



WE ARE ENHANCING OUR IMPACT



Ziraat Katılım

Growth through sharing

SUSTAINABILITY REPORT 2023

ABOUT THE REPORT

Sustainability and ESG Context

The Ziraat Participation (the Bank) 2023 Sustainability Report (Report) provides a detailed discussion of the Bank's performance in terms of environmental, social, and governance (ESG), as well as financial aspects, in line with its strategic goals and material topics. This Report, which is the primary source of disclosure regarding the Bank's ESG performance, should be evaluated with the [2023 Annual Report](#) accessible on the Ziraat Participation website.

Report Period, Publication Frequency, and Scope

All data provided in the report includes the period from 1 January 2023, to 31 December 2023, unless otherwise specified. The Bank's sustainability reporting cycle is on an annual basis.

The report provides an overview of the Bank's approach that summarizes its capacity to generate long-term value for its stakeholders, risk and opportunity management, material topics, future strategies, stakeholder communication, and performance indicators in financial, environmental, social, and governance areas.

SUSTAINABILITY REPORT 2023

The Ecosystem of Ziraat Participation

The report includes information on all operations and activities carried out by Ziraat Participation.

Standards and Frameworks

Ziraat Participation's 2023 Sustainability Report has been prepared considering the following standards and frameworks.

- GRI Standards (GRI)
- United Nations Sustainable Development Goals (UN SDGs)
- Sustainability Accounting Standards Board (SASB) – Commercial Banks

IFRS F1 and F2, Turkish Sustainability Reporting Standards (TSRS) and ESRS were reviewed during the preparation phase of the report and additions were made to the report in accordance with these frameworks.

Report Publication Format

The 2023 Sustainability Report of Ziraat Participation has been made available in PDF format on the Sustainability section of the Bank's website. Furthermore, the interactive version of the report can be accessed on the same tab.

Audit Approach

The financial information included in the report was audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., and there was no specific audit conducted for ESG indicators. [The Ziraat Participation 2023 Annual Report](#) contains the relevant Independent Auditor Statements on pages 78-388.



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Scan the QR code with your mobile device to access the Ziraat Participation corporate website.



PERSPECTIVES OF ZIRAAT PARTICIPATION'S SENIOR MANAGEMENT ON SUSTAINABILITY

“Ziraat Participation, the first publicly owned participation finance institution of our Country, has declared itself a stakeholder in the fight against the global climate crisis with the resolute and significant strides it has made during the 2022-2023 period for the internalization of the principles of sustainability and environmental, social, and governance (ESG).”

Alpaslan ÇAKAR
Chairman of the Board



"Over the past two years at Ziraat Participation, we have successfully implemented various projects to internalize sustainability, seamlessly integrate relevant processes into our financial cycle, and, above all, enhance the capacity of our employees in sustainability and ESG matters. Throughout this process, where we received support from expert consultants as needed, we were guided and inspired by the sustainability policies and strategies adopted by the Ziraat Finance Group, of which we are a part, as well as the best practices of international participation finance principles."

Metin ÖZDEMİR
CEO



GRI 3-3

LETTER FROM THE CHAIRMAN OF THE BOARD

Dear Stakeholders,

Global transformation and climate crisis

The global transformation, which gained momentum due to the triggering of the COVID-19 pandemic, has led to disruptions in supply chains, an energy crisis, conflicts in the geographies neighboring Türkiye, and the global wave of inflation. The global business and finance system's extensive integration, advanced digitalization, and the rapid advancement in artificial intelligence and technologies impacting various industries indicate that this transformation is a cycle that will persist.

The climate crisis and its devastating impacts, which are witnessed on a global scale, emerge as another dynamic that will shape the global outlook of the upcoming period.

The Paris Agreement, considered a remedy for the climate crisis and of which our Country is also a stakeholder, aims to prevent the climate crisis by setting a goal to limit the increase in global average surface temperature to 2 degrees and, if feasible, below 1.5 degrees.

The limitation on temperature increase, which is determined as the focus of the fight against the climate crisis, requires a transition towards a low-carbon economy. Despite the recent establishment of green development policies and strategies in several countries, the private sector's declaration of carbon neutral targets and commitments, and the development of global cooperation efforts, the measurements conducted indicate that the achieved results are significantly below the targeted limitations.

The climate change is the major and long-term consequence of the ongoing challenges posed by the external environment. The formidable force of nature and the vulnerability of humanity in the presence of this force are significant indicators that we must take into consideration. This warning also highlights our responsibility to leave on a habitable planet for future generations. Climate risks, identified in this context, have become highly significant for financial service providers, particularly financial institutions. They establish the boundaries of the responsibilities of financial actors in the environmental aspect.



The role and responsibility of our industry

Considering the amount of electricity financial institutions use for office lighting and IT systems, as well as the fuel they consume for transportation, it is evident that their greenhouse gas emissions are relatively low. However, when accounting for customer emissions financed in relation to their commercial and investment activities, the picture undergoes a significant change. Upon analyzing the data from institutions and asset managers who shared their views on the matter, it becomes apparent that the emissions from their financed customers are considerably higher than their own operational emissions.

Climate-conscious financial institutions, rating agencies, and an expanding customer base now subject financed emissions to greater scrutiny, considering them a vital aspect in their decision-making process. Institutions that focus on this area have a competitive advantage in managing their costs, maintaining their market reputation, adapting to rapidly developing environmental-related regulatory risks, and playing a leading role in the changing competitive landscape. Besides, climate-conscious investors may have the opportunity to access more affordable resources by fulfilling certain requirements.

We are preparing to become an assertive stakeholder in the fight against the global climate crisis.

Ziraat Participation, the first publicly owned participation finance institution in our Country, has declared itself a stakeholder in the fight against the global climate crisis with the resolute and significant strides it has made during the 2022-2023 period for the internalization of the principles of sustainability and ESG.

GRI 3-3

Our Bank operates adhering to the principles of participation finance, which align with sustainability, encompass all stakeholders, and promote fairness, ethics, participation, and sharing, integrating them into its strategy, philosophy, and practical implementations.

The work we have conducted within the governance framework includes the establishment of the Sustainability Governance Structure, the prompt implementation of ESG-related processes and the disclosure of our sustainability policies.

Our Bank operates adhering to the principles of participation finance, which align with sustainability, encompass all stakeholders, and promote fairness, ethics, participation, and sharing, integrating them into its strategy, philosophy, and practical implementations. While this identity provides a very valuable opportunity for us, it also grants us valuable leverage by enabling us to use the concept of sustainable and responsible investment (SRI) as a guiding principle. SRI is one of the cornerstones of participation finance principles, along with ESG criteria.

Ziraat Participation is committed to enhancing its efforts in this context in the short, medium, and aims to gradually mitigate its direct and indirect emissions in line with Turkey's target of achieving carbon neutrality by 2053, ultimately striving for zero emissions.

Regarding the future

We are aware of the challenges associated with the sustainability mission we have undertaken and consider both the favorable and unfavorable developments that the upcoming period will bring.

We are currently in a period in which we need to work hard and continuously enhance our sustainability capabilities.

The architects of this field will be our human resources, which have facilitated the remarkable growth that Ziraat Participation has demonstrated since the date it started its operations. We are committed to improving our capacity in sustainable finance and increasing our positive impact by updating our human resources, management structure, and processes in line with the global Sustainable Development Goals (SDG) and ESG agendas.

The energy we need to achieve our goals is based on the support of our stakeholders, and is bolstered by the strong connection between our customers and our products and services, and in the dedicated efforts of our employees.

I am delighted to introduce our first sustainability report, and I would like to state that it is a source of pride for us as we have started sustainability reporting in 2023, when we celebrated the 100th anniversary of our Republic with great enthusiasm.

On this occasion, on behalf of myself and our Board of Directors, I would like to express our gratitude to our customers, suppliers, and all stakeholders, particularly our employees, who greatly add value to Ziraat Participation in every way through their invaluable efforts.

Best Regards,

Alpaslan ÇAKAR
Chairman of the Board of Directors

GRI 3-3

AN INTERVIEW WITH THE CEO REGARDING SUSTAINABILITY AND ESG

Q

Durability and sustainability are two concepts that have gained great importance recently. Could you please provide your insights on today's market trends on these two topics?

A

The COVID-19 pandemic has triggered an unexpected transformation in all aspects of our lives. This phenomenon, initially recognized as a worldwide health emergency, has evolved into a driving force that has significantly impacted and transformed several aspects of the economy, production, supply chain, digitization, and daily routines over a period of time.

Over almost the past five years, governments have prioritized addressing the pandemic's adverse impacts as their initial objective. They have introduced extensive assistance and funding programs on an unprecedented scale to ensure the continuity of the economic cycle. However, due to the nature of the markets, the adoption of expansionary policies has led to inflation in most regions of the world over time. In this new scenario, the majority of the authorities of the countries have shifted their approach and resorted to tightening policies to counterbalance the irregularities observed in pricing levels.

Despite the widespread belief that this challenging test, which tests the resilience and sustainability of economic actors from global to local levels, is nearing its conclusion, it's clear that the upcoming years will necessitate cautious management.

In this particular context, it is critical to highlight the urgent significance of the climate crisis we are currently experiencing. The devastating impacts of global warming and the climate crisis, which have been scientifically proven to be the result of human activities, are being experienced with increasing intensity in almost every part of our planet compared to previous periods.

It's time to take quick and pragmatic measures. The efforts of all actors who will provide pragmatic and tangible contributions to addressing the climate crisis have become incredibly significant. In this regard, it is crucial to align the efforts in this direction.

Q

The COP28 meetings, which took place in the UAE in 2023, marked a significant milestone since the official final declaration of the COP included the phase-out of "fossil fuels" for the first time since the inception of the UN climate discussions 30 years ago. May we inquire about your perspectives on the latest developments in this regard?



A

To begin with, it would be accurate to state that the scientific data shared at COP28 indicated that the required measures have not yet been implemented to the desired extent since the Paris Agreement was signed. To address the challenges we encounter, it is necessary to take multi-dimensional, holistic, and synchronized action. Since it is not possible for an institution to solve economic, environmental, and social problems alone, close and synergistic collaborations are needed, as suggested by the 17th SDG.

Today, it is imperative that we devise enduring solutions through long-term, strategic, and planned studies. In this regard, the significance of civil society is progressively growing. It is a fact that in our era, organizations representing civil society will gain more prominence, and individuals and institutions involved in this field are going to assume greater responsibility.

This development you mentioned about COP28 is of utmost significance. It is crucial that we bring an end to the fossil fuel era or, at least, significantly decrease its proportional usage. Recent measurements indicate a significant 1.4°C increase in the planet's average temperature compared to the pre-industrialization era.

During the COP28 negotiations, significant progress was made in the exploration of developing a dedicated fund to address the escalating losses and damages experienced by vulnerable countries as a result of climate impacts. We also consider this a significant accomplishment.

GRI 3-3

Despite the widespread belief that this challenging test, which tests the resilience and sustainability of economic actors from global to local levels, is nearing its conclusion, it's clear that the upcoming years will necessitate cautious management.

Another notable accomplishment of COP28 was the implementation of the Global Stocktake, which serves as a mechanism to assess progress and accelerate stronger climate action on a five-year basis. These studies are intended to provide guidance for the next nationally determined contributions (NDCs) to be put forward in 2025.

During the meetings, new commitments were made and progress was achieved in areas including the mitigation of methane emissions, the establishment of more sustainable food systems, and the preservation of forests. These achievements hold great significance to us, extending beyond the scope of official negotiations.

Q

As the CEO of a participation finance institution that has left behind its 9th year by achieving a rapid and robust growth performance, what would you like to say about the significance of resilience and sustainability for your institution?

A

Our institution is the pioneer in the publicly owned participation finance sector in Türkiye.

We are a subsidiary of Ziraat Bank, which is the most established and powerful brand in our geography and has celebrated its 160th anniversary in 2023.

In alignment with our mission, we are aware of the principles of participation finance, ethical values, and social responsibility. With this awareness, we strive to operate with sustainable profitability and efficiency at global standards, as well as to become a participation finance institution that

pursues customer satisfaction and ultimately facilitates financial access. In this context, our goal is to become a universal, highly regarded, and leading participation finance institution that promotes participation finance principles in Türkiye as well as in neighboring regions, consistently generates value, and provides enhanced benefits to its customers at every stage of sharing.

Our primary strategies include Focused Growth, Sustainable Profitability, Competency Transformation, Participation Finance Principles, and Agricultural Banking. We attribute the productivity and success of these strategies to our competent employees, who possess the ability to make choices and implement decisions that align with our corporate business goals. At the other end of this cycle, we have a satisfied customer base that can easily access products, services, and solutions that fully adhere to the principles of participation finance in easily accessible and practically consumable contemporary service formats.

As a participation finance institution, we are aware of the significant responsibility we have in shaping our customers' financial future, and we are committed to implementing initiatives that will contribute to a better future. We are confident in our ability to remain resilient and strong in order to sustain this.

In this big picture, sustainability, which has been on our agenda since the day we were founded, is steadily ascending to the top. As a financial service provider, we are aware that the outputs we produce in terms of sustainability are embodied across the rings of our value chain rather than our operational activities. The most important ring of this value chain is our resource transfer operations, and we focus on managing this area by deploying the most contemporary methods.

GRI 3-3

AN INTERVIEW WITH THE CEO REGARDING SUSTAINABILITY AND ESG

Q

Over the past two years, your Bank has made significant strides in internalizing sustainability, streamlining processes, and providing products and services aligned with the Sustainable Development Goals. What insights or information would you like to share with us in this particular context?

A

Over the past two years at Ziraat Participation, we have successfully implemented various projects to internalize sustainability, seamlessly integrate relevant processes into our financial cycle, and, above all, enhance the capacity of our employees in sustainability and ESG matters. Throughout this process, where we received support from skilled consultants as needed, we were guided and inspired by the sustainability policies and strategies adopted by the Ziraat Finance Group, of which we are a part, as well as the best practices of international participation finance principles.

Within this framework, we have strived to ensure that sustainability finds a place in our entire organization from the top to the bottom, under the auspices of our Board of Directors. We have successfully established our Sustainability Committee, along with the relevant positions, job descriptions, and plans.

The design of our SDG-related products, which will serve as a testament to the beneficial effects of our sustainability initiatives, as well as their introduction to our customers, were the most critical components of this process. We have expanded Ziraat Participation's product and service offerings by 8 SDG-related products during the reporting period as a result of these studies, which are elaborated upon in various sections of our report.

Green Home Housing Financing, Green Vehicle Financing, Individual Energy Efficiency and Energy Efficiency Management Financing for our private customers, and SPP, renewable energy, energy efficiency, and wastewater management financing packages for our corporate customers have become a significant milestone in Ziraat Participation's sustainability journey.

Ziraat Participation is committed to generating value in accordance with its principle of responsible income generation for both its shareholders and stakeholders and contributing further to Türkiye's sustainable future through implementation of the ESRA framework.

Q

The significance of banks' responsibilities in relation to the sustainability risks of the initiatives for which they provide resources has recently increased. The success banks achieve in this area affects their ranking in sustainability indices and the cost of green financing they will provide. Would you please provide us with your perspective on this matter?

A

You have pointed out an important aspect. To achieve success in combating the climate crisis, it is crucial for all economic actors to contribute their efforts.

Our institution, a leading player among participation finance institutions, has developed a thorough ESRA (Environmental and Social Risk Assessment) methodology that fully adheres to participation finance principles. This methodology aims to identify, plan, and manage environmental and social risks associated with resource transfer operations in 2023 in collaboration with project owners. We will conduct a thorough risk assessment for all our corporate finance transactions (including project finance, corporate finance, commercial finance, and entrepreneurial segment finance) that surpass the specified threshold value. We will make our decisions to minimize any adverse social and environmental impacts.

Ziraat Participation is committed to generating value in accordance with its principle of responsible income generation for both its shareholders and stakeholders and contributing further to Türkiye's sustainable future through implementation of the ESRA framework.

GRI 3-3



As a member of the Ziraat Finance Group, our institution is committed to effectively managing the risks and opportunities arising from external conditions and to generate shareable value under all circumstances.

Q

Could you please provide information about Ziraat Participation's future plans regarding sustainability and ESG?

A

Participation finance principles are a business conduct philosophy that envisages generating and sharing value for all stakeholders. The foundations and tenets provided by these principles significantly overlap with ESG principles that promote responsible business conduct. Participation finance principles, which forbid speculative market transactions, enhance the resilience of institutions during periods of crisis and volatility.

In this respect, it is a system that fosters resilience, sustainability, and long-term development.

We consider the Sustainability Sukuk Framework, which we issued in 2024, to be a significant milestone that will facilitate our progress in the area of ESG-related participation finance in the medium term and help us achieve our growth targets.

As we move our presence and confidence in the Islamic finance market, which is rapidly developing and growing globally, to a new position, the Sustainability Sukuk Framework we have introduced will provide us with valuable leverage in increasing our SDG-related business volumes and enhancing our positive impact with its structure that prioritizes the international standards that form its basis and align with the Paris Agreement, the European Green Deal, and the Türkiye Green Deal Action Plan.

Q

As we wrap up our interview regarding your initial sustainability report, we would greatly appreciate it if you could provide us with your closing message to your stakeholders.

A

We have full confidence that we will attain further achievements in the fight against the climate crisis, as long as we strongly translate our ESG commitments into tangible action. We are resolute in our commitment to collaborate with our stakeholders and embracing the principle of "Achieving More by Sharing".

The length of the road to be traveled in the fight against the climate crisis and the potential challenges we will encounter should never discourage us.

As a member of the Ziraat Finance Group, our institution is committed to effectively managing the risks and opportunities arising from external conditions and to generate shareable value under all circumstances.

We look forward to meeting in upcoming reports where we will discuss our sustainability performance. I would like to express my sincere appreciation to all of our stakeholders who have provided invaluable support to Ziraat Participation for their valuable contributions.

Metin ÖZDEMİR
CEO

GRI 2-1, 2-6

ZIRAAT PARTICIPATION OVERVIEW

Ziraat Participation provides its customers with a wide range of high-value-added products, services, and solutions in line with the principles of participation banking through robust distribution channels and competent human resources.

CORPORATE PROFILE

Ziraat Participation, which commenced its participation banking operations on 29 May 2015, with the guiding principle of “Achieving More by Sharing”, is the first publicly owned participation bank in Türkiye.

Ziraat Participation, which provides value-generating solutions for evolving needs of customers across all segments, has a wide range of products and services.

Ziraat Participation is committed to ongoing growth, production, and sharing through its business model based on profitable, healthy, and sustainable growth.



2,430
EMPLOYEES



191
BRANCHES



GRI 2-1, 2-6

Widespread and diversified service network

Ziraat Participation provides products, services and solutions with high added value which are in line with participation banking principles through strong distribution channels and with competent human resources.

The Bank, which has 2,430 personnel who are specialized in their fields as of 2023 year-end, further expanded its geographical coverage during the year with the opening of 35 new branches, increasing the total number of branches to 191. The Bank operates two branches abroad, one in Sudan and the other in Somalia.

In addition to traditional distribution channels, branches, Ziraat Participation offers its products and services through advanced alternative channels consisting of 121 ATMs, Internet Banking, renewed Mobile Banking, Call Centers and approximately 12,031 POS terminals.

Within the scope of its Digital Banking activities, Ziraat Participation meets the financial needs of its customers with the Ziraat Mobile application at the most convenient points and with an approach focused on high customer satisfaction.

With its well-established and solid structure, modern and innovative management approach, and experienced and dynamic personnel, Ziraat Participation works in strong and synergetic group structuring with Ziraat Bank, which has been the driving force of the Turkish banking sector for 160 years.

Customer satisfaction, digitalization, and efficiency are its primary areas of focus.

Behind Ziraat Participation's continuously developing business model lies an approach focused on customer satisfaction, digitalization and efficiency. As it works towards becoming an effective, leading and respected participation bank, the Bank continues to take firm steps without compromising its asset quality, generating added value in line with its disciplined and sustainable growth strategy.

Listening to its customers in every circumstances and providing them tailored solutions are Ziraat Participation's main philosophies and the Bank operates not only for its customers and shareholders but also to conduct activities that add value to the society and all its stakeholders.



Listening to its customers in every circumstances and providing them tailored solutions are Ziraat Participation's main philosophies and the Bank operates not only for its customers and shareholders but also to conduct activities that add value to the society and all its stakeholders.

MISSION, VISION, STRATEGIES



Our Mission

Our mission is to become a participation bank that understands the expectations and needs of its customers in the best way possible and offering most reliable solutions and value propositions through the most appropriate channel, carries out its activities with world-class sustainable profitability and efficiency being aware of principles of participation banking and ethics, facilitates access to financial services focusing onto the customer satisfaction.

Our Vision

At Ziraat Participation, our vision is to become a global, reputable and leading participation bank that strengthens participation banking not only in Turkey, but in the region, constantly generates value, offers customers more the more as they share at every stage.



GRI 2-1

Our strategies

Our main strategy was defined as Focused Growth, Sustainable Profitability, Competence Transformation, Participation Banking and Agricultural Banking.

