

A man and a woman are standing in a warehouse, looking at a tablet and a clipboard. The man is wearing a blue hard hat and a blue sweater, while the woman is wearing a white hard hat and a white shirt with a grey cardigan. They are both looking at the tablet, which the woman is holding. The man is holding a clipboard. The background shows shelves filled with cardboard boxes.

2024 TSRS Aligned **Sustainability Report**



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Introduction

1.1 REPORT PREPARATION PROCESS

Garanti Faktoring A.Ş. ("Garanti BBVA Factoring", "Company") presents its sustainability-related climate risks and opportunities for 2024 in the Garanti BBVA Factoring 2024 TSRS Report, which is prepared for the first time and in accordance with the Türkiye Sustainability Reporting Standards (TSRS). The information in the report aims to provide important information on climate-related risks and opportunities that will be useful in making sourcing decisions. The information in the report is intended to provide key information about climate-related risks and opportunities that will be useful to primary users of general purpose financial reports in making sourcing decisions. The report provides a comprehensive assessment of Garanti BBVA Factoring's, a subsidiary of the Garanti BBVA Group (Türkiye Garanti Bankası A.Ş.), financial and non-financial performance within the context of its sustainability management and practices, as well as its future strategy.

The report complies with the reporting period of the unconsolidated financial statements prepared under the BRSA (Banking Regulation and Supervision Agency) for the 12-month period covering January 1, 2024, through December 31, 2024. Information for the relevant financial period can be accessed through Garanti BBVA Factoring's financial

statements for the 2024 accounting period. To ensure consistency among the various reports published by Garanti BBVA Factoring, the climate-related financial disclosures presented in this report use the same data sets and assumptions as the 2024 financial reports. In this context, the same accounting policies, methods, estimates, and currency, the Turkish Lira (TL), are used to ensure consistency between sustainability data and financial information. Garanti BBVA Factoring, which is traded on Borsa Istanbul, also publishes reports that comply with the minimum requirements for activity reporting of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board (CMB).

The report describes sustainability issues that may affect the Company's future activities under four main headings: Governance, Strategy, Risk Management, Metrics and Targets, within the framework of the standards set by the Public Oversight, Accounting and Auditing Standards Authority (KGK), and presents the potential impacts of climate risks and opportunities on the Company.

1.1.1 Compliance with Türkiye Sustainable Reporting Standards (TSRS)

Garanti BBVA Factoring's 2024 TSRS-Compliant Sustainability Report has been prepared in accordance with the Türkiye

Sustainability Reporting Standards 1 and 2 (TSRS 1 and 2), published in the Official Gazette dated December 29, 2023, and numbered 32414(M), in accordance with the guidance and principles set forth in the standards. In this regard, the Report contributes to the transparent presentation of sustainability performance.

The report discloses all risks and opportunities that are considered to significantly affect the Company's cash flows, access to financing and/or cost of capital (in terms of the determined significance criteria).

However, by utilising the transitional provisions of TSRS 1, only assessments on financial impact analyses of climate-related risks and opportunities have been disclosed.

Within the scope of the independent audit required by the Public Oversight, Accounting and Auditing Standards Authority (KGK), Güney Independent Auditing and Certified Public Accountants Inc. (EY) was subjected to a limited assurance audit within the scope of GDS 3000 "Assurance Audits Other Than Independent Audit or Limited Independent Audit of Historical Financial Information" and GDS 3410 "Assurance Audits Regarding Greenhouse Gas Declarations" standards and the independent auditor's limited assurance report was included in the report.

1.1.2 Relation with Financial Statements

The disclosures regarding sustainability issues and climate risks and opportunities in this report cover activities between January 1 and December 31, 2024, and should be evaluated together with the consolidated financial statements for this period. Relevant financial information can be accessed through this link.

Garanti BBVA Factoring explains the connections between the sustainability-related financial disclosures presented in this Report and the disclosures in its financial reports, in line with TSRS guidance. The Company also uses criteria such as risk measures and time horizons in its financial assessments as a basis for the sustainability and climate-related topics covered in this report, thus facilitating the evaluation of the 2024 TSRS-Compliant Sustainability Report in conjunction with the financial statements.

