual Report.**

During the 2024 reporting period, no changes were made to the Bank's measurement approach, input data, or key assumptions regarding GHG emissions calculations. Additionally, the Bank does not currently apply an internal carbon price as a cost indicator.

Metrics and Targets for Greenhouse Gas Emissions and Resource Consumption

Main Category	Sub-Category	Data Type	Explanation	Value	Data Type, Unit	Source
Emissions and Resource Consumption*	Greenhouse Gas Emissions	Metric	Scope 1	2,697	Quantitative, ton CO_2eq	GHG Protocol
			Scope 2 (Location-Based)**	6,429		
			Scope 2 (Market-Based)**	104*		
		Metric	Emissions by consolidated total assets	0.005	Quantitative, tCO_2eq/million TRY	Internal
		Metric	Emissions by consolidated net profit	0.81	Quantitative, tCO_2eq /million TRY	
	Energy Consumption	Metric	Total Electricity Consumption	14,311	Quantitative, MWh	Internal
		Metric	Total Natural Gas Consumption	519,195	Quantitative, m^3	
		Metric	Diesel Fuel Consumption	2,444	Quantitative, liter	
	Vehicle Fuel Consumption	Metric	Fuel Consumption of Company Vehicles (Gasoline)	310,403	Quantitative, liter	Internal
		Metric	Fuel Consumption of Company Vehicles (Diesel)	332,801		
	Emission Targets	Target	Greenhouse Gas Emissions Net Zero Target*** (2053 Target)	Yes	Qualitative, Yes/No	Internal

** Due to the ongoing civil war conditions and infrastructure limitations in the Sudan and Somalia branches, it has not been possible to obtain secure and uninterrupted emissions measurement data; therefore, these overseas branches have not been included in the reported emission values.*

*** The 2024 emissions calculations have been carried out in line with the GHG Protocol and verified through an assurance statement by an independent verification body. To offset Scope 2 emissions associated with electricity consumption, Ziraat Katılım procured I-REC certificates corresponding to 14,350 MWh of wind energy for its electricity consumption of 14,311 MWh in 2024.*

**** Ziraat Katılım's sustainability strategy is aligned with Türkiye's national objectives, particularly the country's 2053 Net Zero target and Green Deal Action Plan, aiming to promote investments supporting a low-carbon economy. In line with global climate targets, preparations for reducing greenhouse gas emissions are ongoing. During the reporting period, the Bank utilized transitional exemptions under TSRS 2 regarding Scope 3 and financed emissions, while proceeding with efforts to collect data, develop methodologies, and conduct analyses for setting relevant metrics and targets. The 2053 Net Zero target encompasses Scope 1, Scope 2, and relevant Scope 3 emissions as a long-term goal. In this regard, the Bank will establish interim targets based on specific scopes and categories to make the emission reduction process more concrete. Additionally, it is implementing plans to ensure these targets align with the Science Based Targets initiative (SBTi).*

6.1 Explanatory Notes on Metrics and Targets

6.1.1 Climate-Related Metrics and Targets

Greenhouse gas emission calculations for 2024 have been carried out in accordance with GHG Protocol standards and a verification statement has been obtained from an independent verification company. In order to offset emissions from electricity consumption, I-REC certificates for 14,350 MWh of wind energy were purchased and emissions from purchased electricity were offset. No carbon credits have been purchased as part of emission reduction efforts, nor are such purchases currently included in the Bank's planning scope.

Within Scope 1 and market-based Scope 2 emissions, the largest share comes from natural gas consumption at 36.01%, followed by gasoline consumption at 31.93%, diesel fuel consumption at 26.05%, heat usage at 3.70%, and refrigerant gas emissions at 2.08%.