In accordance with our focused growth strategy, while continuing to develop in segments of all sizes, we will focus on SMEs and above SME companies which are also considered a significant size for the country's economy. We aim to achieve sustainable profitability in these segments by application developments and investments.

For the inclusiveness of investments and applications to be developed, we will complete competence transformation of our human resources for the necessity of associating these applications with competent human resources who can make choices in line with objectives.

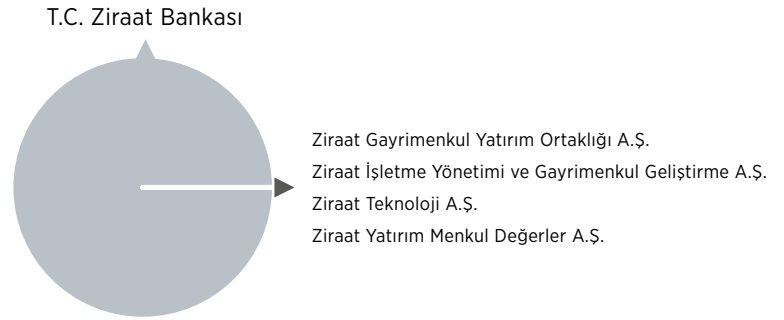
Our strategies will support financial development of our country and will serve the entirety that will develop the Participation Banking market, which we are a part of.

SHAREHOLDING STRUCTURE

Ziraat Participation has a robust shareholding structure that supports sustainable and profitable growth.

As of the end of 2023, Ziraat Bank owns 99.99% of the shares of the Bank, which is a part of the Ziraat Finance Group.

The Bank's other shareholders are Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., Ziraat İşletme Yönetimi ve Gayrimenkul Geliştirme A.Ş., Ziraat Teknoloji A.Ş., and Ziraat Yatırım Menkul Değerler A.Ş.



Shareholding Structure (31 December 2023)

Shareholder	Paid-in Capital (TL Thousand)	Share %
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

GRI 2-22

OUR PERSPECTIVE ON SUSTAINABILITY AND ESG

Contribution to society, the environment, and the economy

Ziraat Participation's Sustainability Vision is to leverage the experience and expertise of the Ziraat Finance Group to make a meaningful contribution to the economy, environment, and society, provide its customers with enhanced services by sharing at every stage, and establish itself as a universal, respected, and leading participation bank.

The Bank aims to enhance its competitive advantage and generate more shareable value for its stakeholders by implementing sustainability practices.

SUSTAINABILITY APPROACH

As a stakeholder in the fight against the global climate crisis, Ziraat Participation's goal is to spread, cultivate, and maintain sustainability throughout the value chain. The Bank has shaped its sustainability approach in light of its responsibilities as a financial service provider, its commitment to the environment and society, and its duties to its employees as an employer.

The following are projected for Ziraat Participation under this approach:

- Supporting the value it contributes to the financing of production and trade cycles from a long-term perspective of environmental and social sustainability,
- Shaping its contribution to sustainable development in accordance with the responsible banking approach and ethical principles,
- Managing its resources and service infrastructure, as well as addressing and managing environmental and social issues and potential risks related to them, with a cautious and meticulous approach in decision-making processes.
- Recognizing climate change and the transition to a low-carbon economy as a critical component of the responsible banking approach,
- Considering the diversity of its workforce as the Bank's prosperity and ensuring that all employees have equal opportunities,
- Recognizing that customer satisfaction and customer focus are the building blocks of all endeavors,
- Establishing relationships with suppliers on the basis of mutual respect, responsibility and fair sharing and encouraging the development of sustainability practices in the supply chain,
- Developing and implementing projects in line with the universally accepted principles of sustainability,
- Engaging in corporate social responsibility initiatives that focus on environmental and social inclusivity, while also ensuring adherence to the SDGs, and participating in platforms that promote sustainability collaboration.

GRI 2-23, 2-24

Framework for Policies

Ziraat Participation's sustainability approach and practices are founded upon the principles outlined in the Sustainability Policy.

The Bank's perspective on sustainability and ESG, as well as its operational framework are outlined in the Sustainability Policy approved by the Board of Directors.

Brief descriptions and access addresses for complementary policies pertaining to sustainability and ESG

Environmental and Climate Change Policy	Ziraat Participation is committed to upholding its responsibility towards environmental values at every stage of its operations, promoting the efficient utilization of limited natural resources, and enhancing its environmental performance.	
Environmental and Social Impact Management Policy for Financing Activities	Ziraat Participation recognizes that the financial products and services it provides in accordance with the principles of participation banking have impacts on the environment and society and is committed to managing these impacts arising from its financing activities.	
Ziraat Participation Bank Non-Financed Activities List	Environmental and Social Impact Management Policy for Financing Activities, Annex 1	
Human Resources and Human Rights Policy	Ziraat Participation, which is meticulous in its adherence to the requirements of the international agreements to which our country is a party, particularly the United Nations Universal Declaration of Human Rights, the core principles of the International Labor Organization (ILO) regarding human rights, labor rights, children's rights, and social justice, is committed to establishing a business environment that respects human rights within the framework of a sustainable banking approach and raising the consciousness and awareness of its employees to a higher level.	
Customer Satisfaction Policy	Ziraat Participation is committed to providing fast, accurate, and high-quality solutions to meet the expectations and needs of its customers. In this context, customer satisfaction is a fundamental and ongoing goal, as well as a significant determinant of overall performance.	
Policy on Anti-Money Laundering and Combating the Financing of Terrorism	Ziraat Participation is committed to fully complying with applicable national and international laws and regulations and sanctions programs in order to prevent the use of the products and services it provides by its customers in activities related to money laundering, financing of terrorism, financing of the proliferation of weapons of mass destruction, and other financial crimes.	

All policies published by Ziraat Participation are approved by the Board of Directors.

The Bank has established systematic and processual 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.

2023 KEY PERFORMANCE INDICATORS*

Financial Indicators



(TL million)	2023	Annual Change (%)**
Total Assets	384,257	80
Loans***	259,771	79
Funds Collected	304,372	76
Shareholders' Equity	19,832	74

For detailed information on Ziraat Participation's financial performance in 2023, [please click](#).

Environmental Indicators



Total (Scope 1 + Scope 2)
tons CO₂e
5,149

Emissions per employee
(tCO₂e/number of employees)
2.12

Emissions by consolidated asset size
(tCO₂e/TL million)
0.01

Emissions by consolidated net profit
(tCO₂e/ TL million)
1.29

Total water consumption
23,296 (m³)****

Amount of recycled paper and
cardboard waste
16,740 kg

Kayaşehir Branch Pilot Project-Energy
Monitoring System

**The emission of 478 kg of
CO₂ gas was prevented.**

*Detailed indicators are available in the [Performance Indicators](#) section

**Represents the change recorded as compared to 2022 indicators.

***Includes financial leasing, non-performing receivables and expected loss provisions.

****Mains water

GRI 3-3

Social Indicators



Total number of employees
2,734^{*}

Female Employee Ratio
33%

Employees under collective bargaining
agreement
1,953

Total number of managers
277

Total number of female managers
10%

Female employee ratio in STEM positions
8%^{*}**

Average training per person
37.2 person/hour

Average annual training hours per employee
by gender
Female **15**
Male **13**

Percentage of employees subject to
performance management system evaluation
98.25%

Ratio of the annual total compensation of the
highest-paid individual to the median annual
total compensation for all employees
8.45

Ethics training provided to new hires
4 hours

Number of employees who received
sustainability training
1,945 individuals

Face-to-face OHS training
389 employees
2 person*hour / 778 hours in total

Corporate social responsibility projects
conducted with the active involvement of
Ziraat Participation employees
**Ziraat Participation Fidelity Group
CSR project
TKBB and ADFIMI membership**

Governance Indicators



37 Board of Directors meetings

100% attendance at Board meetings

**Establishment of Ziraat
Participation Sustainability
Committee and 6 working groups**

Establishment of **ESRA** (Environmental and
Social Risk Assessment System)

Release of the **Sustainable Sukuk
Framework**

**Strategy Workshop
2023**

^{*} All employees of Ziraat Participation are employed on a full-time basis.

^{**} The total number of bank and external resource personnel.

^{***} STEM (Science, technology, engineering and mathematics)

OUR STAKEHOLDERS, MATERIAL TOPICS AND SDG

STAKEHOLDERS

Ziraat Participation establishes its business strategy and material topics by defining the expectations of its internal and external stakeholders. It also considers the short, medium, and long-term impacts of the activity cycle on its stakeholders and the added value it generates. Additionally, the Bank is able to more effectively manage risks and opportunities by gaining insight into the issues and expectations that stakeholders regard as material topics for Ziraat Participation.

The internal stakeholder group of Ziraat Participation is comprised of its shareholders, Board of Directors, and employees.

Ziraat Participation also conducts its operations in close collaboration with its external stakeholders, which encompasses customers, suppliers, regulatory bodies, national and international banks and financial institutions, credit rating agencies, sectoral unions and organizations, media, and society.

STAKEHOLDER COMMUNICATION

Stakeholder communication, mainly experienced within the service cycle, serves as an essential platform for Ziraat Participation to accurately comprehend and assess demands and expectations.

Customers are one of the most significant stakeholder groups and are at the core of Ziraat Participation's business cycle. The Bank assesses the demands and feedback of its customers, and it continuously enhances and develops the value proposition and customer experience it provides. The sections Our Financial Assets (p. 40), Our Intellectual Assets (p. 56), and Our Manufactured Assets (p. 60) include detailed information regarding the Bank's interactive communication with its customers.



Employees are the foremost asset that establishes the cornerstone of Ziraat Participation's sustainability. The Bank consistently enhances its operational model, employee training and development programs, and the array of fringe benefits it provides to its employees in order to respond to the expectations of its employees and equip them for the business landscape of the future. For detailed information on the Bank's interactive communication with its employees, please refer to the section [Our Human Assets](#) (p. 48).

GRI 2-29

	Stakeholder Group	Communication Frequency	Communication Channels
Internal Stakeholders	Shareholders	General Assembly When required	Annual ordinary general assembly meetings Public disclosure activities carried out by Ziraat Participation (statements made to the Public Disclosure Platform (KAP), presentations, etc.) Annual and quarterly activity reports and other presentations
	Board of Directors	Within the context of the business cycle When required	Board of Directors meetings, the number and frequency of which are set in accordance with the Turkish Commercial Code, Banking Law and other applicable legislation
	Employees	Within the context of the business cycle Daily	Recruitment process, training and development programs for employees, performance evaluation processes, internal communication practices, executive interviews and information meetings, regular strategy and target meetings, employee surveys
External Stakeholders	Customers	Within the context of the business cycle 24/7	Ziraat Participation branches, alternative distribution channels (ATM, internet banking, mobile banking, call center), customer relations representatives, customer visits
	Suppliers	Within the context of the business cycle Daily	Procurement and logistics process of outsourced services and products
	Regulatory Authorities	Within the context of the business cycle When required	Reporting, correspondence, and relevant meetings conducted in compliance with the legislation
	National and international banks and financial institutions	Within the context of the business cycle Daily	Correspondent banking operations Meetings and discussions with the financial institutions we collaborate with
	Credit rating agencies	Within the context of the business cycle When required	Meetings, reporting, presentations and correspondence
	Industrial associations and organizations	Within the context of the business cycle When required	Meetings, presentations and daily communications
	Media	Within the context of the business cycle When required	Activities aimed at ensuring transparent and timely disclosure to the public (through press conferences, press releases, interviews, and addressing inquiries received, etc.). Advertising and marketing activities
	Society	Within the context of social responsibility projects	Corporate social responsibility projects and charitable activities

24/7 communication opportunity with stakeholders

Ziraat Participation values the perspectives and suggestions of its stakeholders regarding sustainability.

Stakeholders of Ziraat Participation can provide suggestions and views on the Bank's sustainability initiatives and performance by utilizing the [contact form](#) available on the sustainability section of the corporate website.

GRI 3-1, 3-2, 3-3

OUR MATERIAL TOPICS

Methodological Approach

By considering the Bank’s short, medium, and long-term strategy, Strategy Plan 2022-2025, and business model, as well as developments during the reporting period, the Ziraat Participation materiality analysis was conducted. The material topics, which are the outputs of the stakeholder analysis, form the basis of the 2023 Sustainability Report.

The purpose of the materiality analysis was to compile a comprehensive and up-to-date list of topics, and during the process of identifying the material topics, the main patterns in the national and international banking and finance sectors, global megatrends, and developments in sustainability reporting frameworks were analyzed.

The Strategy Planning and Sustainability Team of the Bank, as well as senior management from Ziraat Participation and other department managers of strategic significance, collected views on material objectives and future strategies and incorporated them into the analysis.

The final stage involved a review of all data obtained during the workshop organized with the Sustainability Committee participants, and the ranking of material topics.

The materiality of the topics for stakeholders and the extent to which the relevant topic would be material for the Bank were assessed within the context of the materiality analysis. In addition, the database was used to compile and analyze the suggestions, appreciations, and complaints that customers, employees, and other stakeholders submitted to the Bank through various channels during the reporting period, contributing to the materiality study.

As a result of all these evaluations, Ziraat Participation has successfully developed a materiality matrix that focuses on sustainability and ESG axes.

The Bank will regularly review the materiality matrix to ensure that it aligns with changes in its operational framework and any necessary updates.

Materiality Matrix			
Impact Generated	High Priority	Equal Opportunity and Diversity	Fight Against Climate Change Responsible Products and Services
		Corporate Social Responsibility Financial Literacy	Employee Welfare and Rights Corporate Culture Principles Training and Talent Management
	Priority	Natural Resources and Waste Management	Financial Inclusion
		Priority	High Priority
Financial Generated			

GRI 3-1, 3-2, 3-3

Material topics that have a very high impact on stakeholders and Ziraat Participation's performance

✔ Digital Transformation and Innovation

Ziraat Participation is currently focusing on improving its technological infrastructure and digital product introduction capabilities in response to the growing influence of artificial intelligence in the business and life cycle. In order to achieve this objective, the Bank establishes end-to-end digital processes, enhances the accessibility of financial products, positions its products and services in various channels, and strives to increase its competitive share.

Control Mechanism

The material topic is periodically monitored by the Ziraat Participation Strategy Committee and the Information Systems Steering Committee.

✔ Financial Performance and Profitability

According to the principles of participation banking, Ziraat Participation's financially healthy, continuous, resilient, and competitive performance is critical in terms of its corporate sustainability, as well as its contribution to the development of the Turkish economy and the welfare of its stakeholders. The Bank's financial performance and profitability are also critical and indispensable priorities in terms of the implementation of strategic goals and projects that are based on the sustainability and ESG axes.

Control Mechanism

The management of material topics is conducted in collaboration with all departments of Ziraat Participation. The activities related to these topics undergo periodic reviews by the Active Passive Committee and the Board of Directors. The relevant processes and outcomes are also subject to internal audit, independent external audit, and public audit.

✔ Integrated Risk Management

Operating within the framework of the risk management legislation in force in Türkiye, Ziraat Participation addresses the macroeconomic conditions that are shaped globally and locally within the axes of effective and integrated management of financial and non-financial risks through the risk management cycle. In terms of non-financial risks, the Bank is committed to actively managing climate risks and opportunities. Furthermore, the Bank's Integrated Risk Management diligently monitors risks associated with earthquakes and other natural disasters unrelated to the climate crisis.

Control Mechanism

The material topic is overseen by the Internal Systems Group Presidency, affiliated with the Audit Committee at Ziraat Participation.

✔ Ethics and Compliance

Ziraat Participation focuses on knowing its customers (Know Your Customer-KYC) and maintains interactions with them in compliance with the legal framework and ethical norms. The Bank prioritizes the safety, security, and legal compliance of customer transactions and considers the prevention of financial and economic crimes (money laundering, the financing of terrorism, bribery, and corruption) as its duty.

Control Mechanism

The material topic is overseen by the Internal Systems Group Presidency, affiliated with the Audit Committee at Ziraat Participation.

✔ Data Privacy and Security

In order to protect the privacy and security of customer and bank data, Ziraat Participation strives to uphold a best-in-class cybersecurity infrastructure that focuses on identifying emerging risks and consistently enhancing the security of its systems. This approach encompasses a holistic information security management strategy that includes comprehensive security policies and standards, a robust security awareness and training program, and the deployment of advanced and layered defense mechanisms.

Control Mechanism

At Ziraat Participation, the material topic is managed by the Information Security unit, which operates under the supervision of the CEO. The activities are subject to audits conducted by the Internal Systems Group Presidency and Banking Regulation and Supervision Agency (BRSA). Pertinent processes are also subject to ISO 27001 audits.

GRI 203-2

ALIGNING MATERIAL TOPICS WITH THE SUSTAINABLE DEVELOPMENT GOALS

Ziraat Participation materiality analysis outputs were assessed within the framework of SDGs, and the Bank's material topics and associated activities and SDGs to which it directly and/or indirectly contributes were determined.

HIGHLY MATERIAL TOPICS	DIRECT IMPACT*	INDIRECT IMPACT**
Digital Transformation and Innovation	 	
Financial Performance and Profitability	 	 
Integrated Risk Management	 	
Ethics and Compliance	 	  
Data Privacy and Security	 	
MODERATELY MATERIAL TOPICS		
Fight Against Climate Change	 	     
Responsible Products and Services	   	     
Employee Welfare and Rights	   	  
Corporate Culture Principles	   	  
Training and Talent Management	   	  
Customer Experience and Satisfaction	 	 
Financial Inclusion	 	 
MATERIAL TOPICS		
Equal Opportunity and Diversity	  	
Corporate Social Responsibility	 	
Financial Literacy	 	
Natural Resources and Waste Management	   	

*Direct impact refers to SDGs to which the relevant material topic directly contributes. The subject material topic contributes to more than one of the sub-goals of the relevant SDGs.

**Indirect impact refers to SDGs to which the relevant material topic contributes to at least one of the sub-goals.

GRI 203-2

In accordance with Ziraat Participation's sustainability vision and the work it has implemented/planned in this context, the SDGs and sub-goals that are material focus areas in the short, medium, and long term:

 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> · Promoting lifelong learning · Vocational education platforms 	 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> · Efforts to ensure income equality, social equality and inclusion, training programs provided
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> · Elimination of gender-based inequality of opportunity · Empowering women in decision-making mechanisms 	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> · Prevention of waste and pollution · Recycling · Circular economy
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> · Contribution to sustainable economic growth · Generating employment under good working conditions 	 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> · Fighting climate change and strengthening resilience and adaptation capacity to cope with climate-related risks · Transition to a low-carbon economy and climate finance studies
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> · Promoting inclusive and sustainable industrialization and producing projects for development · Applying knowledge in innovation 	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> · Strong, transparent and accountable engagement with stakeholders and sustainable collaborations · Strengthening international collaborations

GRI 2-25, 201-1, 201-2, 203-1, 203-2, 3-3

IMPACT FRAMEWORK OF MATERIAL TOPICS AND ITS REFLECTION IN THE REPORT

MATERIAL TOPIC	RELATED STAKEHOLDER	SECTION FOR DETAILED INFORMATION	GRI	SASB
HIGHLY MATERIAL TOPICS				
Digital Transformation and Innovation	Employees/Customers	Our Intellectual Assets , p. 56	✓	
Financial Performance and Profitability	All Stakeholders	Our Financial Assets , p. 40	✓	
Integrated Risk Management	Board of Directors, Customers, Regulatory Authorities	Our Financial Assets , p. 40	✓	✓
Ethics and Compliance	All Stakeholders	Our Financial Assets , p. 40	✓	✓
Data Privacy and Security	All Stakeholders	Our Intellectual Assets , p. 56	✓	✓

Ziraat Participation generates economic, environmental, and social value with its business model and robust management system, concentrating on corporate strategies.

GRI 2-25, 201-1, 201-2, 203-1, 203-2, 3-3

MATERIAL TOPIC	RELATED STAKEHOLDER	SECTION FOR DETAILED INFORMATION	GRI	SASB
MODERATELY MATERIAL TOPICS				
Fight Against Climate Change	All Stakeholders	Our Financial Assets , p. 40 Our Natural Assets , p. 70	✓	
Responsible Products and Services	Customers	Our Financial Assets , p. 40	✓	
Employee Welfare and Rights	Employees	Our Human Assets , p. 48	✓	
Corporate Culture Principles	Employees	Our Human Assets , p. 48	✓	
Training and Talent Management	Employees	Our Human Assets , p. 48	✓	
Customer Experience and Satisfaction	Customers	Our Financial Assets , p. 40 Our Intellectual Assets , p. 56 Our Manufactured Assets , p. 60	✓	
Financial Inclusion	Customers	Our Financial Assets , p. 40 Our Intellectual Assets , p. 56 Our Social and Relational Assets , p. 66	✓	✓
MATERIAL TOPICS				
Equal Opportunity and Diversity	Employees	Our Human Assets , p. 48	✓	
Corporate Social Responsibility	Employees /Society	Our Social and Relational Assets , p. 66	✓	
Financial Literacy	Society	The Bank aims to develop and implement financial literacy projects in the upcoming period.	✓	
Natural Resources and Waste Management	All Stakeholders	Our Natural Assets , p. 70	✓	

A RESPONSIBLE CORPORATE CITIZEN

HOW DO WE MANAGE OUR BUSINESS?