1.1.3 Determining Priority Issues – The Materiality Approach

Garanti BBVA Factoring's sustainability strategy and reporting have identified material issues based on national and international standards such as the European Sustainability Reporting Standards (ESRS), TSRS 1 and 2, and the GRI.

Assessments were based solely on financial significance, taking into account the impact of

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sustainability issues on the Company's cash flow, credit risk, cost structure, and capital costs. In addition to qualitative assessments, a threshold value was determined as the materiality criterion, taking into account a specific percentage of pre-tax profit. Environmental, social, and governance (ESG) factors that could impact financial performance were analyzed. Assessments focused on issues with measurable impacts on growth, profitability, funding, and risk premiums.

Determining the Financial Impacts of Sustainability and Climate Issues

In order to determine the impacts on the company's credit policies, portfolio management and business model, the following indicators were evaluated:

- ESG non-compliance that may make access to finance difficult,
- The impact of sectoral regulatory changes on business processes,
- Risks of cost increases or operational interruptions,
- The relationship between ESG-compliant client portfolio ratios and financial performance.

All these issues were analyzed with information obtained from internal and external sources (e.g. sector reports,

sustainability framework documents), and the magnitude and probability of occurrence of each risk were ranked.

1.1.4 Reporting and Monitoring approach

Garanti BBVA Factoring discloses only significant matters that exceed materiality thresholds in accordance with TSRS 1 and 2. These thresholds are defined based on the potential impact on financial statement items (e.g., risks exceeding certain percentages of pre-tax profit). This approach aligns with the TSRS-1 principles of fair presentation, relevant information, comparability and verifiability, and materiality, ensuring transparency in the data presented to investors.

1.2 REPORTING DATE AND TRANSITION NOTICE

Garanti BBVA Factoring is reporting under TSRS for the first time for the period January 1 - December 31, 2024 and includes disclosures in accordance with TSRS 1 and TSRS 2 standards in this report.

In line with the Board Decision on the Scope of Application of the Türkiye Sustainability Reporting Standards (TSRS) of the Public Oversight, Accounting and Auditing Standards Authority (KGK), which is the authorized institution within the scope of TSRS, it benefits from the following transitional provisions:

• **TSRS 1 E3, TSRS 2 C3:** Entities are not required to submit comparative information in the first reporting period in which they apply TSRSs. Therefore, this report, which covers the first reporting period, 2024, does not include information on comparisons with previous period(s). Similarly, disclosures regarding climate-related risks and opportunities, in accordance with the provisions of Annex E6 (a) and (b) of TSRS 1, relate only to the first reporting year.

• **TSRS 1 E4:** Within the framework of Provisional Article 2 of the Board Decision on the Scope of Application of the Türkiye Sustainability Reporting Standards (TSRS) (as well as TSRS E4(b)), businesses can report their sustainability reports for the first annual reporting period in which they apply TSRS after they publish their financial reports for the relevant period. In this regard, Garanti BBVA Factoring's TSRS-Compliant Sustainability Report is published no later than the interim financial reporting date. The report is published in July 2025, after the financial statements for the period January 1, 2024, to December 31, 2024, are released.

• **TSRS 1 E5, TSRS 1 E6 and TSRS 2 C3:** In the first annual reporting period, only information related to climate-related risks and opportunities is permitted to

The report provides a comprehensive assessment of Garanti BBVA Factoring's financial and non-financial performance within the context of its sustainability management and practices, as well as its future strategy.

be disclosed (under TSRS 2). This report focuses solely on financial disclosures related to climate-related risks and opportunities.

TSRS 2 C4: Considering the exemption included in the Board Decision dated 27.12.2023 (Temporary Article-3) published by the KGK, scope-3 greenhouse gas emissions are not declared in the 2024 TSRS reporting.

About Garanti BBVA Factoring

2.1 ACTIVITY SUBJECT

Garanti Faktoring A.Ş., as a subsidiary of Garanti BBVA, one of Türkiye's leading financial institutions, offers domestic, international and export factoring services to its customers. The company's main field of activity is to provide short-term financing to businesses through the assignment of their receivables, to manage collection processes and to provide risk management (guarantee service) support in commercial transactions.

Garanti BBVA Factoring's business model is shaped around the principle of sustainable value creation; it helps its customers regulate their cash flows and support their growth by increasing the accessibility of financial services. The company sets strategic goals for digitalization, operational efficiency, ethical business conduct and reducing environmental impact at every stage of the value chain.