Greenhouse Gas Emissions of Ziraat Katılım Bankası A.Ş. and Its Consolidated Subsidiaries

	Scope 1 (t CO_2e)	Scope 2 (market-based) (t CO_2e)	Total (Scope 1 + Scope 2) (t CO_2e)
Ziraat Katılım Bankası A.Ş.	2,697	104	2,801
Lease Certificates Issued by	-	-	-
ZKB Varlık Kiralama A.Ş.	-	-	-

Ziraat Katılım's subsidiaries, Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş., were established with fully paid capital of 50 thousand TRY by Ziraat Katılım, and with the approvals of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB). The companies were incorporated solely to issue lease certificates in accordance with the Capital Markets Board's Communique on Lease Certificates (III-61.1), published in the Official Gazette No. 28760 on June 07, 2013. Subsidiaries and Carbon Emissions The Bank's subsidiaries do not have their own physical locations or personnel; therefore, there is no associated energy, water, or resource consumption. Consequently, they do not generate any direct carbon emissions.

6.1.2 Other Metrics and Targets

Ziraat Katılım monitors and manages its sustainability strategy through specific targets and measurable metrics. This section presents the key metrics and targets reflecting the Bank's performance and progress in the areas of sustainable finance, workforce and talent management, as well as digitalization and innovation.

The disclosed indicators aim to reinforce transparency regarding the management of sustainability-related risks and opportunities and to advance strategic alignment with long-term goals.

Main Category	Sub-Category	Data Type	Explanation	Value	Data Type, Unit	Source
Sustainable Finance	Environmental Finance	Metric (R1)	Number of Sustainability-Themed Finance Products*	8	Quantitative, Quantity	GRI
		Metric (R2)	Sustainable Agriculture Products** Disbursement Amount	~ 420 million	Quantitative, TRY	Internal
		Target (R2)	Sustainable Agriculture Products Disbursement Amount Target (2025 Target)	~ 2 billion	Quantitative, TRY	Internal
		Target (R1)	Increase in Number of Projects with ESRA Model Deployment (2025 Target)	Yes	Qualitative, Yes/ No	Internal
		Metric (F1)	TOGG Vehicle Financing Disbursement Count	694	Quantitative, Quantity	Internal
		Metric (F1)	TOGG Vehicle Financing Disbursement Amount	508,719,998	Quantitative, TRY	Internal
		Target (F1)	TOGG or Electric Vehicle Financing Disbursement Amount Target (2025 Target)	175,000,000	Quantitative, TRY	Internal
		Metric (F1,F2)	Renewable Energy Project Loans Disbursement Amount	1,588,803,747	Quantitative, TRY	Internal
		Metric (F1,F2)	Installed Capacity of Funded Renewable Energy Project Loans	79	Quantitative, MW	Internal
	Environmental and Social Impacts in Credit Analysis	Metric	Description of the approach for incorporating ESG factors into credit analysis	Explained in the section titled "Integration of Environmental, Social, and Governance Factors into Credit Analysis."	Discussion and Analysis, N/A	TSRS 2 appendix volume 16
		Metric (R1)	Number of Projects with ESRA Model Deployment***	8	Quantitative, Quantity	Internal
		Metric (R1)	Amount of Loans Extended to Projects with ESRA Deployment	~ 4.5 billion	Quantitative, TRY	Internal
Operational Metrics	Sectoral Data	Metric	(1) Number and (2) Value of Term and Demand Deposit Accounts by Segment: (a) Personal and (b) Small Business Customers	(a.1) 721,938 units (a.2) 129,780,658,756 TRY (b.1): 38,330 units (b.2): 22,252,111,638 TRY	Quantitative, Quantity and TRY	TSRS 2 appendix volume 16
		Metric	(1) Number and (2) Value of Loans by Segment: (a) Personal, (b) Small Business, and (c) Corporate	(a.1): 99,273 units (a.2): 19,325,038,281 TRY (b.1): 33,676 units (b.2): 87,191,303,615 TRY (c.1): 43,230 units (c.2): 282,249,679,372 TRY	Quantitative, Quantity and TRY	TSRS 2 appendix volume 16