Ziraat Participation acknowledges that successful corporate governance is the essential foundation for generating sustainable added value.

In addition to establishing the foundation for sustainable economic performance, corporate governance additionally defines the framework for ethical and fair competition, and it balances and safeguards the interests of stakeholders. Ziraat Participation establishes its corporate governance model and practices on this foundation, ensuring that all of its activities are conducted in strict adherence to ethical values, honesty, fairness, and professionalism.

The Bank considers these principles as integral components of its corporate governance, which enables it to fulfill its responsibilities to its stakeholders, respect their rights, optimize resource utilization, and ensure the sustainability of its efficient operations and the value it provides to its stakeholders.

Ziraat Participation has developed and implemented corporate governance policies, principles, and practices as part of its commitment to generate long-term value for its shareholders and other stakeholders. The Bank's corporate governance practices stipulate the following:

- Cultivation of risk, compliance, and ethical cultures,
- Development and approval of strategy and target sets, and ensuring their implementation,
- Identification, elimination, and systematic monitoring of potential risks that could impact the business.

The corporate governance framework of Ziraat Participation is structured in accordance with provisions of Banking Law No. 5411 and the regulations set forth by the BRSA. The Bank is committed to consistently upholding these principles and continually improving its relevant practices.

The corporate governance practices at Ziraat Participation are overseen under the guidance and management of the Board of Directors.

The Bank's Board of Directors regularly reviews and updates governance practices to align with the changing legal framework and continuously evolving global and national market conditions, and protects, observes, and represents the interests of shareholders and stakeholders in the best way possible by focusing on transparency. For detailed information about the Board of Directors, please refer to pages 54-55 of the [2023 Annual Report](#).



Highlights from 2023 Corporate Governance Performance

Number of members in Board of Directors	7
Chairman of the Board of Directors and CEO	Different individuals
Number of Board of Directors meetings	37
Ratio of Board of Directors meetings with full attendance	100%
Number of the Committees under the Board of Directors	5 (Credit Committee, Audit Committee, Corporate Governance Committee, Remuneration Committee and Advisory Committee)
Total number of Board of Directors resolutions	296

GRI 2-9, 2-27, 201-1, 205-1, 205-2**Committees**

The Ziraat Participation Board of Directors established the Credit Committee, Audit Committee, Corporate Governance Committee, and Remuneration Committee to effectively perform their roles and responsibilities. For detailed information regarding the Committee's activities, please refer to page 59 of the [2023 Annual Report](#).

Internal audit, internal control, compliance and risk management

The activities of internal audit, internal control, compliance, and risk management in Ziraat Participation are conducted under the Audit Committee by the Inspection Board, the Directorate of Internal Control, the Directorate of Compliance, and the Directorate of Risk Management, which operate within the Internal Systems Group.

For detailed information on internal audit, internal control, compliance, and risk management, please refer to pages 66-70 and 73-75 of the [2023 Annual Report](#).

Commitment to Full Compliance with the Principles of Participation Banking

Ziraat Participation, which operates with the goal of fully complying with the principles of participation banking, conducts its operations adopting a "participation" approach based on sharing in both providing financing to its customers and collecting funds. Participation accounts, which are developed to collect funds, serve as the most fundamental element that distinguishes participation banks from traditional banks. Participation banks collect funds through special current and participation accounts and utilize these funds in compliance with the principles of interest-free finance.

For detailed information about participation banking, please refer to the [Get to Know Participation Banking](#) tab on the Ziraat Participation website.

Advisory Committee

In order to ensure effective coordination of compliance with interest-free banking principles and standards at Ziraat Participation, the Advisory Committee and Advisory Committee Coordination Service Management were established. During the reporting period, the Advisory Committee convened 25 meetings and made 75 decisions. For detailed information about the Advisory Committee's activities, please refer to pages 60-61 of the [2023 Annual Report](#).

Ziraat Participation Corporate Culture

The Corporate Culture of Ziraat Participation reflects the practical implementation of the employees' experiences, beliefs, and ethical values and consists of 8 core principles.

- Customer Focus
- Accountability
- Innovation
- Teamwork
- Results Focus
- Integrity
- Respect
- Continuous Development

The Ziraat Participation Business Culture Principles have been established based on the extensive experience of the Ziraat Finance Group and the principles of participation banking.

The set of principles aims to establish an organization that achieves more through sharing and to ensure sustainable success in cultivating the Ziraat Participation culture.

Within its governance cycle, Ziraat Participation places emphasis on the perspectives of employees and managers at all levels.

In 2023, the Bank has organized events that have become traditionalized, contributing to the governance power to operate more effectively and in accordance with precisely defined targets.

Strategy Workshop 2023

Mr. Metin Özdemir, the CEO, delivered the opening remarks at the Strategy Workshop 2023 in March. Mr. Özdemir provided his assessments and perspectives on the key focus areas outlined in Ziraat Participation's 2022-2025 Strategy Plan, as well as transformation projects and endeavors to further develop and strengthen the Bank in line with the Ziraat Participation culture.

At the meeting, presentations were also delivered by Group Heads and Deputy General Managers. In the second session of the meeting, working groups were organized with the participation of all participants, and assessments were conducted on the ideas proposed for solution searches based on the specified topics.

GRI 2-9, 2-12, 2-13, 2-14

HOW DO WE MANAGE OUR BUSINESS?

During the preparation of this report for publication, the 2nd Strategy Workshop and Assessment Meeting of Ziraat Participation took place in February 2024.

Ziraat Finance Group Vision 2023 Meeting

The traditional ZFG Vision 2023 meeting, which aims to bring together the senior management of the companies operating under the Ziraat Finance Group and foster a synergistic and productive environment for sharing ideas, was held in Antalya on 20-22 November 2023.

The 4th of this traditional organization of the Group was attended by Mr. Alpaslan Çakar, Chairman of the Board of Directors of Ziraat Participation and CEO of Ziraat Bank, Mr. Metin Özdemir, CEO of Ziraat Participation, Board Members, Senior Managers of Ziraat Finance Group, Deputy General Managers, Group Presidents, Department Heads, Headquarters Service Managers, and Branch Managers.

During the meeting, discussions were made regarding ZFG's future objectives and strategies. Mr. Özdemir, who came together with Ziraat Participation managers, also conducted a meeting regarding the Bank's goals and policies.

ESG MANAGEMENT AND STRUCTURE AT ZIRAAT PARTICIPATION

Ziraat Participation has established a sustainability governance structure that prioritizes addressing environmental, social, and governance risks in alignment with its commitment to sustainable banking.

Sustainability practices are conducted under the supervision of the Ziraat Participation Board of Directors and the leadership of the CEO.

The Sustainability Committee, chaired by the CEO, is actively engaged in the coordination of the Bank's sustainability practices and establishing the sustainability strategy and goals.

The Sustainability Committee, established with the involvement of the Bank's senior management, sets and reviews the goals and material topics and takes the necessary decisions. The Board of Directors evaluates and approves the decisions. The Committee is also responsible for monitoring the impact of environmental and social activities, ensuring the compliance of projects, and monitoring other material topics determined within the scope of the sustainability management system. At Ziraat Participation, units are assigned as required to work on strategic projects.

When necessary, relevant Department Heads are invited to the Committee meetings. The Committee convenes annually or as needed at the Chairperson's discretion. Decisions of the Committee are made through a majority vote. In case of equal number of votes, the Chairperson's vote shall be decisive.

Ziraat Participation will require compliance with the strategies and criteria outlined by the Sustainability Committee in all projects exceeding certain limits.*

The monitoring and coordination of sustainability-related activities in the Bank in terms of umbrella activities are carried out by the Strategy Planning Department, Strategy Planning and Sustainability Services. The secretariat duty of the Committee is also fulfilled by the same Department. Within the scope of this duty, it carries out the following tasks:

- Coordination of committee activities,
- Formation of working groups for sustainability-oriented projects,
- Reporting, monitoring, and archiving decisions.
- Identifying the necessary actions in accordance with the Committee's decisions, tracking realizations and potential deviations,
- Reporting to the relevant units through the committee.

*For detailed information about ESRA, please refer to [Our Financial Assets](#) section.

GRI 2-12, 2-13, 2-14**Six working groups operate under the Sustainability Committee.**

The competencies needed for the relevant project are incorporated into these working groups, and when necessary, consultancy and similar services are received from external resources and best practices are utilized. The number and focus areas of the working groups, which have an important place in the sustainability structure of Ziraat Participation, may vary according to the pertinent sustainability agenda and the Bank's strategies.

Ziraat Participation Sustainability Working Groups and Their Duties

Sustainability Corporate Governance Group <ul style="list-style-type: none"> Updating sustainability policies • Conducting internal audits of sustainability initiatives • Coordinating sustainability reporting 	Indirect Environmental Impacts Group <ul style="list-style-type: none"> Implementation of Environmental and Social Risk assessment system for Project Loans • Providing consultancy services, project monitoring and reporting activities for Environmental Social Risk assessments • Conducting an overall environmental social risk assessment analysis of the loan portfolio
Corporate Social Responsibility and Training Group <ul style="list-style-type: none"> Identifying and implementing Corporate Social Responsibility project themes • Conducting sustainability activities and sponsorship activities • Organizing sustainability training programs within the Bank and ensuring capacity development 	Sustainable Sukuk and Products Group <ul style="list-style-type: none"> Developing and updating the sustainable finance framework • Formulating financing products with a focus on sustainability • Providing assistance for sustainable Sukuk and other borrowing operations • Establishing connections with international financial institutions
Operational Environmental Impacts Group <ul style="list-style-type: none"> Planning and monitoring energy and environmental management initiatives at our buildings • Developing and ensuring the continuity of a greenhouse gas inventory of our Bank's internal emissions • Conducting sustainable supply chain operations • Planning and implementing solutions to optimize savings and efficiency for office environments 	Climate Risks Group <ul style="list-style-type: none"> Ensuring measurement and management of climate risks • Ensuring integration of climate risks into the overall risk system • Calculating financed emissions

ESG MANAGEMENT AND STRUCTURE AT ZIRAAT PARTICIPATION



GRI 2-12, 2-13, 2-14

Sustainability Project
Sponsor

Indirect Environmental Impacts
Group



Sustainable Sukuk and Products
Group



Climate Risks
Group



ESG MANAGEMENT AND STRUCTURE AT ZIRAAT PARTICIPATION

Responsibilities and Authorities of the Ziraat Participation Sustainability Committee

The Ziraat Participation Sustainability Committee serves as the highest-level body responsible for establishing the Bank's sustainability goals and material topics.

- 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 may 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 crediting process,
- Establishing the Bank's sustainability network - Identifying the areas and institutions that the Bank will collaborate with in this context,
- 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 that support sustainable development,
- Managing direct and indirect environmental and social impacts, closely monitoring the efforts to mitigate these impacts,
- Managing the potential risks that may have adverse impact on the reputation of Ziraat Participation,
- Ensuring communication of sustainability initiatives to be conducted within the Bank,
- Defining the duties, authorities, and responsibilities of the Sustainability Coordinator 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 framework of the Bank's sustainability governance system comply with Ziraat Participation's other policies and relevant guidelines.

DEVELOPMENTS IN THE EXTERNAL ENVIRONMENT

MACROECONOMIC OUTLOOK

Global fight against inflation

The global economic agenda of 2023 has been marked by inflationary tendencies and the struggle of central banks with this situation. The past year witnessed central banks implementing interest rate increases as part of their efforts to tighten monetary policies, accompanied by weak growth rate projections and potential recession concerns, and ongoing wars and fluctuations in the energy markets have emerged as critical topics on the economic agenda.

While a partial easing in monetary policies is projected as of the latter half of 2024, new global trade routes are anticipated to emerge.

The fight against inflation was the primary focus for the US economy in 2023.

While the Fed has continued its efforts to sustain economic activity, it has also implemented various tightening monetary policy measures to fight inflation.

The increase decisions made led to the Fed raising interest rates to their highest levels over the past 22 years.

The value of the dollar index has decreased by over 2% in the past year, following a 15% increase in the two years prior as a result of interest rate hikes.

The OECD report forecasted a 2.4% growth rate for the US economy in 2023 and a 1.5% growth rate in 2024.

For the European economy, the year 2023 has been characterized by endeavors to address inflation

The European Central Bank (ECB) appears to be resolute in its commitment to fighting inflation as we enter 2024. In order to bring down inflation to the target rate of 2%, the ECB increased interest rates as part of this endeavor. The Bank emphasized that it would continue to implement its strict policy until it achieves the target in the new year. The European economy's growth rate is anticipated to be 0.6% in 2023 and 0.9% in 2024, according to the OECD's report.

MACROECONOMIC OUTLOOK

Developing economies experience a greater impact from global developments.

The Chinese economy, which experienced a recovery in the post-epidemic period and implemented interest rate cuts in 2023 to stimulate economic activity, is projected to achieve growth rates of 5.2% in 2023, 4.7% in 2024, and 4.2% in 2025. Meanwhile, the service sector in China maintained its growth momentum towards the end of the year.

Turkey has been engaged in a busy agenda throughout 2023.

Intensive efforts were made throughout the year to address the economic and social repercussions of the Kahramanmaraş-centered earthquakes that struck our country on 6 February 2023.

Moreover, the changes in this period led to the adoption of a new policy to fight inflation, and while measures were taken towards tightening, messages of determination were conveyed in this regard. During this process, while interest

rates were raised, decisions were made to decrease overall demand by implementing measures on the loan side.

Whereas no easing in policy implementation is expected in the first half of 2024, it is emphasized that time is needed to observe the outcomes of the measures taken and that the ultimate goal is to bring inflation down to single digits in the long run. Considering all these developments, it can be assessed that interest rates will peak at the end of 2023, that, based on the available data, significant increases are not anticipated in the future, and that there may be decisions made to reduce interest rates towards the end of the upcoming year.

While steps are being taken within the scope of the Medium Term Program, the Turkish economy is projected to achieve growth rates of 4.4% in 2023, 4% in 2024, and 4.5% in 2025. As 2023 ends with an inflation rate of 64.77%, the CBRT's projection for the end of 2024 is a more optimistic 38%, followed by a further decrease to 14% by the end of 2025. It is projected that the primary focus of economic management in the upcoming year will be addressing inflation and ensuring financial stability.

CURRENT STATUS OF THE CLIMATE CRISIS



According to [IPCC's 2023 Synthesis Report \(AR6\)](#), greenhouse gas emissions continue to increase. Increasing greenhouse gas emissions resulting from human activities are unequivocally the triggers of global warming.

Based on the same report, the global surface temperature rose by 1.1°C between 2011 and 2020, surpassing the temperature records from 1850 to 1900. The changes that have occurred in our planet's climate system, along with the increase in global temperature, unprecedented in millennia, are resulting in many devastating consequences, from rising sea levels to weather extremes and rapidly disappearing glaciers.

Highlights from the findings on global warming shared in the IPCC Report:

- Greenhouse gas emission concentrations are higher than any other time in the last 2 million years. The level of glacier retreat is unprecedented in the last 2,000 years.
- The last 10 years have been the warmest period in the past 125,000 years.
- The rise in sea level has been greater than any other century in the past 3,000 years.
- Ocean warming has accelerated to levels not recorded since the last ice age.
- The current level of ocean acidification is the highest it has been in the past 26,000 years.

The adverse impacts of climate change on both humans and ecosystems are more widespread and severe than anticipated.

Approximately half of the global population struggles with severe water scarcity for at least one month a year. High temperatures contribute to the spread of vector-borne diseases such as malaria, West Nile virus, and Lyme disease.

Since 2008, devastating floods and storms have forced more than 20 million people from their homelands. Each additional degree of warming will further exacerbate these threats. At this level of warming, for example, 950 million people across the world's drylands will experience water stress, heat stress, and desertification, while the share of the global population exposed to flooding will rise by 24%.

According to the IPCC report, implementing climate change adaptation measures will increase the resilience of the global ecosystem.

Scaling up adaptation solutions requires significant financing. While climate policy adaptation is being considered in 170 countries as of 2023, the majority of them have not yet progressed from planning to implementation.

According to the IPCC, it has been projected that developing countries alone will need USD 127 billion per year by 2030 and USD 295 billion per year by 2050 to adapt to climate change.

The good news is that proven and readily implemented adaptation solutions, with adequate support, can build resilience to climate risks and, in many cases, simultaneously deliver broader sustainable development benefits.

The transition to a low-carbon economy depends on a wide range of closely associated drivers and constraints.

Despite significant progress over the past ten years, sectoral and cross-country collaboration, policy strengthening, and coordination are still necessary to mitigate the adverse impacts of the climate crisis.

The World Meteorological Organization (WMO) issued a red alert at COP28, announcing that the increase in the temperature of our planet will reach 1.4°C in 2023, according to findings from preliminary studies.

The combination of rising temperatures as a result of climate change caused by fossil fuels and the climate effect generated by the El Niño* climate pattern in the Eastern Pacific has led to record temperatures in 2023.

Scientists are concerned that 2024 could witness even more adverse climate and temperature conditions, as the impact of El Niño on the climate peaks in the winter months and temperatures rise even higher.

*The El Niño-Southern Oscillation (ENSO) is a recurring natural phenomenon characterized by fluctuating ocean temperatures in the equatorial Pacific, coupled with changes in the atmosphere, which have a major influence on climate patterns in various parts of the world.

GRI 3-3

CURRENT STATUS OF THE CLIMATE CRISIS

The overarching goal of the EU Green Deal is for Europe to become the world's first climate-neutral continent by 2050.

The EU aims to achieve a cleaner environment, more affordable energy, smarter transportation, new job opportunities, and a better quality of life in general by 2050. In order to achieve this goal, the European Green Deal, announced in 2019, envisions a green transformation across various business lines, from agriculture to industry, from energy to transportation.

As the EU progresses towards a zero-carbon journey, it is preparing to launch the Carbon Border Adjustment Mechanism (CBAM) to mitigate any adverse impacts that this process will have on its economy. Under CBAM, countries without carbon pricing on exports to the EU will be subject to a fee or tax. The CBAM mainly aims to increase the competitiveness of companies that will bear the cost of the measures to be taken to protect the climate in the EU.

The EU's "green transformation" is expected to have an impact on Türkiye, which exports a substantial portion of its products to the EU.

CBAM, which will be a tax-equivalent practice, will impose a cost on Türkiye's GDP. Although it will result in cost increases in sectors such as cement, electricity production, fertilizer, iron and steel, and aluminum, the real concern will be the challenges that Turkish companies will encounter in obtaining financing unless they establish permanent policies and practices to address the climate crisis.

Under the leadership of the Ministry of Trade of the Republic of Türkiye and with the coordination of all public and private sectors, an Action Plan was announced, which comprises eighty-one actions and thirty-two goals under nine fundamental criteria. The plan, which serves as a roadmap, is designed to enhance Türkiye's competitiveness in exports and in the international arena, increase green investments in the country, and simultaneously establish Türkiye as a hub for green investments.

While CBAM may initially impose a burden on exporting companies, it is important for our country to recognize and assess this window as an opportunity for the medium- and long-term transition to a circular economy.

ZIRAAT PARTICIPATION'S RESPONSE TO EXTERNAL DEVELOPMENTS

Ziraat Participation is committed to effectively managing and responding to external risks in order to achieve its goals and foster sustainable growth through strategic execution and effective risk management. Economic and geopolitical developments, changing regulations, megatrends such as the global climate crisis, social change, and the preferences and expectations of financial consumers influence the financial services industry in which Ziraat Participation operates.

Ziraat Participation responds to the change in the market by focusing on Digital Transformation and Innovation by:

- Developing innovative financial products and services,
- Integrating digital transformation into business processes,
- Consistently expanding digital service channels and diversifying transaction capacities,
- Making investments to update its technological infrastructure,
- Establishing data governance processes that facilitate data-driven decision making,
- Developing customized products and services by utilizing technologies such as data analysis and artificial intelligence.

GRI 201-1, 3-3, 205-1, 205-2, 3-3

Ziraat Participation responds to the changes in the market by focusing on Financial Performance and Profitability by:

- Assessing economic developments on a global and local scale in accordance with scenario analyses,
- Implementing efficient and agile techniques to balance sheet management,
- Implementing effective resource and cost control management,
- Implementing strategies that enhance institutional and economic resilience in response to the challenges posed by the markets,
- Diversifying funding operations,
- Strengthening its reputation as a participation bank that implements responsible banking principles to promote sustainable and inclusive growth,
- Providing effective environmental and social risk management through ESG-oriented policies in lending processes,
- Increasing the proportion of SDG-related participation banking products in its portfolio.

Ziraat Participation responds to the changes in the market by focusing on Integrated Risk Management by:

- Using effective risk management systems in accordance with global and local economic developments,
- Maintaining a flexible and agile organizational structure that can readily adapt to current and changing regulations,
- Effectively utilizing credit assessment processes.