Factoring solutions offered via digital platforms reduce the carbon footprint by shortening transaction times; and also indirectly contribute to environmental sustainability. Within the scope of the business model, increasing the financial inclusion of customers, providing services with transparency and effectively managing risks are among the main priorities.

Within the corporate governance structure, sustainability is embraced at the senior management level and integrated into strategic decision processes in line with Garanti BBVA's sustainability principles. Garanti BBVA Factoring regularly monitors the social, environmental and economic impacts of its activities and manages sustainability risks in an integrated manner with its business model.

This structure ensures that sustainability-related risks and opportunities expected to be disclosed within the framework of TSRS are systematically assessed; sustainability impacts related to the field of activity are understood and shared transparently with relevant stakeholders.

2.2 BUSINESS MODEL AND VALUE CHAIN

Business Model

Garanti Faktoring A.Ş. is a financial institution affiliated with Garanti BBVA, which is a pioneer in the factoring sector in Türkiye. Its basic business model is based on the assignment of domestic and international term receivables of businesses and providing them with short-term financing, easy collection and commercial receivables guarantee services. The company offers factoring solutions through both traditional channels and digital platforms, thus ensuring operational efficiency, customer satisfaction and accessibility.

Garanti BBVA Factoring's business model is integrated with the sustainable finance approach and designed by taking environmental, social and governance (ESG) impacts into consideration. Prioritizing inclusiveness in access to finance, this structure aims to increase the economic resilience of SMEs and to enable them to grow their commercial activities in a sustainable manner.

The company reduces its carbon footprint with investments in digitalization, while contributing to both sustainable development and risk reduction with infrastructures that increase data security and transaction reliability. The decision mechanisms within the business model identify sustainability risks (e.g. climate-related physical and transition risks) and integrate them into business processes. In this way, long-term financial and sustainable value creation is targeted.

Value Chain

Garanti BBVA Factoring value chain consists of a multi-stakeholder structure including customers, Garanti BBVA Group subsidiaries, domestic and international business partners, IT providers and regulatory authorities. The Company works in collaboration with all parties in this chain to ensure that financial services are provided securely, quickly and sustainably.

Garanti BBVA Factoring's value chain has been classified into three main categories and the activity has been evaluated in terms of sustainability within this scope.

About Garanti BBVA Factoring

1 - UPSTREAM

ACTIVITY	DESCRIPTION	IMPORTANCE FOR SUSTAINABILITY
Input	Customer receivables information Dated invoices and checks Financial data of seller and buyer companies	Credit analysis of buyer companies Risk assessment processes
Evaluation before transaction	Credibility analysis of seller and buyer companies Price quote presentation Contract preparation	Customer-focused service approach Digital application and evaluation processes

3 - DOWNSTREAM

ACTIVITY	DESCRIPTION	IMPORTANCE FOR SUSTAINABILITY
Reporting and Feedback	Customer information reports Process evaluation and improvement	Continuous service improvement Customer satisfaction analysis

2 - OPERATIONS

ACTIVITY	DESCRIPTION	IMPORTANCE FOR SUSTAINABILITY
Contractual and assignment process	Signing of factoring agreement Assignment of receivables	Legal transparency Customer information processes
Financing	Making of advance payment Transferring the financing amount to the customer	Working capital support Improving cash flow
Collection and Tracing	Collection of receivables at maturity Management of the collection process	Effective management of collection processes Customer information
Support/Advisory services	Digital platforms (mobile app, website) Human resources and training Technological infrastructure investments	Continuous training and development Investment in technology Corporate social responsibility projects

Considering all these elements, the company conducts risk and opportunity analyses throughout the value chain; it takes responsibility for sustainability issues affecting its stakeholders. In addition, policies and practices are developed throughout the value chain on issues such as data security, ethical trade, occupational health and safety.

About Garanti BBVA Factoring

2.3 PARTNERSHIP AND GOVERNANCE MODEL

Garanti Faktoring A.Ş. conducts its activities in line with the strong corporate structure and sustainability vision of its parent company Garanti BBVA, which owns 81.84% of the shares. T. Export Credit Bank Inc. has a 9.78% share ratio, while the remaining 8.38% is publicly traded on Borsa Istanbul. This partnership structure offers both strong financial support and the high transparency and accountability standards required by capital markets.