** Energy Efficiency Management Financing; Individual Energy Efficiency Financing; Green Home Mortgage Financing; Green Vehicle Financing; Solar Power Plant / Rooftop Solar / Licensed Solar Investment and Operational Financing; Energy Efficiency Investment and Operational Financing; Renewable Energy Investment and Operational Financing; Wastewater Treatment and Recovery Investment and Operational Financing; Residential Heat Insulation Financing*
*** Bio-Agriculture Investment Financing; Renewable Energy Investment Financing (including Agri-Solar (Agricultural PV) and other renewable energy equipment purchases); Pressurized Irrigation Financing*
**** In 2024, the environmental and social impact analysis of 8 projects was conducted as part of the ESRA application developed in line with our Policy on the Management of Environmental and Social Impacts in Financing Activities.*

7 EVENTS AFTER THE REPORTING PERIOD

Subsequent Events Disclosure (as of 31.12.2024)

From the end of the reporting period until the date this document was approved for publication, no transaction, event, or circumstance requiring disclosure in this report has occurred.

8 APPENDICES

8.1 APPENDIX 1: Calculation Methodology for Metrics
8.2 Limited Assurance Statement

8.1 APPENDIX 1: Calculation Methodology for Metrics

The calculation methodology for metrics ("Guideline") has been prepared to explain the principles for preparing, calculating, and reporting the data related to the limited assurance indicators included in Ziraat Katılım Bankası A.Ş.'s ("Ziraat Katılım" or the "Bank") 2024 TSRS-Compliant Sustainability Report ("Report"). The indicators covered in this Guidance pertain specifically to climate-related performance metrics.

The Bank's management holds responsibility for ensuring that the data for the relevant indicators are prepared in accordance with the methods defined in this metrics Guideline and that their reliability is maintained.

The information presented in this Guidance corresponds to the reporting period ending December 31, 2024 and, unless otherwise stated, covers the activities of the Bank and its subsidiaries (collectively, the "Group") across the Headquarters, Branches, and service buildings under their control.

Key Reporting Principles

The preparation of this Guideline has been guided by the following fundamental reporting principles:

- Relevance and Reliability: Information is presented in a manner meaningful and reliable for decision-making purposes.
- Clarity and Transparency: Information is provided in a clear, structured, and systematic format to ensure users can easily follow and understand it.

Key Definitions and Reporting Scope

Category	Metric	Explanation
Greenhouse Gas Emissions (ton CO_2eq)	Scope 1 Greenhouse Gas (GHG) Emissions (ton CO_2eq)	For the reporting period, this represents the Group's greenhouse gas emissions, expressed in tons of carbon dioxide equivalent, arising from natural gas consumption, diesel and petrol usage by company vehicles, diesel fuel consumption of generators, and the refrigerant gases used.
	Scope 2 GHG Emissions – Location-Based (ton CO_2eq)	For the reporting period, this represents the indirect greenhouse gas emissions, in tons of carbon dioxide equivalent, resulting from the production of electricity and heat consumed by the Group. Under the location-based calculation approach, national emission factors for electricity and heat generation are applied, without consideration of market mechanisms, and emissions are calculated based on the energy grid mix.
	Scope 2 GHG Emissions – Market-Based (ton CO_2eq)	For the reporting period, this represents the indirect greenhouse gas emissions, in tons of carbon dioxide equivalent, from electricity and heat consumption after deducting the portion covered by purchased renewable energy certificates (I-REC). It reflects the remaining emissions associated with the generation of electricity and heat consumed by the Group.
	Emissions per Consolidated Total Assets (tCO_2e/million TRY)	For the reporting period, this represents Scope 1 and Scope 2 greenhouse gas emissions, expressed in tons of CO_2 equivalent per million Turkish Lira of the Bank's consolidated assets.
	Emissions per Consolidated Net Profit (tCO_2e/million TRY)	For the reporting period, this represents Scope 1 and Scope 2 greenhouse gas emissions, expressed in tons of CO_2 equivalent per million Turkish Lira of the Bank's consolidated net profit.
Energy Consumption per Fuel Type	Total Electricity Consumption (MWh)	For the reporting period, this reflects the Group's grid electricity consumption at its locations, monitored based on utility invoices, expressed in megawatt-hours.
	Total Natural Gas Consumption (m^3)	For the reporting period, this represents the amount of natural gas consumed for heating purposes at the Group's locations, tracked through invoices from service providers.
	Diesel Fuel Consumption (Generator Fuel) (liters)	For the reporting period, this represents the volume of diesel fuel consumed for heating purposes at the Bank's locations, monitored via invoices from service providers.
	Fuel Consumption of Company Vehicles - (Gasoline) (liters)	For the reporting period, this represents the total petrol consumption of the Bank's company vehicles, tracked through reports and statements provided by service providers.
	Fuel Consumption of Company Vehicles - (Diesel) (liters)	For the reporting period, this represents the total diesel fuel consumption of the Bank's company vehicles, tracked through system reports and statements provided by service providers.