Ziraat Participation responds to the changes in the market by focusing on Ethics and Compliance by:

- Ensuring full compliance with the tightening regulations imposed by regulatory authorities in legal frameworks regarding ethics and compliance aspects is crucial.
- Implementing ethics and compliance programs within the corporate governance framework,
- Raising awareness among its employees regarding ethics and compliance,
- Organizing training programs to ensure the effectiveness of ethics and compliance policies,
- Establishing mechanisms for employees and stakeholders to report potential ethical violations and non-compliance.

Ziraat Participation responds to the changes in the market by focusing on Data Privacy and Security by:

- Fully complying with the legislation governing data privacy and security in Türkiye,
- Making investments to enhance data privacy and security within its infrastructure,
- Conducting development studies on emerging methodologies such as data encryption technology, blockchain, and biometric authentication.

A CYCLE THAT GENERATES AND SHARES VALUE

ZIRAAT PARTICIPATION BUSINESS MODEL

Our Inputs

Financial Capital

Capital provided by our shareholders
Other resources

Human Capital

Our talents who have chosen Ziraat Participation to establish their professional future

Manufactured Capital

Our branch network spread across Türkiye
Our branches abroad
Our digital service platforms

Intellectual Capital

Ziraat brand
Our technical and technological capacity
Our knowledge

Natural Capital

Natural resources we utilize to run our service cycle

Social Capital

Our contribution to society
Our relations with our stakeholders

The participation banking industry in which Ziraat Participation operates is influenced by significant risks such as global geopolitical and financial instability, the digital revolution and cyber security, and climate change. Ziraat Participation, which manages these challenges posed by the markets with a robust risk management framework, simultaneously continues its efforts to provide new and customized products and services to its customers.

Ziraat Participation brings about the value generation and sharing model with the contribution of its robust corporate governance framework, physical and digital service platform, and support functions. The Bank also leverages the culture, knowledge, brand reputation, and international credibility provided by being a member of the Ziraat Finance Group, in line with its goal of becoming a leading participant in participation banking.



GRI 201-1, 203-1

Key Processes



Our Outputs/Impacts

- The resources, products, and services we provide to our customers
- The opportunities we provide to our employees, the compensations, and other personal rights
- The taxes disbursed
- The dividends we distribute to our shareholders
- Our social investments
- The infrastructure and superstructure investments we make for the sustainable development and growth of Ziraat Participation
- The direct and indirect measures we implement for the optimal utilization of natural resources and the protection of the environment

GRI 2-6, 203-1, 203-2, 3-3

OUR FINANCIAL ASSETS



EVERYTHING IS FOR A SUBSTANTIAL CONTRIBUTION TO A SUSTAINABLE FUTURE

MATERIAL TOPICS DISCUSSED IN THIS SECTION

Financial Performance and Profitability

Customer Experience and Satisfaction

Responsible Products and Services

Financial Inclusion

Integrated Risk Management

Ethics and Compliance

- ▶ Ziraat Participation designs, develops, and provides its financial products and services in accordance with and in alignment with the principles of participation banking.

- ▶ Participation banking principles are a business philosophy that aims to generate and share value for all stakeholders rather than merely serving as a system. The foundations and principles provided by participation banking also align with ESG principles, which encourage responsible business behavior.

- ▶ Participation banking, which prohibits speculative market transactions, significantly contributes to the resilience of institutions and enables them to readily cope with the challenges during periods of crises and fluctuations. In this respect, participation banking is a system that promotes resilience and long-term development.

GRI 2-6, 203-1, 203-2, 3-3

ZIRAAT PARTICIPATION IS COMMITTED TO CONTRIBUTING TO THE DEVELOPMENT OF THE TURKISH ECONOMY AND THE WELFARE OF ITS STAKEHOLDERS.

Ziraat Participation, the participation banking subsidiary of Ziraat Bank, which is the natural leader and well-established institution in our country's financial industry, contributes to building an economic structure that encompasses all segments of society and offers equal opportunities for everyone.

In addition to Ziraat Participation's robust financial structure, its capacity to quickly capitalize on emerging opportunities within the frame of its dynamic and proactive strategy and incorporate them into its performance is a key component and driving force behind its efficiency and profitability. In the 2023 reporting period, Ziraat Participation's asset size reached TL 384 billion.

Ziraat Participation, which achieved the performance growth it targeted in its business lines, marked significant growth in the funds it extended, the funds it collected, and its equity.

Extended funds, which indicate the contribution to the Turkish economy, totaled TL 260 billion in 2023.

Following an effective risk management policy in the allocation process of extended funds, Ziraat Participation's non-performing loans (gross)/extended funds ratio was at a low level of 0.77% in 2023. This rate is significantly lower than the average rate in the Turkish banking sector.

Ziraat Participation's share in the participation banking sector was 17.9% at the end of 2022, while it was 18.8% as of the end of 2023.

For detailed information regarding Ziraat Participation's financial performance in 2023, please refer to the [2023 Annual Report](#).

CUSTOMER SATISFACTION IS A CONCEPT INCLUDED IN THE MISSION OF ZIRAAT PARTICIPATION.

Ziraat Participation's primary objective is to provide optimal treatment to its customers, who are its reason for existence, by delivering prompt, precise, and high-quality solutions to fulfill their demands and needs. The Bank provides its

products and services to its customers through a wide range of alternative distribution platforms in addition to its branches, which are its traditional distribution channels.

During the reporting period, the Bank's customer base across all segments reached 1,163,058.

Bank's [corporate website](#) provides up-to-date information about the product and service range of Ziraat Participation in the Retail, Commercial and Private Banking segments. Digital banking applications, which have grown significantly in recent years, have played a key role in serving the financial needs of Ziraat Participation customers at their utmost convenience, resulting in exceptional customer satisfaction. The extensive efforts dedicated to digitalization have significantly enhanced the service experiences of both individual and corporate customers.

Katılım Mobile serves as the digital channel of Ziraat Participation.

While the number of customers utilizing Katılım Mobile and usage rates continue to grow, the innovations that have been implemented have also contributed to reaching more customers.

- In 2023, Katılım Mobile's device identification method enabled faster login and transaction processing, and structural improvements continued to enhance transaction speed and security.
- The new feature of Katılım Mobile, the Send Document function, which enables customers to conveniently submit missing or updated documents without the need to visit a branch, has been made available for use.
- With the new TR ID card and face recognition technology, users can now conveniently carry out transactions such as Forgot My Password, Get Password, Sim Card Verification, and Mobile Phone Number Update using Katılım Mobile.
- Enhancements have been made to the user interface and editing features of the Internet Branch. Additionally, informational boxes have been incorporated into Katılım Mobile as part of marketing initiatives.
- Katılım Mobile and Internet Branch commenced stock trading brokerage services during the report's preparation for publication.

GRI 2-6, 203-1, 203-2, 3-3

OUR FINANCIAL ASSETS

When considered in terms of contribution to sustainability, the widespread availability of digital services plays a significant role in minimizing reliance on paper and subsequently reducing waste.

- For 2024, the following actions are scheduled within the scope of projects for Katılım Mobile and Internet Branch:
- Receiving commercial customer applications from Katılım Mobile via video call and providing distance application opportunities,
- Allowing corporate customers to utilize the digital approval structure,
- Enabling private banking customers to utilize the Katılım Mobile application with a unique theme,
- Continuing infrastructure renewals and arrangements to enhance the user experience.

In 2023, the number of Katılım Mobile users increased by 9%, the number of Ziraat Participation credit cards in use increased by 42%, and the number of automatic bill payment orders increased by 37%.

The insurance product range is growing through innovations

Ziraat Participation has introduced İlk Ateş SME Insurance, Limit Protection Insurance, Corporate Package Insurance, Individual Assurance Insurance, Personal Accident Insurance, Entrepreneur Support Insurance, Farmer Support Insurance, Farmer Friendly Insurance, Agricultural Finance Life Insurance, and State Supported Receivable Insurance products in 2023.

Capacity to provide services in four different languages

The Central Banking Branch of Ziraat Participation provides services in four different languages: Turkish, Arabic, English, and sign language. This practice, which demonstrates an inclusive service approach, is also part of the initiatives undertaken for Banking for the Disabled Customers.

The total number of customers of the Branch, which gained 12,340 new customers in 2023, increased by 18.38% compared to the end of 2022 and reached 79,471.

100% of the customers acquired in 2023 joined the portfolio through video calls.



The growing significance of customer satisfaction in digital banking

The Customer Satisfaction and Communication Quality Unit at Ziraat Participation conducts enhancing complaint management, telephone banking, and video call account opening processes through continuous development studies.

The unit, which conducts telephone banking customer representative surveys, also performs satisfaction surveys at 6-month intervals within the context of digital channels, compiles the feedback and suggestions from the Bank's customers regarding its products and services, and carries out development studies.

Customer inquiries received through any channels of communication are recorded in the Bank's system, and customers are promptly informed via text messages and e-mails that their inquiries have been recorded and are being processed.

The customer inquiries, which are recorded, are meticulously processed and analyzed by the Customer Satisfaction Center teams responsible for managing and addressing inquiries. Customers receive feedback via their preferred communication channel (text message, email, phone, or written) for their finalized inquiries.

In addition, the SME Participation Digital brand was established in 2023 to facilitate customers' ERP solutions, open banking, and smart cash flow financial transactions. This channel provides a range of products and services related to e-document management (invoicing, storage, tracking, etc.), bookkeeping (account statement, stock tracking, barcode identification, credit card usage, etc.), payment processing (instant withdrawal, payment link sharing, invoice matching, etc.), and bank account transactions.

GRI 2-6, 203-1, 203-2, 3-3

A WIDE RANGE OF PRODUCTS, SERVICES AND SOLUTIONS WITH HIGH VALUE PROPOSAL**Generating added value through collaborations with KGF, KOSGEB, and KFK****Support for the real sector in the aftermath of the pandemic**

Within the framework of the protocol signed between Ziraat Participation and the Credit Guarantee Fund (KGF), it is aimed to minimize the adverse impacts of the COVID-19 pandemic on business operations and provide financial support for investment projects. Financing opportunities are still being provided to businesses within the scope of the protocols.

In 2023, the management of the Islamic Development Bank approved the "Emergency Working Capital Loan Financing product to Support SMEs in Türkiye" in exchange for the Turkish Government's Treasury guarantee, and the disbursements have begun. Within this scope, in 2023, a total of EUR 9 million was disbursed to 11 SMEs and medium-sized enterprises that are commercial segment customers.

Providing assistance in times of disasters and emergencies

Ziraat Participation remained committed to supporting its stakeholders who were affected by economic challenges caused by various disasters and emergencies that occurred in different regions across our country in 2023.

In order to provide financial support to businesses impacted by heavy rainfalls, floods, and landslides in Amasya, Kastamonu, Sinop, and Samsun provinces in 2023, the "Amasya, Kastamonu, Sinop, and Samsun Provinces Emergency Support Financing" product developed in cooperation with KOSGEB was offered to stakeholders.

A protocol called "İstanbul Başakşehir Emergency Support Financing" was signed between KOSGEB and the Bank in order to provide financial assistance to businesses impacted by the floods in 2023 in the Başakşehir district of İstanbul province, and work has been initiated in this direction.

In order to provide financial assistance to the businesses impacted by the fire in İnegöl district of Bursa province, disbursements were made within the scope of the Bursa İnegöl Emergency Support Financing resource package, which was also developed in cooperation with KOSGEB.

In order to provide financial support to businesses impacted by heavy rainfall and storms in İstanbul (Şile and Ağva), Bursa (Gemlik), Diyarbakır (Bismil), Batman (Central), Zonguldak (Alaplı and Ereğli), and Düzce, the "İstanbul, Bursa, Düzce, Diyarbakır, Batman, and Zonguldak Provinces Emergency Support Financing" protocol was signed between KOSGEB and the Bank.

Systematic support for exports

In alignment with the goal of contributing to the country's economy, Ziraat Participation provides long-term financing option with appropriate profit sharing rates to both SMEs and non-SME businesses that are members of exporter associations. In 2023, a total of USD 48.7 million was disbursed from the Vade-SİZ Export Finance product package.

As part of the protocol on equity guarantees signed between **Islamic Credit Guarantee Fund (KFK)**^{*} and Ziraat Participation, it is aimed to provide financial support to customers in the exporter or foreign exchange earning services sector, thereby enhancing their access to financing.

The KFK-Equity Export Support Package sub-protocol has been signed and preparations to make the product available have been initiated.

Within the scope of the collaboration between KFK and the Bank and the equity protocol signed, studies are underway to develop the KFK-Financial Leasing Package, which will be made available to both SMEs and non-SME companies.

Within the frame of the protocol, a financial leasing limit of TL 20 million was promptly disbursed to facilitate consumers' access to financing. Ziraat Participation will persist in its funding efforts supported by KFK in 2024.

The Export Preparation Support Financing, currently in progress, aims to provide support to export customers in covering expenses related to production, such as raw materials, products, and semi-products to enhance the competitiveness of companies:

^{*} KFK was established through a partnership between the Ministry of Treasury and Finance of the Republic of Türkiye, the Participation Banks Association of Türkiye (TKBB), and 6 participation banks operating in our country. KFK aims to meet all kinds of credit and financing needs by providing novel guarantee and surety solutions, both domestically and internationally, tailored to the specific requirements of the Turkish market and in compliance with the principles and standards of interest-free banking. Ziraat Participation holds a 15% participation share in KFK.

GRI 2-6, 203-1, 203-2, 3-3

OUR FINANCIAL ASSETS

SUSTAINABILITY-ORIENTED PRODUCTS

Ziraat Participation expands and diversifies its range of its SDG-related products and services following participation banking principles.

Retail Products

Green Home Housing Loan, Green Vehicle Loan, Individual Energy Efficiency Loan, and Energy Efficiency Management Loan are provided.

Corporate Products

Energy Efficiency Investment Loan, Energy Efficiency Business Loan, Renewable Energy Business and Investment Loan, Wastewater Treatment and Recycling Investment and Business Loan are made available.








Two financing products, namely Energy Efficiency & Wastewater Treatment and Recycling Machinery Investment and Renewable Energy Investments, are also provided as financial leasing products.

Ziraat Participation,








- Provides funding for the green transformation, which is critical for the future of the planet and humanity.
- Contributes to reducing our country's external dependency on energy resources and facilitating the transition to renewable energy.
- Prioritizes contributions to the SDGs.

Designs Sustainability-Oriented Financing Products and provides them to both retail and corporate customers.



For Retail Customers		CONTRIBUTED SDG
Green Home Housing Loan	The product aims to facilitate the proliferation of energy-efficient houses. In addition to Ziraat Participation's current housing finance application, this product is provided to energy-efficient houses with more favorable terms compared to other financing options. It is available within the scope of financing the houses with an Energy Performance Certificate (EKB) and energy performance A and B classes.	  
Green Vehicle Loan	This product is designed to promote environmental sustainability and encourage low-carbon consumption. It is available for electric or hybrid (gasoline-electric) vehicle purchases. Based on the current conditions and in comparison to other vehicle loans offered by the Bank, it provides more favorable terms. The Green Vehicle Loan is available for vehicles labeled as electric or hybrid (gasoline-electric) on the pro forma/final invoice for 0 km vehicles and on the vehicle registration document for second-hand vehicles.	 
Individual Energy Efficiency Loan	It is a product specifically designed to meet the financing needs of energy efficiency investments that Ziraat Participation customers will make individually, offering advantageous payment plans.	
Energy Efficiency Management Loan	This product is designed for the financing of investments aimed at enhancing the energy efficiency of buildings by apartment and site managements, with advantageous payment plans.	

GRI 2-6, 203-1, 203-2, 3-3

For Corporate Customers		CONTRIBUTED SDG
SPP, Rooftop SPP, SPP Investment and Operation Loan	This product is designed to promote the use of solar energy for generating electricity. It is intended to provide financing options for licensed/unlicensed SPP installations, as well as rooftop SPP investments in companies' facilities and factories.	 
Loan for Investments and Businesses within the Scope of Renewable Energy	It is available for companies that have a license to generate electricity based on renewable energy sources (WPP, GPP, HEPP and biomass) and companies that invest in renewable energy with operating financing within the scope of their working capital needs.	 
Energy Efficiency Investment and Operation Loans	This is available for financing investments that involve the acquisition of energy-efficient machinery and equipment, as well as meeting working capital needs for companies investing in energy efficiency.	 
Wastewater Treatment and Recycling Investment and Operation Loan	<p>This product, which aims to protect and enhance the environment, prevent environmental pollution, and support investments in environmental initiatives, is available for financing new</p> <ul style="list-style-type: none"> · Wastewater infrastructure, · Wastewater treatment, · Deep sea discharge, · Waste disposal, · Solid waste recovery facility, <p>investments of companies with production processes that generate wastewater, or investments aimed at improving existing facilities.</p> <p>Furthermore, business financing for working capital financing needs of companies investing in wastewater treatment and recovery is also considered under this heading.</p>	



For up-to-date information about sustainability-oriented products please refer to our [corporate website](#).

A “first” in state-supported agricultural financing

Ziraat Participation is committed to contributing to the development of agriculture in our country, ensuring mechanization and modernization within the framework of the sustainability ecosystem, and enhancing the efficiency and production of agricultural products.

In 2023, the Agricultural Financing product was designed and made available in order to support conscious, high-quality and efficient agricultural production. With this product, Ziraat Participation has become the first participation bank to implement state-supported agricultural financing, making it the second implementing bank in the sector after Ziraat Bank.

GRI 2-6, 203-1, 203-2, 3-3

OUR FINANCIAL ASSETS

Ziraat Participation has also completed its system integration for the issuance of TARSİM policies in 2023 and has started policy production. State-Supported Agricultural Insurance contracts are arranged on a participation basis through member insurance companies and/or agencies holding participation insurance licenses, and all kinds of operations and transactions related to state-supported agricultural insurance policies arranged on a participation basis are performed according to participation principles under the supervision of the Advisory Committee.

The Bank continues to work on new products in response to the ongoing climate crisis and its large-scale impacts, as well as the needs and preferences in food consumption and agricultural policies in the medium- and long-term.

Support for customers in earthquake zones

Following the devastating Kahramanmaraş earthquake disaster that occurred on 6 February 2023 and was deemed the disaster of the century, Ziraat Participation extended a comprehensive array of support to its customers in the region and ensured that loan repayments were postponed for the region.

The Bank also provided financing and collateral support packages designed in collaboration with KFK, KGF and KOSGEB to SME customers, with priority given to the regions impacted by the earthquake.

In 2023, Ziraat Participation sustained its commitment to the real sector by augmenting its support for production and export.

The initial phase of the SME Value Proposition Project, which will provide 360-degree financial solutions to SMEs through its products and services, has been completed in 2023. Innovations were implemented in areas such as Foreign Trade, Insurance, Cash Transactions, and Energy consultancy within the project's scope to streamline customers' financial transactions.

For companies that provide export revenue and have high-tech production

The "Vade-SİZ Export Credit" Package was implemented to facilitate easy access to financing for businesses that are members of exporters' associations, with the objective of contributing to the economy of our country. 5 different companies received USD 15 million in financing within this context.

Current average and export cost support were received from all companies in proportion to the amounts disbursed. Customers who contribute to the country's export revenue and possess high-tech production capabilities now have access to the subject product, and fulfilling the companies' demands further improved customer satisfaction and loyalty.

Ziraat Participation also provides support to export companies that contribute foreign currency to the national economy through its "Vade-SİZ Export Credit" product through exporter associations. In the reporting period, USD 48.7 million of resources were allocated to 76 distinct exporter customers within this context. No collaboration was established with any exporter association during the reporting period.

Resources from the Islamic Development Bank to SMEs and medium-sized enterprises

EUR 13 million of the second tranche of EUR 46 million for the use of SMEs and medium-sized (mid-cap) enterprises provided by Ziraat Participation from the Islamic Development Bank (IDB) under the guarantee of the Ministry of Treasury and Finance of the Republic of Türkiye, was made available to customers in 2023.

ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT APPROACH AND STRUCTURE

In 2023, Ziraat Participation made a significant move to further integrate sustainability into its operations by establishing the ESRA system. The tasks within the Bank's organizational structure have been successfully accomplished in this context.

ESRA aligns with the Bank's objective of generating responsible income and value, and has been developed in accordance with the standards of organizations such as IFC and the World Bank*. ESRA also considers compliance with the current legislation in our country.

*The International Finance Corporation (IFC) stipulates that customers adhere to eight Performance Standards throughout the investment period: Assessment and Management of Environmental and Social Risks and Impacts, 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.

GRI 2-6, 203-1, 203-2, 3-3

Contribution to Ziraat Participation's intellectual capital and knowledge

Ziraat Participation is confident that ESRA will enhance the intellectual capital and knowledge that the Bank is developing in the fields of sustainability and ESG, while also making valuable contributions to the project assessment process. ESRA will additionally enhance ESG awareness in companies by providing them with resources.

In the upcoming period, the Bank's teams 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 may arise from environmental and social risks.