The Company's governance structure, decision-making and oversight processes are managed within the framework of corporate transparency. In this context;

- In its strategic direction-setting role, the Board of Directors oversees Garanti BBVA Factoring's long-term value creation targets, also taking into account the sustainability perspective.
- The Audit Committee, operating within the Board of Directors, undertakes oversight duties in the areas of internal control, risk management and regulatory compliance.
- The Corporate Governance Committee ensures compliance with the principles of transparency, equality, accountability and responsibility, while also ensuring sustainable communication with stakeholders.
- The Board of Directors Risk Committee supports business continuity and

sustainable growth strategies by ensuring that all risks that may affect the Company's operations and financial situation are evaluated, taking into account environmental and social risks.

Governance processes operate in full compliance with the sustainability framework of the parent company Garanti BBVA, as well as the transparency and integrity principles required by TSRS standards. This structure, which is driven by the goal of creating value for all stakeholders of the company, represents an approach that takes responsibility for sustainability issues and systematically integrates these issues into governance mechanisms.

2.4 BASIC ORGANISATIONAL STRUCTURE

At Garanti BBVA Factoring, management is structured in an integrated manner with the strategic goals of the institution, and effective governance is ensured between the Board of Directors and affiliated committees, management and operational units. This structure enables the Company to effectively manage financial and ESG-related processes and risks and opportunities.

2.4.1 Board of Directors

The ultimate responsibility for oversight and direction of the Company's activities,

operations and decision-making details (including sustainability-related issues) belongs to the Board of Directors. Matters such as the Board of Directors' Duties and Term, meetings, and member fees are included in the [Garanti BBVA Factoring Articles of Association](#).

The structure of the Company's Board of Directors, determined by the Board of Directors decision dated 31.12.2024, is as follows:

Mahmut AKTEN	Chairman of the Board
Murat ATAY	Deputy Chairman of the Board of Directors
Selahattin GÜLDÜ	Board Member/General Manager
Osman Bahri TURGUT	Board Member/Corporate Governance Committee Member
Cemal ONARAN	Board Member
Aydın GÜLER	Board Member
Sibel KAYA	Board Member
Ebru TAŞÇI FİRUZBAY	Board Member
Ebru OĞAN KNOTTNERUS	Independent Board Member
Nihat KARADAĞ	Independent Member/Audit Committee Member
Serkan ÇANKAYA	Independent Member/Audit Committee Member
Akın EKİCİ	Independent Board Member

About Garanti BBVA Factoring

2.4.2 Committees under the Board of Directors

The Board of Directors has established an audit committee, an early risk detection committee and a corporate governance committee reporting to the Board of Directors in accordance with the Capital Markets Board Corporate Governance Principles. The working principles of the committees are determined by the Board of Directors and the committee members are selected by the Board of Directors.

Garanti BBVA Factoring's Board of Directors level committees are as follows:

COMMITTEE	MEMBERS	WORKING PRINCIPLES ¹
Audit Committee	Nihat KARADAĞ Chairman Serkan ÇANKAYA Member	Audit Committee Working Principles
Corporate Governance Committee	Nihat KARADAĞ Chairman Osman Bahri TURGUT Member Serap ÇAKIR Member	Corporate Governance Committee Working Principles
Early Detection of Risk Committee	Nihat KARADAĞ Chairman Serkan ÇANKAYA Member	Early Risk Detection Committee Working Principles
Board of Directors Risk Committee ²	Murat Atay Chairman Aydın Güler Member	

These committees evaluate the operational processes and financial status of the Company and also evaluate the ESG factors within their scope of work in an integrated manner.

¹Working Principles documents are provided in Turkish

²Not among the committees established in accordance with CMB regulations.

Governance

3.1 SUSTAINABILITY AND CLIMATE CHANGE GOVERNANCE STRUCTURE

Garanti Faktoring A.Ş. implements a sustainability governance that is consistent with and exemplary of the sustainability strategy, practices and management of its parent company Garanti BBVA (Türkiye Garanti Bankası A.Ş.). Sustainability practices are regularly reviewed and reported in terms of compliance with group-level strategies. In this context, the Report, prepared in accordance with TSRS, is presented regularly to the board of directors, stakeholders, and the public. The company's sustainability performance indicators are integrated into annual performance evaluation systems.