Category	Metric	Explanation
Environmental Finance	Number of Sustainability-Themed Finance Products	This indicates the number of sustainability-themed finance products offered by the Bank to its individual and corporate customers, including: Energy Efficiency Management Finance, Individual Energy Efficiency Finance, Green Home Finance, Green Vehicle Finance, Solar Power Plant/On-Roof Solar Power Plant/Licensed Solar Investment and Operation Finance, Energy Efficiency Investment and Operation Finance, Renewable Energy Investment and Operation Finance, Wastewater Treatment and Recovery Investment and Operation Finance, and Residential Thermal Insulation Finance.
	Sustainable Agriculture Products Disbursement Amount	Represents the total financing disbursed by the Bank in 2024 under sustainable agricultural products, including Bio-Agriculture Investment Financing, Renewable Energy Investment Financing (Agriculture-SPP and other renewable energy equipment acquisitions), and Pressurized Irrigation Financing.
	Sustainable Agriculture Products Disbursement Amount Target (2025 Target)	Represents the projected total disbursement amount the Bank aims to achieve by the end of 2025 for sustainable agricultural products.
	Increase in Number of Projects with ESRA Model Deployment (2025 Target)	Represents the qualitative target for the growth in the number of projects/ investments evaluated under the Bank's Environmental and Social Risk Assessment (ESRA) system in 2025.
	TOGG Vehicle Financing Disbursement Count	Represents the total number of financing disbursements in 2024 under the TOGG Vehicle Financing product, focusing on electric vehicle financing.
	TOGG Vehicle Financing Disbursement Amount	Represents the total disbursement amount disbursed in 2024 under the TOGG Vehicle Financing product.
	TOGG or Electric Vehicle Financing Disbursement Amount Target (2025 Target)	Represents to the expected level of financing extension for the Bank's TOGG Vehicle Financing product, which is a key option for financing electric vehicles, by the end of 2025.
	Renewable Energy Project Loans Disbursement Amount	Represents the total financing disbursed in 2024 for renewable energy project loans.
	Installed Capacity of Funded Renewable Energy Project Loans	Indicates the total installed capacity of renewable energy projects financed through the Bank's renewable energy project loans in 2024.
Environmental and Social Impacts in Credit Analysis	*Description of the approach for incorporating ESG factors into credit analysis*	Represents the Bank's approach to integrating and managing environmental, social, and governance (ESG) factors within its financing processes.
	Number of Projects with ESRA Model Deployment	Represents the total number of projects evaluated under the Bank's Environmental and Social Risk Assessment system in 2024.
	Amount of Loans Extended to Projects with ESRA Deployment	Represents the total disbursement amount of projects evaluated under the Bank's Environmental and Social Risk Assessment system in 2024.
Operational Metrics	*(1) Number and (2) Value of Term and Demand Deposit Accounts by Segment: (a) Personal and (b) Small Business Customers*	Represents the total number and balances of term (time deposit) and demand deposit (current) accounts held by personal (non-corporate), micro, and SME customers as of 2024.
	(1) Number and (2) Value of Loans by Segment: (a) Personal, (b) Small Business, and (c) Corporate	Represents the total number and balances of financing accounts held by personal (non-corporate), micro, and SME customers, as well as corporate customers, as of 2024.