ESRA 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 Participation does not finance resource requests that fall under the List of Non-Financed Activities, Annex 1 of the subject Policy, under any circumstances. The Bank's assessment criteria in the context of ESRA are outlined in the Environmental and Social Risk Management Policy in Financing Activities.

All corporate credit transactions (project finance, corporate, commercial, and entrepreneurial segment loans) exceeding the specified threshold value set by the Ziraat Participation Board of Directors undergo a comprehensive risk assessment as part of the ESRA framework.

Additionally, Ziraat Participation reviews all resource requests other than the retail (individual) segment in terms of compliance with the List of Non-Financed 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 that are candidates for resource use will be examined under 2 main headings and according to 10 criteria.

Starting from 2024, a comprehensive assessment of potential risks has started to be implemented for all corporate credit transactions (project finance, corporate, commercial, and entrepreneurial segment loans) that exceed a specified threshold as part of the ESRA procedure.

Ziraat Participation is committed to generating value in line with the principle of responsible income generation for both the Bank and its stakeholders through ESRA.

ZIRAAT PARTICIPATION HAS RELEASED ITS SUSTAINABLE SUKUK FRAMEWORK IN THE FIRST QUARTER OF 2024.

Ziraat Participation, which has incorporated ESG into its financing strategy, regards sustainable sukuk as a significant opportunity to enhance its market presence and effectiveness, considering its growing popularity worldwide. Sustainable sukuk aligns perfectly with Ziraat Participation's current sustainability vision, ongoing environmentally friendly and social equity-driven practices, and its corporate commitment to contributing to the UN SDGs. The Bank intends to use all of the proceeds generated by its sustainable sukuk issuances to finance and refinance environmentally friendly and socially responsible projects that align with the eligibility criteria outlined in the subject sukuk framework.

Ziraat Participation has developed the Sustainable Sukuk Framework with a strong focus on the Paris Climate Agreement, the EU Green Deal, and Türkiye's Green Deal Action Plan.

The target projects outlined in the framework were determined in alignment with the International Capital Markets Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), and LMA Green Loan Principles (GLP), LMA Social Loan Principles (SLP) standards.

To access the Sustainable Sukuk Framework, [please click](#).

GRI 2-7, 3-3, 401-1, 401-3, 404-1, 404-2, 404-3, 405-1

OUR HUMAN ASSETS



FOR OUR EMPLOYEES WHO BUILD ZIRAAT PARTICIPATION

MATERIAL TOPICS DISCUSSED IN THIS SECTION

Corporate Culture Principles

Employee Welfare and Rights

Equal Opportunity Diversity and Inclusion

Training and Talent Management

► People First!

Ziraat Participation's most important asset is its human resources.

A dynamic and human-focused process with a multi-dimensional vision

Ziraat Participation's human resources approach is structured on the basis of cultivating a highly productive, dynamic, open to development, motivated workforce that says "we" instead of "I" and aligns with the

- Bank's corporate strategies and being an employer of choice in the sector. The Bank aspires to make a difference through its employees of high competence, motivation, and performance. With the HR practices it implements, it encourages individuals to take responsibility, initiative, and ownership of their jobs.

GRI 2-7, 3-3, 401-1, 401-3, 404-1, 404-2, 404-3, 405-1**Ziraat Participation family strengthened by the inclusion of 674 new employees**

In 2023, a total of 674 individuals were recruited within the scope of the recruitment activities conducted at Ziraat Participation. During the year, Ziraat Participation conducted a pre-employment test, leading to the employment of 398 candidates through a written exam and interview process, thereby contributing to the employment of young and recent graduates in our country.

The total number of employees at Ziraat Participation had reached 2,430 by the end of the year.

Key indicators of human resources at Ziraat Participation in 2023.***Number of Employees**

	2023	
	Female	Male
Total number of employees	901	1,833
White-collar employees	726	1,704
Blue-collar employees	175	129
Employees under collective bargaining agreement	598	1,355
Grand total of employees	2,734***	
Total female employee ratio	33%	

Number of Employees by Age Group

	2023	
	Female	Male
Below 30	351	410
30-50	368	1,269
Above 50	7	25

Number of Managers

By Age Group	2023	
	Female	Male
Below 30	-	-
30-50	26	242
Above 50	1	8
Total number of managers	277	

By Level	Female	Male
First level	-	-
Middle level	22	245
Senior level	5	8
First level female manager ratio	-	
Middle level female manager ratio	8%	
Senior level female manager ratio	38%	
Total female manager ratio	10%	
Number of employees in STEM (Science, Technology, Engineering and Mathematics) Positions	2	23
Female employee ratio in STEM Positions	8%	

Ziraat Participation is committed to adhering to the provisions of the United Nations Universal Declaration of Human Rights and the core principles of the International Labor Organization (ILO), which covers human rights, labor rights, children's rights, social justice, and international agreements recognized by the Republic of Türkiye and operates in accordance with these standards.

The Human Resources and Human Rights Policy serves as the framework for all kinds of interactions between Ziraat Participation and its employees.

The Human Resources and Human Rights Policy, which is structured on the basis of equal opportunities, stipulates that all employees and candidates at Ziraat Participation are treated fairly and without bias, based solely on their professional skills and competencies for the relevant tasks, regardless of any differences such as language, religion, race, sect, ethnicity, gender, personal choice, or physical disability.

The principle of diversity acknowledges the unique qualities and differences that exist among individuals. Recognizing, evaluating, and effectively managing these differences provides significant advantages in achieving success at the individual, team, and institutional level.

Furthermore, the Bank is dedicated to implementing all necessary measures to prevent any actions that may result in discrimination or be perceived as mistreatment.

* All employees of Ziraat Participation are employed on a full-time basis.

** Detailed indicators are available in the Performance Indicators section of the Report.

***The total number of bank and external resource personnel.

GRI 2-7, 2-19, 2-20, 2-30, 3-3, 401-1, 404-1, 404-2, 404-3, 405-1, 407-1

OUR HUMAN ASSETS

Ziraat Participation is committed to providing a work environment in which employee rights are fully protected.

Bank employees can exercise their right to freedom of association by joining unions. As of 14 May 2023, there are 2,420 Ziraat Participation employees who are union members.

Öz Finans-İş Union has been established within the Bank.

In addition, Ziraat Participation refrains from engaging in any activities that could potentially involve forced labor.

The goal of Ziraat Participation is to set up and maintain a work environment that respects human rights, as well as to establish itself as a respected, robust, and pioneering brand within its sector, while also expanding its presence to contribute to the growth of the Turkish economy. In this context, Ziraat Participation emphasizes the importance of all employees voluntarily sharing and collectively adopting these goals as a common goal.

In order to enhance business processes, the Bank regularly conducts studies in various areas, ranging from the continuous development of measurement, evaluation, and reward systems in human resources to strengthening the career architecture, from recruitment to occupational and managerial training programs, from open communication channels with employees to robust employer brand studies.

Competence and experience focus in recruitment and promotion processes

Throughout the recruitment and promotion processes, Ziraat Participation implements the CV option regardless of gender. In this context, the primary focus in recruitment is to verify that the candidates possess the necessary skills and expertise that align with the requirements of the relevant position within the Bank, while also providing equal opportunity to all candidates. The tangible outcome of this objective approach is evident in the systematic increase in the proportion of female personnel at Ziraat Participation.

Ziraat Participation adopts an approach that encourages diversity and equality in its recruitment processes and also considers applications from the sector when hiring experienced candidates.

Every candidate deemed acceptable for available positions undergoes an interview in the presence of the management

from the respective department. At the completion of the process, an offer is extended to the candidate who achieves the highest score for the specific open post.

The Ziraat brand, which has a history of 160 years, facilitates the process of reaching potential applicants and greatly enhances the likelihood of job offers being accepted.

Ziraat Participation executes projects aimed at continuous improvement of recruitment processes.

The Bank implements systematic enhancements to continuously improve its recruitment procedures and leverages various applications.

Ziraat Participation collaborates with an online assessment platform that develops technology-driven HR solutions for the end-to-end recruitment process. This process encompasses several stages, including the preparation of a CV, the completion of all required tests, a personality inventory, interviews, candidate notification, and communication via text messages and emails until the recruiting process is complete.

Training and development is one of the key headings of Ziraat Participation Human Resources and Human Rights Policy.

Ziraat Participation provides training in professional, technical, and personal development areas in order to enhance the knowledge and skills of its employees and optimize their workflows. Throughout 2023, the Bank continued its efforts in this regard by conducting numerous training programs.

Ziraat Participation, a member of the interest-free finance sector, maintained its employment initiative for graduates who successfully completed the Islamic Economics and Finance department of universities in 2023, in accordance with its mission of providing the sector with trained human resources.

626 individuals were recruited within this scope and were assigned to various units after completing orientation studies.

Manager Candidate Program (YÖNAP)

Having adopted the principle of offering equal opportunities to its employees, Ziraat Participation has prioritized raising the managers of the future from its in-house human resources. Accordingly, 50 employees who completed the Manager Candidate Program successfully were promoted to managerial positions in 2023 as well.

GRI 2-7, 2-19, 2-20, 3-3, 401-1, 401-3, 404-1, 404-2, 404-3, 405-1

Collaboration with Sabahattin Zaim University and the Participation Banking School

Ziraat Participation knows that human resources is has the greatest stake in achieving sustainable growth and effective performance and accordingly, the Bank conducts promotion exams every year for its employees to move forward in their careers in a fair environment. In this context, the Bank continued its collaboration with Istanbul Sabahattin Zaim University in 2023 and held an online professional-title promotion examination. Employees that were successful in the exam were promoted to a higher position.

Employees hired through the recruitment exam received face-to-face job preparation training from the Participation Banking School within Istanbul Sabahattin Zaim University.

During the reporting period, the Participation Banking School was conducted in collaboration with Sabahattin Zaim University for 4 terms, during which a total of 526 individuals received training.

Highlights from various other studies on training and development

- Considering the circumstances of today when international communication is inevitable and its importance increases every day, support for training was provided for employees to learn English and Arabic languages with the objective of increasing the quality of foreign language of its human resources.
- The Bank provides its employees with training programs on professional/technical, and personal development in order to develop their knowledge and skills and enhance their workflows. Throughout the year, employees receive various training programs, both in-class and through remote access and e-learning, to promote awareness on social responsibility and sustainability. These programs cover topics such as Sustainability, Occupational Health and Safety, Basic First Aid, Information Security, Prevention of Laundering Proceeds of Crime and Financing of Terrorism, and Personal Data Protection Law (KVKK).
- As per annual practice, the Ziraat Participation Academy training programs have been thoroughly reviewed, and a catalog update has been made in 2023.
- Ziraat Participation, which works in collaboration with sectoral associations and organizations such as TBB, TKBB, SPL, and ICC, has continued to provide necessary training programs to its employees.
- The Corporate Culture Development Project was implemented and training was provided to management groups.



- “Within the context of “Ziraat Participation is Reading Books Project” a total of 3,435 books were sent to 1,010 project members.

Ziraat Participation systematically tracks and supervises its employees' professional development. In this context, in-class, online, and video training sessions were developed, with each participant receiving an average of 37.2 persons/hours of training in 2023.

Key HR Training Indicators of Ziraat Participation in 2023¹

Training Hours by Gender	2023	
	Female	Male
Total training hours by gender	13,888	24,773
Annual average training hours per employee by gender	15	13

The calculations exclude employees who have resigned from their positions.

Training Programs for Managers

	2023		
	First Level	Medium Level	Senior Level
Total training hours by managerial level	23,971	10,290	4,400

Sustainability and Environmental Training Programs

	2023	
	Female	Male
Sustainability and environmental training programs (hours)	173	365

¹Detailed indicators are included in the Performance Indicators section of the Report.

GRI 2-7, 2-19, 2-20, 3-3, 401-1, 401-3, 404-1, 404-2, 404-3, 405-1

OUR HUMAN ASSETS

Announcement of career opportunities

Ziraat Participation announces career opportunities through various channels, including corporate website, social media accounts, and the Bank portal, as well as through the highly visited and effective career portals.

An approach of accurate and fair compensation and its management

Ziraat Participation refers its employees as the architects of sustainable participation banking. With its accurate and fair compensation policy, the Bank

- Maintains high employee motivation,
- Enhances their corporate loyalty,
- Encourages their contributions to sustainable success in line with the corporate strategies.

Ziraat Participation's remuneration policy is designed to carefully consider the scope, structure, long-term goals, and strategies of the Bank's activities, while also ensuring compliance with risk management principles. This policy applies to all employees of the Bank, including senior managers.

The remuneration policy is established by the Board of Directors in consideration of the Bank's short- and long-term goals and strategies, sectoral practices, and Ziraat Participation's risk structure, while the processes and principles to be implemented regarding the payment of the rights are determined by the General Directorate. The Bank adjusts wage levels in the presence of several parameters. Along with remuneration data in the sector, the Bank also considers its internal balances and strives to develop a strong employer reputation.

The strong position that Ziraat Participation has attained in the sector is a direct result of the well-designed and uncompromisingly executed remuneration policy.

The impact and role of the remuneration policy managed and implemented within the scope of an effective strategy are significant in the success of Ziraat Participation, which has risen to the second largest institution among participation banks in a short period of 9 years.

The remuneration structure has been set up based on the title, job position groups, and seniority periods specified in the Bank's Human Resources Guidelines. Furthermore,

additional remuneration assessments are also made based on the location of employment.

The gender, age, religion, language, race, etc. of the personnel do not play a role when determining remuneration.

Remuneration structure includes the salary which is based on job position and employees' seniority as well as job place and transportation benefits, performance premium and insurance premium, which are variable, and other fringe benefits.

The wage for each job title is a fixed amount that is assigned to employees of that title. It remains consistent regardless of the unit/segment or position. The specific duties or location of the job position determine the wage for the job position, which is paid in addition to the wage for the title. When assessing job performance, various factors are considered, such as the level of risk involved, the level of authority held, differences between units or segments, the fairness of remuneration, and compliance with the principle of equal pay for equal work.

When determining remuneration, the knowledge and experience required to perform the job by the employees are considered.

Furthermore, there are individual pension system with company contribution, life insurance, foreign language compensation, nursery fee, maternity benefit, family support benefits (family success, special education support, etc.).

In 2023, dietician services were provided in 2 sessions in 3-month periods, and TZH Foundation Private Health Insurance and Personal Life Insurance were provided for the employees.

The Bank also provides its employees with mobile phones and postpaid lines.

When determining the fringe benefits provided, various factors are considered, such as the corporate culture, economic data, employee demands, and sector practices. The determination of fringe benefits is based on the Board of Directors' consideration of the Bank's goals and strategies, sectoral practices, and the risk structure of Ziraat Participation. The General Directorate establishes the process and principles for the payment and implementation of these rights.

GRI 2-7, 2-15, 2-16, 2-19, 2-20, 2-26, 3-3, 401-1, 401-3, 404-1, 404-2, 404-3, 405-1



Among the fringe benefits that Ziraat Participation practiced the most in 2023 were providing hourly compassionate leave to meet short-term personal needs. This benefit allows employees to take care of personal matters and return to work the same day after completing their personal tasks, without deduction from their annual leaves.

Through one-on-one and email correspondence options, Ziraat Participation compiles its employees' requests regarding the enhancement of fringe benefits. The relevant requests are submitted to the management for assessment after subjecting them to various criteria, such as cost and compatibility with the corporate culture, and the necessary actions are taken.

Ziraat Participation places great importance on protecting the personal data and information of its employees, and therefore, employs advanced data security procedures.

Ziraat Participation employs the Humanitas software for the personnel affairs management.

Performance Management System of Ziraat Participation is built on numerical aspects.

Ziraat Participation employs a system in talent and performance management that is fair, transparent, effective, and measurable. The artificial intelligence-based models are used to estimate the targets of all branches and portfolios by operating numerical performance report cards and competency evaluation system.

In 2023, 98.25% of the Bank's employees were evaluated through the performance management system.

In the system, performance is assessed at both unit level (Corporate Performance) and individual level (Individual Performance) through report cards that include numerical performance criteria related to the Bank's key strategy and goals.

Performance bonuses, which are not considered vested rights, are paid separately from wages and compensations determined according to wage determination principles in compliance with Ziraat Participation policies. Assessments in this context are conducted based on quarterly periodic data, and the bonus budget is assessed and determined by the Senior Management throughout each payment period, considering the Bank's target/strategy, profitability, and risk status.

In 2023, the performance management system was effectively used to ensure continuity of job position promotions. Ziraat Participation's objective is to assess the performance of all employees from a 360-degree perspective within the context of performance management and studies in this area are currently ongoing.

Ensuring the continuous improvement in employee satisfaction

Ziraat Participation considers employee satisfaction as a factor that directly influences, nourishes and shapes the Bank's overall performance and customer satisfaction. Ensuring employee satisfaction results in motivation, and a motivated personnel structure directly contributes to the satisfaction of external customers.

The relocation of the Headquarters units to Ziraat Towers in the first quarter of 2024 has been a significant development in terms of employee satisfaction. In addition to the pleasant working environment provided by a modern and smart building that has been globally certified, social facilities such as rest areas, cafeterias, and sports areas, where employees can spend their breaks, have already begun to contribute to employee satisfaction.

Ziraat Participation listens to the voices of its employees.

The Bank gathers and assesses the feedback of its employees through the Sharing Platform System. Employees have the opportunity to communicate their suggestions and demands using this Platform.

GRI 2-7, 2-15, 2-16, 2-19, 2-20, 2-26, 3-3, 401-1, 401-3, 404-1, 404-2, 404-3, 405-1

OUR HUMAN ASSETS

Employee Satisfaction and Internal Customer Satisfaction surveys are other channels through which the Bank's employees can communicate their requests, demands and complaints. The effectiveness of the employee satisfaction programs implemented at Ziraat Participation is assessed by presenting nine different criteria (work done, senior management, work environment, reputation, wages and fringe benefits, development and career opportunities, teamwork, performance management, immediate manager) for users to vote on, thereby measuring employee satisfaction.

Practices to improve employee satisfaction

Ziraat Participation employs a wage policy aimed at eliminating the impacts of the global inflation wave, which has recently been witnessed in our country's economy as well, on the welfare level of employees. Based on the findings of the employee satisfaction survey conducted in 2023, enhancements were made to wages and additional payments to improve employee satisfaction.

On 1 January 2023, Ziraat Participation implemented a general wage increase of 55%, followed by an additional 20% on 1 July 2023. The budget rate for fringe benefits payments also experienced an increase. Additionally, the Bank incorporated the payments for insurance premiums and nursery fees. The Bank initiated the Meal Card implementation in 2023 and transformed the demands and complaints of employees in this regard into satisfaction. The reporting period also witnessed a rise in the budget rate for wage increases in fringe benefits and additional benefits.

In 2023, the ratio of the annual total wage of the highest-paid employee at Ziraat Participation to the median annual total wage for all employees was 8.45.

Responsibility for ethical and decent conduct

Ziraat Participation arranges its ethical rules and working principles according to various procedures and announces them to its employees. All employees are expected to adopt and adhere to these principles.

The Inspection Board oversees the Ziraat Participation Ethics Line. The Ethics Line can be accessed through the Bank's intranet. The Ethics Reporting Line is a mechanism through which employees may report misconduct, potential ethical violations, or breaches of the law in the Bank's operations. The Inspection Board assesses complaints and notifications submitted via the Ethics Line and implements the requisite measures.

These processes are critical in order to support and bolster Ziraat Participation's transparent, responsible, and ethical business structure.

In 2023, the Bank received 10 notifications through the Ethics Line; all incoming notifications were assessed and resolved.

Ethics training

During the reporting period, the Human Resources and Training Department provided both online and on-site training programs, and efforts were made to enhance the ethical awareness of all employees through various activities.

The Human Resources and Training Department ensures that new hires at the Bank receive training on ethics, provides direct information to the personnel during audits, and communicates critical aspects to be considered.

GRI 2-7, 3-3, 401-1, 401-3, 403-1, 403-3, 403-5, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1

Within the scope of the training program, information is provided about the accessibility of the Ethics Line for reporting incidents of harassment, mobbing, or aggressive behavior towards bank employees.

Training programs prepared by the Ziraat Participation Academy platform to raise awareness about violence against women, such as "Being a Woman in Business Life", "Footsteps of a Woman Leader", "Gender and Leadership Style", are open to employees' attendance.

Ziraat Participation provides 4 hours of ethics training sessions to every new hire.

The employees at Ziraat Participation became more aware and informed about ethical rules and rights thanks to the ethics training program.

In-house sustainability training programs and information sessions

With the vision of becoming a universal, respected, and leading participation bank that contributes to the economy, environment, and society, Ziraat Participation conducts in-house training programs and information sessions on sustainability to provide more to its customers by sharing at every stage.

The Bank addresses other topics that it evaluates with its ethical banking and sustainability understanding that align with the principles of participation banking in its corporate sustainability training programs and contributes to raise awareness.

In addition to following the developments in the sustainability universe through the training activities, it is aimed to ensure the capacity development of Ziraat Participation personnel and to assess risks and opportunities more effectively.