8.1 APPENDIX 1: Calculation Methodology for Metrics

Preparation of the Data
Scope 1 greenhouse gas emissions represent the total direct emissions arising from stationary combustion, mobile combustion, and equipment-related leaks/fugitive sources. This includes natural gas and diesel fuel consumption from Ziraat Katılım and its subsidiaries' operations (stationary combustion), fuel use in passenger vehicles (mobile combustion), and refrigerant and fire-extinguishing system leaks (fugitive emissions).

Total Scope 1 emissions are calculated using the following formula:

Scope 1 Emissions (tCO_2eq) = ∑ (Activity Data × Emission Factor × GWP)

Components:

- Activity Data: Quantity of fuel or type of gas consumed
- Emission Factor: Fuel/gas-specific emission coefficients based on IPCC or national sources
- GWP (Global Warming Potential): The global warming potential of the relevant gas expressed in carbon dioxide equivalents, particularly for fluorinated gases

The total Scope 1 emissions are the sum of the emission subcomponents:

Total Scope 1 Emissions (tCO_2eq) = Stationary Combustion Emissions + Mobile Combustion Emissions + Fugitive Emissions

Scope 2 GHG emissions represent indirect emissions arising from the consumption of externally sourced energy (electricity and heat) by Ziraat Katılım and its subsidiaries.

These are calculated using two reporting approaches:

Location-Based Approach: Calculated using the average emission factor of Türkiye's electricity grid.

Market-Based Approach: Accounts for purchased renewable energy certificates (RECs).

Additionally, Scope 2 emissions encompass not only electricity consumption but also externally supplied heat energy, which is calculated using the appropriate emission factors.

Scope 2 Emissions (tCO_2eq) = ∑ (Purchased Electricity or Heat × Emission Factor)

Emission factors for electricity are based on national grid data using the Türkiye-Wide Electricity Generation Emission Factor.

Heat consumption, largely provided through centralized heating systems, is primarily fueled by natural gas.

All Scope 1 and Scope 2 GHG emissions reported here are calculated following the GHG Protocol: Corporate Standard, using an operational control approach.
In the calculations, emissions of carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) were considered. The Global Warming Potential (GWP) coefficients outlined in the IPCC's 6th Assessment Report (AR6, 2021) were utilized to convert these gases into carbon dioxide equivalents.

The emission factors applied are based on the IPCC 2006 GHG Inventory Guidelines and national emission inventory sources specific to Türkiye. Reporting is structured in alignment with ISO 14064-1.

The references used in the calculations are provided in the tables alongside and below this section.

Parameter	Value	Units	References
Natural Gas - Lower Calorific Value	8,250.000	kcal/m³	REGULATION ON INCREASING EFFICIENCY IN THE USE OF ENERGY RESOURCES AND ENERGY, Annex-2: Lower Heating Values of Energy Sources and Conversion Coefficients to Petroleum Equivalent. Official Gazette of the Republic of Türkiye. Available at: https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Diesel - Net Calorific Value	43.000	TJ/Gg	IPCC 2006, Volume 2, Chapter 1, Table 1.2 - DEFAULT NET CALORIFIC VALUES (NCVs) AND LOWER AND UPPER LIMITS OF THE 95% CONFIDENCE INTERVALS
Gasoline - Net Calorific Value	44.300	TJ/Gg	IPCC 2006, Volume 2, Chapter 1, Table 1.2 - DEFAULT NET CALORIFIC VALUES (NCVs) AND LOWER AND UPPER LIMITS OF THE 95% CONFIDENCE INTERVALS
Diesel - Density	0.830	kg/L	REGULATION ON INCREASING EFFICIENCY IN THE USE OF ENERGY RESOURCES AND ENERGY, Annex-2: Lower Heating Values of Energy Sources and Conversion Coefficients to Petroleum Equivalent. Official Gazette of the Republic of Türkiye. Available at: https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
Gasoline - Density	0.735	kg/L	REGULATION ON INCREASING EFFICIENCY IN THE USE OF ENERGY RESOURCES AND ENERGY, Annex-2: Lower Heating Values of Energy Sources and Conversion Coefficients to Petroleum Equivalent. Official Gazette of the Republic of Türkiye. Available at: https://www.resmigazete.gov.tr/eskiler/2011/10/20111027-5.htm
GWP - CO_2	1.000	-	IPCC Sixth Assessment Report, (AR6), 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics, 2023
GWP - CH_4	27.900	-	IPCC Sixth Assessment Report, (AR6), 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics, 2023
GWP - N_2O	273.000	-	IPCC Sixth Assessment Report, (AR6), 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics, 2023
Oxidation Coefficient - FF/CF	1.000	-	IPCC 2006, Volume 2, Chapter 2, Page 2.6