During the reporting period, Ziraat Participation continued to update and develop the sustainability training module on the online training portal. Distinct SDG themes were addressed in the quarters, and the Green Agenda e-bulletin focusing on climate change and sustainable finance was released. Face-to-face training sessions were conducted regarding the management of environmental and social impacts, and training documents were prepared. Furthermore, special online training sessions were conducted for the Headquarters service managers.

Sustainability training was completed by 1,945 individuals at Ziraat Participation in 2023.

Occupational health and safety at Ziraat Participation

Ziraat Participation is committed to ensuring a safe and healthy work environment for its employees, adhering to both international and local standards. As per the requirements of the Occupational Health and Safety Law, OHS Boards are set up in bank service buildings with over 50 employees to represent the employees. In 2023, the Ziraat Participation OHS Committee held two meetings, one on 27 January 2023, and another on 26 May 2023.

The workplace physician provides health services to employees at the Ziraat Participation Headquarters on Tuesdays and Thursdays.

The Bank conducts training sessions to enhance employees' awareness of occupational health and safety. In 2023, 389 employees were provided with 2 person*hours (778 hours in total) of face-to-face OHS training.

GRI 3-3

OUR INTELLECTUAL ASSETS



THE BUILDING BLOCK OF ZIRAAT PARTICIPATION'S SUCCESS

The strong corporate governance integrated throughout its managerial structure, coupled with its expertise in providing participation banking products and services, and its robust digital competencies and IT infrastructure, are among the building blocks contributing to the success of Ziraat Participation.

MATERIAL TOPICS DISCUSSED IN THIS SECTION

Digital Transformation and Automation

Data Privacy and Security

Customer Experience and Satisfaction

Financial Inclusion

► Ziraat Participation provides its customers with its financial products and services that are developed with the awareness of participation banking principles, ethical values, and social responsibility, under the execution and guidance of a robust and fully legally compliant corporate governance structure.

► The Bank's intellectual assets encompass its expertise in providing participation banking products and services, and its mission and vision contribute to its success in ensuring data privacy and security, which are currently emerging as significant areas of risk.

► Among the Bank's intellectual assets, there is also a robust portfolio consisting of applications that are widely recognized in the market and have raised awareness, such as Katılım Mobile and SME Participation Digital, led by the Ziraat brand, which represents a 160-year history. All these aspects, which form the cement of customer experience and satisfaction, play a significant role in the Bank's generation of shareable added value.

GRI 3-3

The Future Lies in Digital

As artificial intelligence becomes more prevalent in the business and life cycle, Ziraat Participation is placing a greater emphasis on the development of its technological infrastructure and digital product provisioning capabilities. The Bank establishes end-to-end digital processes to enhance the accessibility of financial products, position its products and services in various channels, and acquire a competitive edge, all in accordance with this objective. These studies also significantly contribute to financial inclusion by providing the user with access and timeless ease of use.

Digital opportunities also contribute significantly to financial literacy. The proliferation of digital channels, compared to traditional branch banking, allows a significantly larger population to learn about participation banking products and services, thereby raising awareness. Similarly, the dissemination of informative content on Ziraat Participation's social media platforms facilitates the most simple and comprehensible communication of concepts such as budget, profit share, sharing, and investment.

Ziraat Participation also conducts studies to enhance the processes that ensure the operation of the activity cycle, establish control points to be followed and implemented at every level on these processes, enhance the effectiveness of process controls, prevent potential risks, ensure customer satisfaction, and implement cost-saving measures.

Practices and detailed explanations of the products, services, and solutions implemented by Ziraat Participation regarding digital banking in 2023 are available in the [Our Financial Assets](#) section as well as on pages 36-47 of the [2023 Annual Report](#).

The corporate governance and risk management structure that is integrated into the entire operational infrastructure of the Bank ensures the proper and thorough execution of the tasks.



GRI 3-3

OUR INTELLECTUAL ASSETS

The corporate governance and risk management structure that is integrated into the entire operational infrastructure of the Bank ensures the proper and thorough execution of the tasks.

Ziraat Participation has a corporate governance structure that fully complies with the legislation governing the operation of the banking industry in Türkiye. This structure also ensures the framework, effectiveness, and level of achievement in terms of risk management.

With the contribution of the recently implemented ESRA system, Ziraat Participation's risk management structure will support the Bank to monitor all developments in the risk universe, including ESG risks, and to handle the limits and control over the total risk appetite via a more competitive and accurate approach.

Detailed information on risk management and other corporate governance practices at Ziraat Participation can be found in the A [Responsible Corporate Citizen](#) section of the report as well as on pages 66-71 of the [2023 Annual Report](#).

The presence and significance of the Advisory Committee

The Advisory Committee of Ziraat Participation carries out its activities under the Board of Directors in accordance with Article 4 of the Communiqué on Compliance with the Principles and Standards of Interest-Free Banking published on 14 September 2019. Acting in accordance with the principle of independence, the Advisory Committee monitors Ziraat Participation's full compliance with the participation banking framework and its sustainability. Within this context, the Committee holds the responsibility for:

- Upholding and implementing the principles and standards of interest-free banking,
- Ensuring that the Bank's internal regulations align with interest-free finance principles and standards,
- Reviewing and approving the Bank's standard contracts and annexes for its products and services, ensuring they align with interest-free banking principles and standards.

For detailed information on the activities of the Advisory Committee please refer to the pages 60-61 of the [2023 Annual Report](#).

Ensuring data privacy and security

Ziraat Participation is committed to maintaining a best-in-class cybersecurity infrastructure that is dedicated to identifying emerging risks and consistently improving the security of its systems in order to protect the privacy and security of customer and Bank data.

This approach encompasses a holistic information security management strategy that incorporates comprehensive security policies and standards, a robust security awareness and training program, and the deployment of advanced and layered defense mechanisms.

Ziraat Participation implements practices aimed at securing IT assets in order to ensure business continuity, maintain a strong focus on corporate goals, and enhance customer experience and satisfaction.



GRI 3-3

The Bank's steadfast goal and legal responsibility is to implement the most effective data privacy and security solutions by following new and cutting-edge security systems.

Ziraat Participation establishes its information security policy and standards in accordance with national and international legislation, standards, and best practices.

To ensure the identification of potential security risks, Ziraat Participation information security teams regularly conduct security vulnerability scanning, annual penetration testing, cyber drills, tabletop exercises, and information system process audits within the scope of BRSA legislation.

The role of human factor in ensuring data privacy and security

Ensuring security requires equal attention to both the human factor and the technical measures that need to be implemented. Ziraat Participation conducts training programs and awareness campaigns to disseminate the security culture and awareness throughout the Bank and ensure that all employees share the responsibility for security through the information security policy and standards it has established.

Within the scope of the Bank's goal of sustainability of data privacy and security, phishing emails are sent regularly through the information processing system, but on different topics, to a varying number of people.

Inspectors performing information systems audits received comprehensive training on network security, Windows security, and secure configuration. Additionally, they completed training to audit the ISO 27001 Information Security Management System, a crucial information security standard. Upon passing the exam at the end of the training, the inspectors earned the ISO 27001 Chief Auditor certificate. Furthermore, Ziraat Participation inspectors underwent training in SQL Server to enhance their ability to conduct audits using data analytics techniques.



GRI 3-3

OUR MANUFACTURED ASSETS



PROVIDING SERVICE
WITHOUT TIME AND
LOCATION CONSTRAINTS

MATERIAL TOPICS DISCUSSED IN THIS SECTION

Customer Experience and Satisfaction

Employee Welfare and Rights

- ▶ Ziraat Participation provides its customers with financial products and services that align with the principles of participation banking through a layered service delivery platform that it has structured and continuously updated in line with its strategic goals and growth plans.
- ▶ The Bank's service delivery structure consists of both physical and alternative distribution channels. This widespread organism is composed of the General Directorate, both domestic and international branches, ATM and POS networks, and digital service competencies.
- ▶ This structure, which is essential in terms of customer experience and satisfaction, and employee experience, is one of the driving forces that enables the Bank to generate shareable added value.

GRI 3-3



Ziraat Towers - New Headquarters

The relocation of the Ziraat Participation Headquarters to Ziraat Towers, which is situated in the Istanbul Finance Center, commenced on 26 January 2024, and is scheduled to be finalized on 24 June 2024.

The Istanbul Finance Center (IFC) Ziraat Towers Project, which began hosting the Ziraat Participation Headquarters as of 2024, is among the leading projects not only in our country but also in the world due to its environmentally conscious design and pioneering approach to advanced technology smart applications and environmental sustainability mission.

Ziraat Towers consist of two towers, one with 46 floors and 219 meters in height, the other with 40 floors and 193 meters in height, with unique architecture and superior technological features, a podium, an atrium, and an auditorium area that can accommodate special events such as conferences, training sessions, and symposiums. The Towers are structurally distinct from their counterparts due to their steel, wood, and natural stone coatings.

GRI 3-3

OUR MANUFACTURED ASSETS

189 DOMESTIC BRANCHES IN 61 PROVINCES

The branch range of Ziraat Participation has been structured in consideration of the evolving customer demand and market conditions.

Ziraat Participation provides services to its customers under three different segments. The Bank's branches, which provide their products and services under the titles of Retail, Commercial, and Private Banking, have also been structured accordingly.

As of the end of 2023, Ziraat Participation has been delivering its services and products to its customers through

169 Retail Branches
14 Commercial Branches
6 Corporate Branches
5 Private Banking Corners*

* Beykent, Eminönü, Fatih, Kayasehir, Suburcu

A NATIONWIDE STRUCTURING IN TÜRKİYE

During the reporting period, Ziraat Participation expanded its geographical reach by opening 35 new branches, increasing the total number of branches to 191.

Ziraat Participation provides its customers with a range of products and services through advanced alternative distribution channels, including 121 ATMs, Internet Banking, upgraded Mobile Banking, Call Centers, and around 12,031 POS terminals, in addition to traditional distribution channels such as branches.

The Bank operates two international branches, one located in Mogadishu, the capital city of Somalia, and the other in Khartoum, the capital city of Sudan.



Ziraat Participation operates two branches abroad, one in Somalia and one in Sudan.

GRI 3-3

ZIRAAT PARTICIPATION WITH OVER 20,000 ATMS ACROSS TÜRKİYE!

As of the end of 2023, Ziraat Participation manages a service network of 121 ATMs. 115 of the ATMs are within the branches, and 6 are offsite.

In line with the goal of consistently enhancing customer experience and satisfaction, in 2023, the Bank underwent a transition to the Ocean 2.0 structure, which facilitates faster and more effective control over the ATMs it provides.

All Ziraat Participation ATMs have been integrated into the ATM networks of Ziraat Bank, Halkbank, Vakıfbank, PTT, Vakıf Participation Bank, and Emlak Participation Bank, joining the “Türkiye’s ATM Center (TAM ATM)” structure, which boasts a broad coverage of 20,000 ATMs across the country.

Banking transactions are highly convenient via the Customer Contact Center

Ziraat Participation Customer Contact Center, accessible at the phone number 0850 220 50 00, allows customers of the Bank to conduct their banking transactions over the phone at any time and from any location, 24/7.

ZIRAAT PARTICIPATION IN DIGITAL WORLD**Katılım Mobile**

Ziraat Participation’s primary service channel and window to the digital world is Katılım Mobile. Katılım Mobile is a digital platform that enables customers to conduct their individual and corporate banking transactions 24/7 in a secure and efficient manner. Additionally, customers can communicate with customer representatives instantaneously through Live Support.

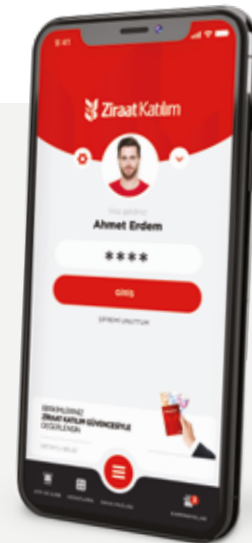
THE ALTERNATIVE SERVICE CYCLE COMPLETED WITH A DIVERSE RANGE OF COMMUNICATION CHANNELS

Customers of Ziraat Participation can conveniently submit their inquiries, appreciations, objections, and complaints to the Bank through the forms available at www.ziraatkatilim.com.tr, the [Internet Branch](#), and the Katılım Mobile application.

Furthermore, they have the option to reach out to Ziraat Participation customer representatives by dialing the Customer Contact Center at 0850 220 50 00, or they can also communicate through the email address musteri.memnuniyeti@ziraatkatilim.com.tr

Please click to access [Ziraat Participation Customer Satisfaction Policy](#).

*Ziraat Participation is a member of “Türkiye’s ATM Center (TAM ATM)”.



GRI 3-3

OUR MANUFACTURED ASSETS

BARRIER-FREE BANKING SERVICES THAT ENHANCE THE CUSTOMER EXPERIENCE

The focus of barrier-free banking services provided so that disabled customers can conveniently conduct all their banking transactions is Ziraat Participation's responsibility to provide an end-to-end, practical, easy, and accessible service experience that embraces all customers with an inclusive approach.

In 2023, Ziraat Participation continued developing and diversifying Barrier-Free Banking solutions to facilitate disabled customers' access to banking services.

As part of the barrier-free banking services development efforts, Ziraat Participation provides training programs that will enhance the communication of the Bank's personnel with the customer with disabilities. The e-training platform, developed to recognize the disabled customers and enhance awareness, has been made available to all personnel, and employees have also received sign language training.

All Ziraat Participation branches feature Braille alphabet information boards. Moreover, the branches provide exclusive barrier-free banking transaction options to visually impaired customers. In 2023, the bank has implemented system infrastructure projects that will facilitate the expansion of barrier-free banking services. These efforts have resulted in a variety of transaction conveniences, priorities, and advantages for disabled customers.

Barrier-Free Branches

- Ziraat Participation provides priority queue numbers to disabled customers and those aged 70 and above through queuing machines.
- The implementation of tactile paving within the branches provides guidance to visually impaired customers.
- The ramp implementation has made it more convenient for orthopedically disabled customers to enter the Ziraat Participation branches.
- Branch entrances have been modified for the convenience of the customers with orthopedic disabilities.
- The call button has made it easier for disabled customers to contact a customer representative.

Contracts in Sign Language

Ziraat Participation has developed and provided 10 different contracts in sign language as part of its efforts to provide convenient solutions, making them available to its customers.

Arrangements for ATMs to Accommodate Customers with Orthopedic Disabilities

The Ziraat Bank's Bursa Branch-2 ATM and the offsite ATM located at Sebahattin Zaim Halkalı Campus are accessible for customers with orthopedic disabilities. According to the current legislation in Türkiye, there is a requirement for 2 ATMs specifically designed for people with orthopedic disabilities for every 200 ATMs, and Ziraat Participation has fully complied with the relevant legislation.

Besides, Ziraat Participation customers have the privilege of using orthopedically disabled ATMs inside the Ziraat Bank service network without incurring any extra charges.

Arrangements for Visually Impaired Customers

At all Ziraat Participation ATMs, customers who are visually impaired or have difficulty seeing can conduct their transactions with voice guidance. The Bank has a headphone jack available at 125 ATMs for the use of visually impaired customers.

GRI 3-3

Bank customers can conduct "Balance Inquiry," "Withdrawal," and "Deposit" transactions by activating the "voice menu" application via the headphone connection. The common transaction menu of the Interbank Card Center (BKM) allows disabled customers who possess other bank cards to conduct transactions using Ziraat Participation ATMs.

Information regarding the operation of ATMs for visually impaired individuals

- Access to the Bank's voice menu is available at all ATMs.
- The voice transaction menu is activated when headphones are plugged in.
- The ATM screen automatically dims when the voice menu application is initiated by plugging in headphones.
- The transaction is terminated and the card is returned when the headphones are removed during the transaction.
- The system reads out loud warnings, guidance, confirmations, and notifications of errors during the transaction.
- The voice repeating feature in the voice menu allows customers to adjust the volume.
- Voice guidance and embossed keys are employed to facilitate transactions.

Disabled-Friendly Branches

The disabled-friendly branches of Ziraat Participation provide customers with features that ensure a convenient experience.

- Priority queue numbers can be obtained from queuing machines by disabled customers and consumers aged 70 and above.
- Visually impaired customers are guided by a tactile walking surface inside the branches.
- The ramps facilitate access to the branches for customers with orthopedic disabilities.
- Branch entrances are structured appropriately for orthopedically disabled customers.
- Customers with disabilities are granted convenient access to the customer representative through the use of a call button.

Customer Contact Center

- The voice response IVR system maintains extended keying times to facilitate the selecting process for visually impaired customers.

Digital Channels

- The Mobile Branch has been updated to support screen reader programs, allowing visually impaired customers to easily access its features.
- A chat channel (online correspondence) service has been introduced to enable hearing impaired customers to conveniently complete their transactions by receiving assistance from Katılım Mobile.



GRI 3-3

OUR SOCIAL AND RELATIONAL ASSETS



GENERATING A LASTING
AND POSITIVE IMPACT

Ziraat Participation is committed to sharing while generating a lasting and positive impact in the society in which it operates, based on its mission, vision, and principles of participation banking.

MATERIAL TOPICS DISCUSSED IN THIS SECTION

Corporate Social Responsibility
Financial Inclusion

- ▶ Ziraat Participation, a young financial institution of just 9 years old, has swiftly established its corporate social responsibility initiatives and is making strides for institutionalization processes.
- ▶ Ziraat Participation collaborates with “non-profit” institutions and aid organizations to address and resolve social, economic and environmental issues that are considered critical in society. Besides, Bank personnel are also encouraged to go beyond their job responsibilities and engage in volunteer activities.
- ▶ Ziraat Participation has designated high school and university students, disadvantaged students, orphans, successful athletes, and earthquake-affected citizens as the target audience and beneficiaries of its corporate social responsibility projects.
- ▶ Ziraat Participation strives to make a positive contribution to national unity and solidarity in the social sense through its projects.

GRI 3-3



Ziraat Participation Fidelity Group, having completed its 3rd year, instills optimism in everyone through the steps it has taken and achieved as a voluntary social initiative, and demonstrates that a livable world is possible.

The spirit of "sharing", one of the fundamental and essential aspects of our country's national values, served as the foundation for the establishment of Fidelity Group.

Fidelity Group operates as a family under the roof of Ziraat Participation, which embraces the philosophy of "Achieving More by Sharing". Fidelity Group promotes volunteerism among employees and actively engages in collaborative efforts to address local or nationwide disasters, as well as personal challenges that individuals may face.

The Group continues to pursue its mission of fostering hearts that are won through the sharing of its support for people, animals, and the environment, and conducts projects that are deemed appropriate by those in need, volunteers, and Fidelity Group Committee members.

The Fidelity Group would like to thank everyone who participated and contributed to its journey!

The activities of the Group can be accessed at <https://www.facebook.com/zkvefa>.

HIGHLIGHTS FROM THE ACTIVITIES CONDUCTED BY ZIRAAT PARTICIPATION TO ADD MULTIFACETED VALUE TO SOCIETY...

Collaboration for the 4th International Model OIC (Organization of Islamic Cooperation) High Schools Summit

The objective of the Summit was to enhance students' awareness of and compassion towards global issues, provide them with opportunities to propose solutions aligned with their respective countries' policies, and foster their familiarity with diplomacy. Additionally, the Summit facilitated the development of foreign language proficiency, analytical thinking, and problem-solving skills. The latest Summit conducted within this framework involved the active participation of 224 students representing 39 different countries.



Collaboration for the Çorum Book Fair

Within the scope of the protocol made with Çorum Municipality, Ziraat Participation provided books to 1,000 financially disadvantaged students at the Çorum Book and Culture Days event, which took place from 24 November to 3 December 2023.

Collaboration with Children's Games and Sports Clubs Federation

The Game Caravan Project was developed in collaboration with the Children's Games and Sports Clubs Federation to assist children affected by the earthquakes that occurred in Kahramanmaraş on 6 February 2023. The project aimed to provide toys to children and utilize various games as a means to help alleviate the effects of the disaster.



İstanbul Arts and Sports Club

The Club, which is officially registered in the disciplines of karate, basketball, volleyball, and taekwondo branches, participates in international competitions in karate and basketball branches. 117 active licensed athletes of the Club have won various awards in both Turkish and World championships. National athletes supported by Ziraat Participation have competed in international tournaments held in Italy, Mexico, and Croatia.

Collaboration with Kahramanmaraş Science High School

A counseling hall was constructed in Kahramanmaraş Science High School to keep alive the memory of Ziraat Participation employee Adem Şahan, who lost his life in the devastating Kahramanmaraş earthquakes.

ÖNDER Finance Youth Project

The project, which was held in collaboration with Ziraat Participation, aimed to increase high school and university students' awareness of Islamic economics and stimulate their interest in this field. Conferences, workshops, and events were planned for high school students, while training programs, summits, and social events were organized for university students.

GRI 3-3

OUR SOCIAL AND RELATIONAL ASSETS



Mutlu Yuva Association

The Association operates 137 "Children's Houses" in Istanbul, Ankara, Bursa, Yozgat, Diyarbakır, and Şanlıurfa, where it provides a family environment to hundreds of orphans and children in need of protection and facilitates their spiritual and material growth through education. Ziraat Participation supported children's houses in Istanbul.