8.1 APPENDIX 1: Calculation Methodology for Metrics

Activity	Emission Amounts ($t\ CO_2eq$)	Emission Factors			References
Scope 1					
Natural Gas-Stationary Combustion	1008.38	56.1 ton CO_2/TJ	0.005 ton CH4/TJ	0.0001 ton N2O/TJ	IPCC 2006, Volume 2, Chapter 2, Table 2.4 - DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN THE COMMERCIAL/INSTITUTIONAL CATEGORY (kg of greenhouse gas per TJ on a Net Calorific Basis)
Generator - Fixed Combustion (Diesel)	6.50	74.1 ton CO_2/TJ	0.01 ton CH4/TJ	0.0006 ton N2O/TJ	IPCC 2006, Volume 2, Chapter 2, Table 2.4 - DEFAULT EMISSION FACTORS FOR COMMERCIAL/INSTITUTIONAL (kg of greenhouse gas per TJ on a Net Calorific Basis)
Diesel–Mobile Combustion	894.07	74.1 ton CO_2/TJ	0.0039 ton CH4/TJ	0.0039 ton N2O/TJ	IPCC 2006, Volume 2, Chapter 3, Table 3.2.1 - ROAD TRANSPORT DEFAULT CO_2 EMISSION FACTORS AND UNCERTAINTY RANGES
Gasoline–Mobile Combustion	729.52	69.3 ton CO_2/TJ	0.025 ton CH4/TJ	0.008 ton N2O/TJ	IPCC 2006, Volume 2, Chapter 3, Table 3.2.1 - ROAD TRANSPORT DEFAULT CO_2 EMISSION FACTORS AND UNCERTAINTY RANGES
Refrigerant Gases (Air Conditioner)	58.26	2255.5 $kgCO_2$/kg R410a			IPCC 6th AR, 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics
Refrigerant Gases (Air Conditioner)		771 $kgCO_2$/kg R32			IPCC 6th AR, 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics
Refrigerant Gases (Including Refrigerator-Water Dispenser)		1530 $kgCO_2$/kg R134a			IPCC 6th AR, 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics
Refrigerant Gases (Refrigerator)		3 $kgCO_2$/kg R600a			Defra 2024, Refrigerant & other, Other product, R600A = isobutane, E194
Fire Extinguishers	0.05	1 $kgCO_2$/kg			IPCC 6th AR, 7.SM.6 Tables of greenhouse gas lifetimes, 1 radiative efficiencies and metrics https://www.ipccnggip.iges.or.jp/public/2006gl/pdf/3_Volume3/V3_7_Ch7_ODS_Substitutes.pdf
Scope 2 - Location-Based					
Electricity	6325.31	0.442 $kgCO_2e$ /kWh			TÜRKİYE ELECTRICITY GENERATION AND CONSUMPTION POINT EMISSION FACTORS INFORMATION FORM, https://enerji.gov.tr//Media/Dizin/EVCED/tr/%C3%87evreVe%C4%B0klim/%C4%B0klimDe%C4%9Fi%C5%9Fikli%C4%9Fi/EmisyonFaktorleri/2022_Uretim_Tuketim_EF.pdf
Heat	103.53	56.1 ton CO_2/TJ	0.005 ton CH_4/TJ	0.0001 ton N_2O/TJ	IPCC 2006, Volume 2, Chapter 2, Table 2.4 - DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN THE COMMERCIAL/INSTITUTIONAL CATEGORY (kg of greenhouse gas per TJ on a Net Calorific Basis)
Scope 2 - Market-Based					
Electricity	-	0.442 $kgCO_2e$ /kWh			TÜRKİYE ELECTRICITY GENERATION AND CONSUMPTION POINT EMISSION FACTORS INFORMATION FORM, https://enerji.gov.tr//Media/Dizin/EVCED/tr/%C3%87evreVe%C4%B0klim/%C4%B0klimDe%C4%9Fi%C5%9Fikli%C4%9Fi/EmisyonFaktorleri/2022_Uretim_Tuketim_EF.pdf
Heat	103.53	56.1 ton CO_2/TJ	0.005 ton CH_4/TJ	0.0001 ton N_2O/TJ	IPCC 2006, Volume 2, Chapter 2, Table 2.4 - DEFAULT EMISSION FACTORS FOR STATIONARY COMBUSTION IN THE COMMERCIAL/INSTITUTIONAL CATEGORY (kg of greenhouse gas per TJ on a Net Calorific Basis)