Turkish Red Crescent

Immediately after the earthquake disaster in Kahramanmaraş on 6 February 2023, Ziraat Participation employees actively participated in relief efforts by working in the field in Kahramanmaraş between 1 March and 20 May, under the coordination of the Turkish Red Crescent in groups of 20. Volunteer teams that traveled to the region for a week worked alongside the Turkish Red Crescent teams, visiting villages daily and providing hot meals to our citizens, delivering aid packages, and, in doing so, generating hope and making a modest contribution towards healing the wounds.

Ziraat Participation has funded all of the projects it has undertaken from its corporate social responsibility budget.

Physical volunteering has been realized in the projects, and collaboration has been established with institutions as stakeholders.

ZIRAAT PARTICIPATION DEFINES SUPPLIER MANAGEMENT AS AN AREA IN WHICH IT GENERATES VALUE ON THE SOCIAL AXIS AND CONTRIBUTES TO ECONOMIC DEVELOPMENT.

Ziraat Participation is committed to cultivating its connections with suppliers through principles of mutual respect, accountability, and fair sharing. The Bank also promotes the development of sustainability practices within the supply chain.

Ziraat Participation collaborates with its suppliers in a quality partnership based on mutual respect.

The Bank's suppliers are integral parts of its growth strategy, adhering to a policy that promotes fairness, transparency, reliability, and sustainability, while also adding value to the overall supply chain. The Bank's strategy, goals, and action plans, as well as activity processes, are carefully considered in the supply process, and suppliers are encouraged to implement sustainability practices.

The primary objective of the Bank is to promote awareness of corporate responsibility across the whole supply chain by considering the environmental, social, and governance (ESG) aspects of products and services in procurement activities, with the aim of ensuring ongoing collaboration.

In 2023, Ziraat Participation started managing its supplier connections through the Enterprise Resource Planning (ERP) System. The Bank has successfully transitioned its entire supply process, including purchasing requests, invoice tracking, and reporting, from manual tracking to automation. This swift transition has significantly enhanced efficiency.

Supply Assessment Process

As part of its assessment process, Ziraat Participation carefully analyzes potential suppliers and the advantages they offer, taking into account the specific requirements, quantity, and characteristics of each purchase request. Additionally, the Bank conducts thorough pre-supply assessments to optimize the benefits and ensure adherence to the expenditure budget.

The first stage of the process involves determining whether the product or service needed can be procured from the existing supplier pool. If not, or in cases where it is decided to be procured from a new supplier, market research is conducted/outsourced by taking into consideration the opinions of the requester and/or the Demand Center. Suppliers that meet the specified criteria are chosen based on the nature of the needs and included in the supplier pool.

GRI 2-28, 3-3

Ziraat Participation assesses suppliers based on the following criteria.

- Technical and financial competence, commercial reputation in the market, market position, experience, and references,
- Technical and financial competence, commercial reputation in the market, market position, experience, and references
- Whether the product and/or service to be procured falls within the supplier's primary area of business, the level of diversity and inclusiveness reflected,
- Whether the supplier provides the product and/or service directly,
- The product and/or service quality and compliance with standards, technology level, and guarantees (such as TSE, ISO, etc.)
- Whether the contractor and supplier teams providing services have supplier diversity in their own supply chains,
- Whether the products and services provided by the suppliers are equally accessible to everyone.

In the process of establishing the supplier pool, Ziraat Participation assesses the following attributes of the supplier and prepares the supplier report accordingly:

- Previous performances, if any,
- Technological maturity level,
- Financial status (e.g., turnover, tax base)
- Profile of its managers,
- Qualifications and education levels of its employees,
- Subject, location, and field of activity
- Reliability,
- Market position,
- Machine-installation park,
- Environmental policies and practices,
- References,
- Delivery capability,
- Service quality and quality management documents.

The Bank aims to ensure that no conflict of interest occurs with its suppliers with whom it has commercial relations. No instances of such a case have occurred during the reporting period.

Ziraat Participation works with large, medium, and small enterprises that vary in accordance with the purchasing needs and maintains a supplier portfolio with a combination of different structures.

Focus on working with local companies

Given that Ziraat Participation is a public capital bank, it prioritizes procurement from local companies.

The Bank also conducts procurements that are both strategically important and regulated.

Information regarding the services procured by Ziraat Participation in 2023 within the scope of BRSA's "Regulation on Procurement of Support Services by Banks" and the institutions providing these services is available on page 65 of the [2023 Annual Report](#).

Ziraat Participation, which is committed to being the leading institution in participation banking, discloses its impact on the ecosystem through its memberships, contributions, and the platforms it participates in.

ZIRAAT PARTICIPATION'S MEMBERSHIPS AND REPRESENTATIONS IN INITIATIVES

Representation on several platforms strengthens Ziraat Participation's respected position and corporate reputation in the financial world. Memberships and activities conducted within the scope of the represented platforms have a positive impact on the recognition and reputation of the Ziraat Participation brand, as well as contributing to the enhancement of professional skills and awareness.

Engaging in memberships and collaborations with stakeholders from many geographies and cultures facilitates communication and connections and contributes to enhancing the perception of our country's progress in the field of participation banking.

Participation Banks Association of Türkiye (TKBB)

Ziraat Participation, a member of the Participation Banks Association of Türkiye (TKBB), is represented on the Board of Directors of TKBB.

The Bank also engages in the sub-working groups on sustainability formed by TKBB.

ADFIMI

Ziraat Participation is a member of the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI)

OUR NATURAL ASSETS



MANAGING AND CONSISTENTLY ENHANCING BY EMPLOYING APPROPRIATE STRATEGIES AND TECHNOLOGIES

MATERIAL TOPICS DISCUSSED IN THIS SECTION

Effective Resource and Waste Management

Climate Change

Ziraat Participation is committed to its goal of controlling both direct and indirect environmental impacts, managing them through appropriate strategies and technologies, and consistently improving them.

- ▶ Ziraat Participation manages the environmental impacts resulting from its operations in accordance with the [Environmental and Climate Change Policy](#) and is committed to upholding environmental values and complying with applicable legislation at every stage of its operations, supporting the efficient use of finite natural resources while continuously enhancing its environmental performance.



GRI 3-3

Ziraat Towers - Environmental achievements through LEED standards

Ziraat Towers*, where Ziraat Participation Headquarters operates, has become the first project within the Istanbul Finance Center campus to be awarded the LEED (Leadership in Energy and Environmental Design) Platinum certificate, one of the most widespread green building rating systems worldwide developed by the American Green Building Council (USGBC).

Ziraat Towers have been designed considering fresh air necessity, user comfort, and energy performance, and fresh air capacity rates are controlled to ensure optimal energy efficiency. Fresh air calculations of the campus have been made in line with the ASHRAE 62.1-2007 standard.

The graywater treatment system provides a daily water savings of 155 m³, and it is reused in urinals, toilets, and for garden irrigation.

The building's interior and exterior lighting power density meets the maximum power density values set by the ASHRAE 90.1-2007 standard.

Building lighting controls can automatically turn off lighting fixtures in common areas of the building, either completely or partially, after a certain time.

Central automation enables monitoring and intervention for all mechanical and electrical systems in the complex. The building's heating, cooling, lighting, and hot water consumption are managed separately, adhering to both the Energy Performance Regulation in Buildings and LEED criteria.

The Ziraat Towers has been awarded the Excellence in Construction Award.

The Council on Tall Buildings and Urban Habitat (CTBUH), a non-profit organization dedicated to establishing sustainable and healthy cities, has honored the Ziraat Towers Project at the Istanbul Financial Center with the prestigious "Excellence in Construction" award.

The Ziraat Towers Project received the award due to its distinctive approach in generating a sustainable future, incorporating energy efficiency, ecologically conscious design, and green building practices.

EMISSION MANAGEMENT

In 2023, Ziraat Participation has determined the environmental and climate-related impacts of its operations, as well as its key performance indicators.

The Integrated Management System module, which was commissioned in 2023 to facilitate the effective implementation of carbon footprint and water footprint studies resulting from Ziraat Participation's operations, has been a significant step in the management of consumption data related to natural resources and waste.

This module, which serves as a starting point on the way to the ISO14001 Environmental Management System, enables the efficient management of data from various branches and the Headquarters, including entry, tracking, and reporting.

As part of its efforts, the Bank has begun establishing a data collection infrastructure to monitor various aspects such as waste, employee services, fuel consumption of vehicles rented, and paper usage indicators within the frame of Scope 3 emissions.



* As of the reporting period, the LEED certification process for Tower 2, where Ziraat Participation is based, is in progress.

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3

OUR NATURAL ASSETS

Studies are planned to be conducted in the upcoming period to improve the quantity and quality of the data stored in the module, which was developed to fully measure Scope 1, Scope 2, and Scope 3 greenhouse gas emissions.

Ziraat Participation's goal is to measure greenhouse gas emissions in accordance with the ISO14064* criteria and the GHG protocol. In line with this, the Bank plans to increase the integrity of its climate and environmental performance by diversifying the source and waste types defined in its inventory in the upcoming period.

Kayaşehir Branch Pilot Project-Energy Monitoring System

In November 2023, a remote energy monitoring system was set up at Ziraat Participation Kayaşehir Branch to collect the first stage data.

In accordance with the pilot energy monitoring results, a 10-item savings plan was provided to the Kayaşehir Branch, with a request for compliance. The program implementation resulted in a 30-35% reduction in energy consumption in January 2023 (1833 kWh) compared to January 2022 (2,833 kWh).

This savings level resulted in the prevention of 478 kg of CO₂ gas emissions. Using the data gathered, it was determined that implementing similar savings measures at all Ziraat Participation branches on a monthly basis would result in a total elimination of 82,270.00 tons of CO₂ gas emissions.

Energy supply

Starting in 2023, Ziraat Participation has been procuring electricity from local companies. The Bank is committed to contributing to the SDGs in the upcoming period and integrating the procurement of electricity from renewable energy sources into its agenda.

According to the projection based on 400 branches, all Ziraat Participation service buildings would need a total of 7 MW of energy capacity if they were to make bulk procurements from renewable energy systems.

*ISO 14064 specifies the principles and requirements for the quantification and reporting of greenhouse gas emissions and removals at the organization level.

Ziraat Participation conducted its first measurement of Scope 1 and 2 greenhouse gas emissions in the service cycle in accordance with the 2023 data.

Ziraat Participation, which has been monitoring and recording the emissions from its assets and the energy it procured within Scope 1 and 2 to date, measured the Scope 1, 2, and 3 emissions generated in the service cycle for the first time in 2023.

Greenhouse Gas Emissions (tons CO ₂ e)	2022	2023
Scope 1	1,838	2,253
Scope 2	2,485	2,896
Scope 3	1,413	1,781
Total (Scope 1 + Scope 2)	4,322	5,149

Emission Intensity	2022	2023
Intensity per employee	2,27	2,12
(tCO ₂ e/number of employees)	2.27	2.12
Emissions by consolidated asset size	0.02	0.01
(tCO ₂ e/TL million)		
Emissions by consolidated net profit	1.14	1.29
(tCO ₂ e/TL million)		

2023 Greenhouse Gas Emissions By Scope (%)



Scope 1	32.51%
Scope 2	41.79%
Scope 3	25.70%

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5**Breakdown of 2023 Scope 1 and Scope 2 Greenhouse Gas Emissions by Source (%)**

● Natural Gas-Heating	15.60%
● Diesel-Heating	0.18%
● Fuel Oil-Moving Combustion	6.36%
● Diesel-Moving Combustion	21.62%
● Electricity Purchased	56.24%

WATER MANAGEMENT

While Ziraat Participation's impact may be relatively minimal compared to various other sectors, the Bank is actively monitoring and striving to decrease water consumption.

In 2023, the Bank has also sourced the water required for daily usage from the municipal water system. The total volume of water consumed, which amounted to 23,296 m³, was discharged into the system.

Water Consumption	Unit	2022	2023
Mains water	m ³	17,705	23,296
Rain water	m ³	-	-
Waste water	m ³	17,705	23,296

Water Management benefits provided by Ziraat Towers

In the Ziraat Towers project, efficient water fittings that are compliant with EPA standards were used, ensuring water efficiency without compromising user comfort. It was aimed at achieving a water consumption efficiency of over 45% relative to the EPAct (Energy Policy Act, 1992) level for water fittings in the interior space by selecting appropriate water fittings and reusing graywater in reservoirs.

Water-efficient plant species and irrigation systems were integrated into the project to enhance the landscaping of green areas, avoiding the use of cultivated turfgrass.

Air conditioning drainage water is harvested and reused for irrigation as part of the project. All irrigation requirements can be supplied through alternative water sources.

WASTE MANAGEMENT**Zero Waste Project**

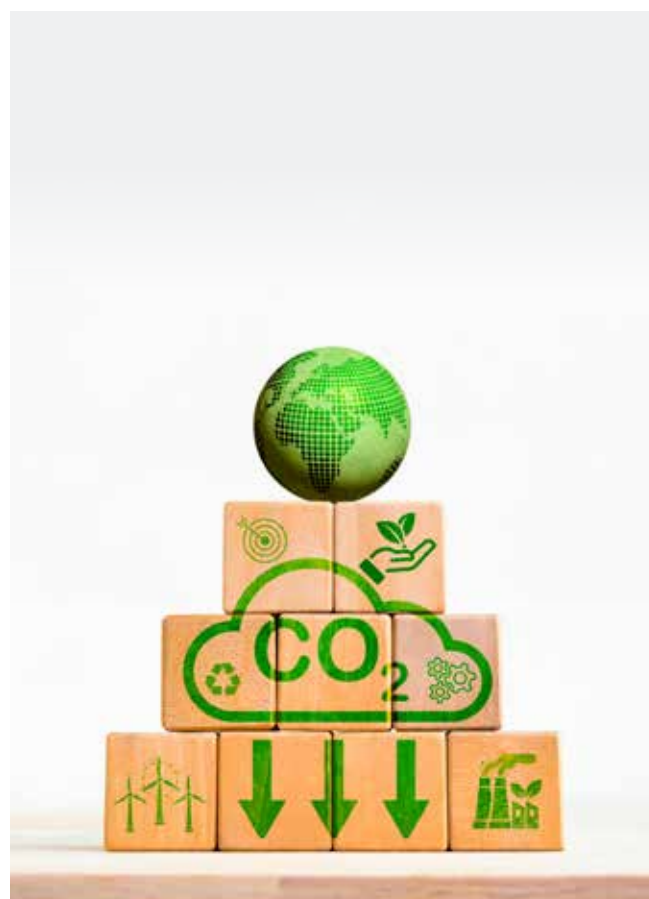
The Zero Waste Management System is implemented throughout the Headquarters, its additional service facilities, and all branches as part of Ziraat Participation's environmental management operations.

The Ziraat Participation Headquarters Building was granted the Zero Waste Certificate on 15 April 2022. To encourage the separation of waste on-site and raise awareness about recycling within the institution, the utilization of waste bins in common areas has been expanded, replacing the trash cans previously located under the tables.

Bank personnel was provided online training sessions on waste management, which led to a rise in recycling awareness and the development of in-house capacity.

Ziraat Participation is committed to accelerate its performance in waste management by building a new systematic in the upcoming period.

Recycled Waste	Unit	2022	2023
Paper - cardboard waste	kg	8,963	16,740
Metal	kg	6	10
Glass	kg	16	14
Plastic	kg	1,543	1,447
Mixed packaging	kg	27,186	28,281



GRI 201-1, 3-3, 401-1, 404-1, 404-2, 404-3

APPENDIX

PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

FINANCIAL SCALE	Unit	2022	2023
Total assets	TL million	213,343	384,257
Loans*	TL million	144,858	259,771
Funds collected	TL million	173,139	304,372
Shareholders' equity	tL million	11,378	19,832
Net profit-loss	TL million	3,840	4,004
NUMBER OF CUSTOMERS			
Total number of customers	number	1,075,709	1,163,058
Number of customers using digital services	number	400,761	483,433
EMPLOYEE INVESTMENT AMOUNT			
Amount of investment made in employee development	TL	5,452,009	13,343,545

SOCIAL PERFORMANCE INDICATORS

	Unit	2022		2023	
		Female	Male	Female	Male
NUMBER OF EMPLOYEES					
Direct Employment					
Total number of employees	person	660	1,520	901	1,833
White-collar employees	person	508	1,396	726	1,704
Blue-collar employees	person	152	124	175	129
Employees under collective bargaining agreement	person	435	1,152	598	1,355
Total employees**	person	2,180		2,734	
Total female employee ratio	person	%30		%33	
Average Number of Employees					
Average number of employees	person	610	1,420	832	1,722
Average number of white-collar employees	person	474	1,296	674	1,596
Average number of blue-collar employees	person	136	124	158	126
Total average number of employees	person	2,030		2,554	
Total female employee ratio	%	30%		33%	
Number of Employees by Age Groups					
below 30	person	220	315	351	410
30-50	person	283	1,063	368	1,269
above 50	person	5	18	7	25
Indirect Employment					
Number of subcontracted employees	person	152	124	175	129
Total number of subcontracted employees	person	276		304	
Total female employee ratio	person	55%		%58	

*Financial leasing, expected loss provisions and non-performing receivables are included.

**All employees are full-time.

GRI 3-3, 401-1, 404-1, 404-2, 404-3

	Unit	2022		2023	
		Female	Male	Female	Male
NUMBER OF MANAGERS					
By Age Group					
below 30	person	0	0	0	0
30-50	person	24	203	26	242
above 50	person		8	1	8
Total number of managers	person	235		277	
By Level					
First level	person	0	0	0	0
Middle level	person	22	209	22	245
Senior level	person	2	6	5	8
First level female manager ratio	%	0		0	
Middle level female manager ratio	%	10%		8%	
Senior level female manager ratio	%	25%		38%	
Total female manager ratio	%	10%		10%	
Number of employees in STEM (Science, Technology, Engineering and Mathematics) Positions	person	2	16	2	23
Female employee ratio in STEM Positions	%	11%		8%	
DISABLED AND FOREIGN EMPLOYEES					
By gender	person	9	21	9	32
Legal requirement (minimum)	person	37		53	
Number of foreign employees	person	1	2	8	8
NUMBER OF NEW RECRUITMENTS BY AGE					
below 30	person	84	85	179	200
30-50	person	47	193	68	176
above 50	person	2	1	0	3
Number of new employees hired during the year	person	133	279	247	379
NUMBER OF HIRES BY MANAGERIAL LEVEL					
First level	person	0	3	0	3
Middle level	person	1	8	0	9
Senior level	person	0	0	0	0
Number of newly hired employees during the year	person	1	11	0	12
NUMBER OF EMPLOYEES BY SENIORITY					
0-5 years	person	358	840	536	1,047
5-10 years	person	150	556	190	657
More than 10 years	person	0	0	0	0
Total number of employees	person	1,904		2,430	

GRI 3-3, 401-1, 404-1, 404-2, 404-3

PERFORMANCE INDICATORS

	Unit	2022		2023	
		Female	Male	Female	Male
LEAVING JOB					
Number of employees leaving by age					
below 30	person	29	33	64	64
30-50	person	9	1	6	10
above 50	person	0	1	0	6
Total number of employees leaving their jobs	person	73		150	
Number of employees leaving by managerial level					
First level	person	0	0	0	0
Middle level	person	2	5	3	6
Senior level	person	0	0	0	0
Total number of managers leaving their jobs	person	2	5	3	6
Number of employees leaving voluntarily by age					
below 30	person	29	33	64	64
30-50	person	9	1	6	10
above 50	person	0	1	0	6
Total number of employees leaving their jobs voluntarily	person	38	35	70	80
Number of employees leaving voluntarily by managerial level					
First level	person	0	0	0	0
Middle level	person	2	5	3	6
Senior level	person	0	0	0	0
Total number of managers leaving their jobs voluntarily	person	7		9	
TOTAL EMPLOYEE TURNOVER RATIOS					
below 30 turnover ratio	%	0.12		0.17	
30-50 turnover ratio	%	0.01		0.01	
above 50 turnover ratio	%	0.04		0.18	
Female employee turnover ratio	%	0.06		0.08	
Male employee turnover ratio	%	0.02		0.04	
First level manager turnover ratio	%	0		0	
Middle level manager turnover ratio	%	0.03		0.03	
Senior level manager turnover ratio	%	0		0	

GRI 3-3, 401-1, 404-1, 404-2, 404-3

	Unit	2022		2023			
		Female	Male	Female	Male		
TURNOVER RATIOS OF EMPLOYEE LEAVING VOLUNTARILY							
below 30 turnover ratio	%	0.12		0.17			
30-50 turnover ratio	%	0.01		0.01			
above 50 turnover ratio	%	0.04		0.18			
Female employee turnover ratio	%	0.28		0.44			
Male employee turnover ratio	%	0.28		0.63			
First level manager turnover ratio	%	0		0			
Middle level manager turnover ratio	%	0.03		0.03			
Senior level manager turnover ratio	%	0		0			
PARENTAL/MATERNITY LEAVE							
Number of employees on maternity/paternity leave	person	23	77	35	93		
Number of employees returning to work after maternity/paternity leave	person	21	77	31	93		
Ratio of employees returning to work from maternity leave to total employees	%	0.04		0.05			
EMPLOYEE DEVELOPMENT	Unit	2022		2023			
		Female	Male	Female	Male		
Training hours by gender							
Total training hours by gender	hour	14,100	26,521	13,888	24,773		
Annual average training hours per employee by gender	hour	21	17	15	13		
Training hours by age group	Unit	2022			2023		
		below 30	30-50	above 50	below 30	30-50	above 50
Total training hours by age	hour	22.203	16.594	1.824	22.610	13.551	2.500
Annual average training hours per employee by age group	hour	42	12	76	30	8	76
Manager training	Unit	2022			2023		
		First level	Middle level	Senior level	First level	Middle level	Senior level
Total training hours by age	hour	21.521	15.268	3.626	23.971	10.290	4.400
Annual average training hours per employee by age	hour	0	66,1	453,3	0	38,5	338,5

GRI 3-3, 401-1, 403-1, 403-3, 403-5, 403-9, 403-10, 404-1, 404-2, 404-3

PERFORMANCE INDICATORS

Training Hours and Number of Participants by Training Programs	2022		2023	
	Training Hours	Number of Participants	Training Hours	Number of Participants
Development training	17,253	186	19,908	414
Sales and marketing training	23,880	2,756	25,658	2,541
Management trainee training	3,420	38	3,226	44
2023 Sustainability trainings	Unit	Female		Male
	Hour	173		365
Training costs	Unit	2022		2023
Total training cost	TL thousand	2,857		5,484
Average annual training cost per employee	tL	1,308		2,004

OSH	Unit	2022	2023
Direct employment			
Number of accidents	number	0	1
Number of fatal cases	number	0	0
Number of occupational diseases	number	0	0
Work loss due to accidents	day	0	0
Work loss	day	0	0
Indirect employment			
Number of accidents	number	2	0
Number of fatal cases	number	0	0
Number of occupational diseases	number	0	0
Work loss due to accidents	day	2	0
Work loss	day	0	0

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 306-1, 306-2, 306-3, 306-4, 306-5

ENVIRONMENTAL PERFORMANCE INDICATORS

GREENHOUSE GAS EMISSIONS	Unit	2022	2023	Change (%)
Scope 1	tonCO ₂ e	1,838	2,253	22.59
Scope 2	tonCO ₂ e	2,485	2,896	16.56
Scope 3	tonCO ₂ e	1,413	1,781	26.05
Total (Scope 1 + Scope 2)	tonCO ₂ e	4,322	5,149	19.12

EMISSION INTENSITY

	tCO ₂ e/number of employees			
Emissions per employee		2.27	2.12	-6.66
Emissions by consolidated asset size	tCO ₂ e/TL million	0.02	0.01	-33.86
Emissions by consolidated net profit	tCO ₂ e/TL million	1.14	1.29	13.17

ENERGY CONSUMPTION

Total electricity consumption	MWh	5,659	6,596	16.56
Total natural gas consumption	m ³	376,359	413,524	9.87
Diesel fuel consumption	liter	3,295	3,410	3.49
Fuel oil consumption	liter	0	0	-
Coal consumption	kg	0	0	-

WATER CONSUMPTION

Mains water	m ³	17,705	23,296	31.58
Rain water	m ³	-	-	-
Waste water	m ³	17,705	23,296	31.58

VEHICLE FUEL CONSUMPTION

Company vehicle gasoline consumption	liter	85,117	139,240	63.59
Company vehicle diesel consumption	liter	334,254	414,491	24.00
Personnel service vehicle diesel consumption	liter	-	49,152	-

PAPER CONSUMPTION

A4 paper consumption	kg	36,288	37,925	4.51
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RECYCLED WASTE

Paper - cardboard waste	kg	8,963	16,740	86.77
Metal	kg	6	10	66.67
Glass	kg	16	14	-12.50
Plastic	kg	1,543	1,447	-6.22
Mixed packaging	kg	27,186	28,281	4.03

GRI CONTENT INDEX



For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Turkish version of the Report.

STATEMENT OF USE	Ziraat Katılım Bankası A.Ş. has reported in accordance with the GRI Standards for the period 1 January-31 December 2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	N/A.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 2: GENERAL DISCLOSURES 2021	GENERAL DISCLOSURES		
	2-1 Organizational details	About the Report, Page: Inside Cover Corporate Profile, Page: 10-11 Shareholding Structure, Page: 13 https://www.ziraatkatilim.com.tr/en/about-us/corporate-information/our-organizational-structure	
	2-2 Entities included in the organization's sustainability reporting	About the Report, Page: Inside Cover	
	2-3 Reporting period, frequency and contact point	About the Report, Page: Inside Cover 1 January-31 December 2023 Reporting is made annually. Contact Person: Doğukan Bak, Dogukan.Bak@ziraatkatilim.com.tr	
	2-4 Restatements of information	This is Ziraat Participation's first sustainability report.	
	2-5 External assurance	No external assurance was received for the report.	
	2-6 Activities, value chain and other business relationships	Corporate Profile, Page: 10-11 Our Financial Assets, Page: 40-47	
	2-7 Employees	Our Human Assets, Page: 48-55	
	2-8 Workers who are not employees	At Ziraat Participation, human resources consist of full-time employees. How Do We Manage our Business?, Page: 26-28	
	2-9 Governance structure and composition	https://www.ziraatkatilim.com.tr/en/about-us/corporate-information/board-of-directors https://www.ziraatkatilim.com.tr/en/about-us/corporate-information/senior-management	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 2: GENERAL DISCLOSURES 2021	2-10 Nomination and selection of the highest governance body	Regarding the minimum qualities to be sought in appointments to Board Member, Ziraat Participation acts in accordance with the provisions of Banking legislation, Turkish Commerce Code and the regulations of Capital Markets Board. https://www.ziraatkatilim.com.tr/sites/default/files/2024-01/Ziraat%20Kat%C4%B1%C4%B1m%20Bankas%C4%B1%20Esas%20S%C3%B6zle%C5%9Fmesi.pdf	
	2-11 Chair of the highest governance body	https://www.ziraatkatilim.com.tr/en/about-us/corporate-information/board-of-directors	
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Management and Structure at Ziraat Participation, Page: 28-32 https://www.ziraatkatilim.com.tr/sites/default/files/2023-09/Sustainability%20Policy.pdf	
	2-13 Delegation of responsibility for managing impacts	ESG Management and Structure at Ziraat Participation, Page: 28-32 https://www.ziraatkatilim.com.tr/sites/default/files/2023-09/Sustainability%20Policy.pdf	
	2-14 Role of the highest governance body in sustainability reporting	ESG Management and Structure at Ziraat Participation, Page: 28-32 https://www.ziraatkatilim.com.tr/sites/default/files/2023-09/Sustainability%20Policy.pdf	
	2-15 Conflicts of interest	Our Human Assets, Page: 53-54	
	2-16 Communication of critical concerns	Our Human Assets, Page: 53-54 https://www.ziraatkatilim.com.tr/en/about-us/customer-satisfaction	
	2-17 Collective knowledge of the highest governance body	https://www.ziraatkatilim.com.tr/en/about-us/corporate-information/board-of-directors	
	2-18 Evaluation of the performance of the highest governance body	https://www.ziraatkatilim.com.tr/en/about-us/corporate-information/board-of-directors	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 2: GENERAL DISCLOSURES 2021	2-19 Remuneration policies	Our Human Assets, Page: 50-53	
	2-20 Process to determine remuneration	Our Human Assets, Page: 50-53	
	2-21 Annual total compensation ratio	Not disclosed in accordance with the Bank's confidentiality policy.	
	2-22 Statement on sustainable development strategy	Sustainability Approach, Page: 14	
	2-23 Policy commitments	Our Perspective on Sustainability and ESG/ Framework for Policies, Page: 15 https://www.ziraatkatilim.com.tr/sites/default/files/2023-09/Sustainability%20Policy.pdf	
	2-24 Embedding policy commitments	Our Perspective on Sustainability and ESG/ Framework for Policies, Page: 15 https://www.ziraatkatilim.com.tr/sites/default/files/2023-09/Sustainability%20Policy.pdf	
	2-25 Processes to remediate negative impacts	Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25	
	2-26 Mechanisms for seeking advice and raising concerns	Our Human Assets, Page: 53-54 Our Manufactured Assets, Page: 63 How Do We Manage our Business?, Page: 27	
	2-27 Compliance with laws and regulations	https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Financial Information and Risk Management, Page: 68-69	
	2-28 Membership associations	Our Social and Relational Assets, Page: 69	
	2-29 Approach to stakeholder engagement	Stakeholders-Stakeholder Communication, Page: 18-19	
	2-30 Collective bargaining agreements	Our Human Assets, Page: 50	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
MATERIAL TOPICS			
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Our Material Topics, Page: 20-21	
	3-2 List of material topics	Our Material Topics, Page: 20-21 · Digital Transformation and Innovation · Financial Performance and Profitability · Integrated Risk Management · Ethics and Compliance · Data Privacy and Security · Fight Against Climate Change · Responsible Products and Services · Employee Welfare and Rights · Corporate Culture Principles · Training and Talent Management · Customer Experience and Satisfaction · Financial Inclusion · Equal Opportunity and Diversity · Corporate Social Responsibility · Financial Literacy · Natural Resources and Waste Management	
DIGITAL TRANSFORMATION AND INNOVATION			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Letter from the Chairman of the Board, Page: 4-5 An Interview With the CEO Regarding Sustainability and ESG, Page: 6-9 Our Material Topics, Page: 20-21 Ziraat Participation's Response to External Developments, Page: 36 Our Intellectual Assets, Page: 56-59 Our Manufactured Assets, Page: 63	
FINANCIAL PERFORMANCE AND PROFITABILITY / INTEGRATED RISK MANAGEMENT			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Letter from the Chairman of the Board, Page: 4-5 An Interview With the CEO Regarding Sustainability and ESG, Page: 6-9 Our Material Topics, Page: 20-21	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	2023 Key Performance Indicators, Page: 16 How Do We Manage our Business?, Page: 27 Ziraat Participation's Response to External Developments, Page: 37 Ziraat Participation Business Model, Page: 38-39 Economic Performance Indicators, Page: 74 https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Financial Indicators-Page: 18-19, Financial Information and Risk Management-Page: 69-70	
	201-2 Financial implications and other risks and opportunities due to climate change	Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25	
	201-3 Defined benefit plan obligations and other retirement plans	https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Explanations on Obligations Related to Employee Rights-Page: 109-111	
	201-4 Financial assistance received from government	Ziraat Participation does not have any financial assistance received from the government as of the report date.	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25 Ziraat Participation Business Model, Page: 38-39 Our Financial Assets, Page: 40-47	
	203-2 Significant indirect economic impacts	Aligning Material Topics with the Sustainable Development Goals, Page: 22-23 Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25 Our Financial Assets, Page: 40-47	
GRI 207: TAX 2019	207-1 Approach to tax	https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Explanations on Taxation-Page: 111-113	
	207-4 Country-by-country reporting	https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Explanations on Taxation-Page: 111-113	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
ETHICS AND COMPLIANCE / DATA PRIVACY AND SECURITY			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Letter from the Chairman of the Board, Page: 4-5 An Interview With the CEO Regarding Sustainability and ESG, Page: 6-9 Our Material Topics, Page: 20-21 How Do We Manage our Business?, Page: 27 Ziraat Participation's Response to External Developments, Page: 37 Our Intellectual Assets, Page: 58-59	
		https://www.ziraatkatilim.com.tr/sites/default/files/2023-12/Ziraat%20Kat%C4%B1l%C4%B1m%20Bankas%C4%B1%20AML%20Politikas%C4%B1%20Tasar%C4%B1m%C4%B1%20Hk%20Eng_0.pdf https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Financial Information and Risk Management, Page: 68-69	
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	How Do We Manage our Business?, Page: 27 Ziraat Participation's Response to External Developments, Page: 37	
		https://www.ziraatkatilim.com.tr/sites/default/files/2023-12/Ziraat%20Kat%C4%B1l%C4%B1m%20Bankas%C4%B1%20AML%20Politikas%C4%B1%20Tasar%C4%B1m%C4%B1%20Hk%20Eng_0.pdf https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Financial Information and Risk Management, Page: 68-69	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 205: ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	How Do We Manage our Business?, Page: 27 Ziraat Participation's Response to External Developments, Page: 37 https://www.ziraatkatilim.com.tr/sites/default/files/2023-12/Ziraat%20Kat%C4%B1%C4%B1m%20Bankas%C4%B1%20AML%20Politikas%C4%B1%20Tasar%C4%B1m%C4%B1%20Hk%20Eng_0.pdf https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/ Financial Information and Risk Management, Page: 68-69	
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.	
FIGHT AGAINST CLIMATE CHANGE / RESPONSIBLE PRODUCTS AND SERVICES / NATURAL RESOURCES AND WASTE MANAGEMENT			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Letter from the Chairman of the Board, Page: 4-5 An Interview With the CEO Regarding Sustainability and ESG, Page: 6-9 2023 Key Performance Indicators, Page: 16 Our Material Topics, Page: 20-21 Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25 Ziraat Participation's Response to External Developments, Page: 37 Our Natural Assets, Page: 70-73 Environmental Performance Indicators, Page: 79	
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
	302-2 Energy consumption outside of the organization	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
	302-3 Energy intensity	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
	302-4 Reduction of energy consumption	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	Our Natural Assets/Water Management, Page: 73 Environmental Performance Indicators, Page: 79	
	303-2 Management of water discharge-related impacts	Our Natural Assets/Water Management, Page: 73 Environmental Performance Indicators, Page: 79	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 303: WATER AND EFFLUENTS 2018	303-3 Water withdrawal	Our Natural Assets/Water Management, Page: 73 Environmental Performance Indicators, Page: 79	
	303-4 Water discharge	Our Natural Assets/Water Management, Page: 73 Environmental Performance Indicators, Page: 79	
	303-5 Water consumption	Our Natural Assets/Water Management, Page: 73 Environmental Performance Indicators, Page: 79	
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
	305-2 Energy indirect (Scope 2) GHG emissions	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
	305-3 Other indirect (Scope 3) GHG emissions	Our Natural Assets/Emission Management, Page: 72 Environmental Performance Indicators, Page: 79	
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Our Natural Assets/Waste Management, Page: 73 Environmental Performance Indicators, Page: 79	
	306-2 Management of significant waste-related impacts	Our Natural Assets/Waste Management, Page: 73 Environmental Performance Indicators, Page: 79	
	306-3 Waste generated	Our Natural Assets/Waste Management, Page: 73 Environmental Performance Indicators, Page: 79	
	306-4 Waste diverted from disposal	Our Natural Assets/Waste Management, Page: 73 Environmental Performance Indicators, Page: 79	
	306-5 Waste directed to disposal	Our Natural Assets/Waste Management, Page: 73 Environmental Performance Indicators, Page: 79	
EMPLOYEE WELFARE AND RIGHTS / CORPORATE CULTURE PRINCIPLES / TRAINING AND TALENT MANAGEMENT / EQUAL OPPORTUNITY AND DIVERSITY			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Letter from the Chairman of the Board, Page: 4-5 An Interview With the CEO Regarding Sustainability and ESG, Page: 6-9 2023 Key Performance Indicators, Page: 17 Our Material Topics, Page: 20-21 Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25 Our Human Assets, Page: 48-55 Social Performance Indicators, Page: 74-78	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Our Human Assets, Page: 48-55 Social Performance Indicators, Page: 74-78	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	At Ziraat Participation, human resources consist of full-time employees	
	401-3 Parental leave	Our Human Assets, Page: 48-55 Social Performance Indicators, Page: 74-78	
GRI 402: LABOR/ MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	https://www.ziraatkatilim.com.tr/sites/default/files/media-file/ZK_AR23ENG.pdf Ziraat Participation 2023 Annual Report/. Explanations on Obligations Related to Employee Rights -Page: 109-111	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Our Human Assets, Page: 55 Social Performance Indicators, Page: 78	
	403-3 Occupational health services	Our Human Assets, Page: 55 Social Performance Indicators, Page: 78	
	403-5 Worker training on occupational health and safety	Our Human Assets, Page: 55 Social Performance Indicators, Page: 78	
	403-9 Work-related injuries	Our Human Assets, Page: 55 Social Performance Indicators, Page: 78	
	403-10 Work-related ill health	Our Human Assets, Page: 55 Social Performance Indicators, Page: 78	
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Our Human Assets, Page: 48-55 Social Performance Indicators, Page: 74-78	
	404-2 Programs for upgrading employee skills and transition assistance programs	Our Human Assets, Page: 48-55 Social Performance Indicators, Page: 74-78	
	404-3 Percentage of employees receiving regular performance and career development reviews	Our Human Assets, Page: 48-55 Social Performance Indicators, Page: 74-78	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Our Human Assets, Page: 48-55	
	405-2 Ratio of basic salary and remuneration of women to men	At Ziraat Participation, there is no gender-based discrimination in base salary and wage determinations.	
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Human Assets, Page: 50 There were no incidents in which the right to freedom of association and collective bargaining was at risk during the reporting period.	
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	There is no child labor at Ziraat Participation.	
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	There were no incidents of forced or compulsory labor during the reporting period.	
CUSTOMER EXPERIENCE AND SATISFACTION / FINANCIAL INCLUSION / CORPORATE SOCIAL RESPONSIBILITY / FINANCIAL LITERACY			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Letter from the Chairman of the Board, Page: 4-5 An Interview With the CEO Regarding Sustainability and ESG, Page: 6-9 2023 Key Performance Indicators, Page: 17 Our Material Topics, Page: 20-21 Impact Framework of Material Topics and its Reflection in the Report, Page: 24-25 Our Financial Assets, Page: 40-47 Our Intellectual Assets, Page: 56-59 Our Manufactured Assets, Page: 60-65 Our Social and Relational Assets, Page: 66-69	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance concerning the health and safety impacts of products and services during the reporting period.	
GRI 417: MARKETING AND LABELING 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance concerning product and service information and labeling during the reporting period.	
	417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance concerning marketing communications during the reporting period.	
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There are no substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.	

SASB INDEX

This index includes Ziraat Participation's disclosures within the scope of Commercial Banking Standards published by the independent standard-setting Sustainability Accounting Standards Board (SASB). Ziraat Participation aims to expand its disclosures regarding the Standards in the coming period and to respond to a wider number of topics. The disclosures included in the SASB Index refer to the year ending December 31, 2023.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Code	Response
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	Quantitative	FN-CB-230a.1	There are no complaints concerning breaches of customer privacy and losses of customer data during the reporting period.
	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	Ensuring data privacy and security, p. 58 The role of human factor in ensuring data privacy and security, p.59
Financial Inclusion & Capacity Building	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Quantitative	FN-CB-240a.1	A Wide Range of Products, Services and Solutions with High Value Proposal, p.43 Sustainability-Oriented Products, p. 44-46
	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Quantitative	FN-CB-240a.2	A Wide Range of Products, Services and Solutions with High Value Proposal, p.43 Sustainability-Oriented Products, p. 44-46
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB-240a.4	Aligning Material Topics with the Sustainable Development Goals p. 22

Topic	Metric	Category	Code	Response
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	<p>Ziraat Participation's List of Non-financed Activities guides the Bank's credit allocation activities. In addition to the list of non-financed activities, the assessment of environmental and social risks in credit analyses is applied to loans whose investment amount exceeds a certain threshold. These studies are carried out within the scope of ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT APPROACH, which aims to identify, analyze, classify, reduce and monitor environmental and social risks.</p> <p>Environmental and Social Risk Assessment Approach and Structure, p. 46-47</p>
	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	FN-CB-510a.1	There were no recorded cases in this regard during the reporting period.
Business Ethics	Description of whistleblower policies and procedures	Discussion and Analysis	FN-CB-510a.2	<p>Ziraat Participation employees who believe that practices contrary to the legislation and the Bank's Ethical Principles are being implemented can directly notify the Inspection Board Presidency via the Ethics Line access link on the Bank's portal. Ziraat Participation guarantees that the reported issues will not be shared with the employee's managers and colleagues. Bank employees can report via the portal and also communicate directly with the members of the Inspection Board.</p>

SASB INDEX

Topic	Metric	Category	Code	Response
Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	FN-CB-550a.1	According to the methodology drawn up by the Basel Committee on Banking Supervision, Ziraat Participation is not considered to be a Global Systemically Important Bank (G-SIB) and, accordingly, does not have a G-SIB score. On the other hand, the Bank publishes the systemically important bank buffer ratio within the scope of its independently audited balance sheets and footnotes prepared in accordance with Turkish Financial Reporting Standards ("TFRS"). See page 118, Ziraat Participation 2023 Annual Report .
	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long term corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	See page 69, Functioning of Risk Management System, Ziraat Participation 2023 Annual Report .

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