Key Judgments and Measurement Uncertainties

The process by which the Bank identifies climate-related financially material risks and opportunities, and determines which information should be disclosed, is based on pathways and forward-looking information reflecting expectations regarding equity performance over the short, medium, and long term. However, these assessments require the use of estimates for certain amounts that cannot be directly measured. Assumptions regarding operational boundaries and emission calculations are provided under the “Preparation of Data” section, while information regarding metrics is detailed on page 56 of this Report.

The Bank uses transition and global climate scenarios (NGFS and RCP) to estimate the financial and physical impacts of climate-related risks and opportunities. These scenarios inherently contain uncertainties regarding how climate change—including changes in transition risks and greenhouse gas emissions—may affect the frequency and intensity of climate events the Bank could face. These uncertainties arise from variability in climate pathways and from potential unexpected changes in natural and extreme weather events due to evolving atmospheric models and climate conditions.

The calculation steps presented on pages 34–36 of this Report regarding the financial impacts of drought driven by water stress on the Bank’s agricultural portfolio are based on forward-looking information. These include estimates of the likelihood of companies within agricultural sub-sectors affected by water stress being impacted, as well as potential changes in their financial performance in response, reflecting short-, medium-, and long-term expectations.

The analyses presented on pages 33–34 of this Report regarding companies potentially exposed to additional financial obligations arising from relevant carbon pricing mechanisms under the low-carbon transition are based on forward-looking information. These include pathways of changes in the financial performance of affected companies, reflecting short-, medium-, and long-term expectations.

Re-Statement of Opinion

Measuring and reporting of validated data inevitably involves a certain degree of estimation. Should data at the group level change by more than 5%, a restatement may be considered.

8.2 Limited Assurance Statement

CONVENIENCE TRANSLATION INTO ENGLISH OF PRACTITIONER'S LIMITED ASSURANCE REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ZİRAAT KATILIM BANKASI A.Ş. AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Ziraat Katılım Bankası A.Ş.

We have undertaken a limited assurance engagement on Ziraat Katılım Bankası A.Ş. and its subsidiaries (collectively referred to as the "Group"), sustainability information for the year ended 31 December 2024 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 earlier periods or 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 2024 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 Principles of Metrics" Annex 1 on pages 58 to 63 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.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015

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

The Group Management is 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 Group Management.
- 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 Company'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.

8.2 Limited Assurance Statement

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

İstanbul, 7 August 2025

Ziraat Katılım

www.ziraatkatilim.com.tr

/ziraatkatilim