Garanti BBVA Factoring manages its sustainability and climate-related strategy, roadmap, targets, and risks and opportunities through its [Sustainability Policy](#). This policy defines the governance bodies related to sustainability and climate.

In this context, the highest level body responsible for approving the Sustainability General Policy is the Board of Directors of Garanti Faktoring A.Ş.

The Sustainability Committee is responsible for the management of the Policy and all related sustainability and climate-related

processes. The Committee was established on 22.06.2023 in line with the requirement that publicly held partnerships share the basic principles of the Sustainability Principles Compliance Framework with their stakeholders while carrying out their Environmental, Social and Corporate Governance activities, as set out in the Corporate Governance Communiqué No. II-17.1 (Corporate Governance Communiqué), which was published in the Official Gazette No. 28871 dated 3/1/2014.

Persons defined as "Responsible Persons" regarding sustainability and climate are obliged to know the level of implementation of the relevant General Policy, Standard or Procedure based on the information provided by the Senior Managers of the units within the scope of the said document, in accordance with the provisions within the scope of the General Sustainability Policy and the relevant Standard or Procedure, and to take the necessary measures and report in cases where it is not implemented correctly.

Senior Managers responsible for areas affected by the Policy ensure that, within their areas of responsibility and to the extent applicable, adequate tools, systems and structures are in place to ensure compliance with the Policy.

Sustainability-related skills and competencies are prioritized in the Board of Directors, which is responsible for sustainability and climate governance at the highest level. The Chairman of the Board, Mahmut Akten, is also the General Manager of Garanti BBVA. Mahmut Akten was a member of the Sustainability and Responsible Banking Committee for 8 years during his term as the Deputy General Manager responsible for Retail and Corporate Banking. In addition, during his 2 years as the Deputy General Manager responsible for Corporate Banking, Mahmut Akten managed the sustainable finance function in addition to his other duties.

As part of the Garanti BBVA Group, Garanti BBVA Factoring employees are also included in the parent company's sustainability policies, ethical rules and e-learning systems through the integration of Garanti BBVA Factoring, which operates as part of the Garanti BBVA Group, into the group policies and strategies. Through this integrated structure, sustainability awareness of subsidiary employees is increased and internal capacity is strengthened. Detailed information on sustainability training is provided in section [4.4. Strategy and decision-making](#) on sustainability issues.

It was decided to establish the Sustainability Committee in 2024 within the scope of the

issues addressed within the scope of the Company's Sustainability General Policy. The Committee meets at least once a year or more frequently when necessary to review the activities carried out within the scope of the policies or to present the desired changes to the Board of Directors of Garanti Faktoring A.Ş. The Sustainability Committee met five times in 2024.

In decision-making processes such as limit allocation and disbursement, trade-offs may arise between sustainability, climate impact, and commercial objectives. If a transaction or request does not comply with the current environmental and social credit standards, it is submitted to the credit committee, where necessary, after consultation with Garanti BBVA Factoring's compliance teams and Garanti BBVA's Credit and Sustainability teams. The transaction or request is managed based on the assessment and decisions of senior management at the credit committee. In 2024, the content of the underlying receivable was reviewed before the credit evaluation process began, and no offers were made.

Governance

The structure of the Garanti BBVA Factoring Sustainability Committee is as follows:

COMMITTEE MEMBER	TITLE	RESPONSIBILITY
Şule Firuzment Bekçe	Executive Vice President	Chair
Selahattin Güldü	General Manager / Board Member	Member
Osman Bilgin	Executive Vice President	Member
Gülçin Işcan	Executive Vice President	Member
Serap Çakır	General Accounting Unit Manager	Member
Emre Özmen	Risk Management and Credit Monitoring Unit Manager	Member
Hasan Okay Tuncay	Credits and Intelligence Unit Manager	Member
Nazan Aktaş	Organization and Process Development Unit Manager	Member
Gamze Mert	Corporate and Commercial Regional Manager	Member
Özge Tuncer	Human Resources and Administrative Affairs Senior Supervisor	Member

Furthermore, at Garanti BBVA Group, the Company's parent company, the task of monitoring, managing, and overseeing sustainability and climate-related risks and opportunities has been delegated to the Sustainability and Responsible Banking Committee. The Committee assesses relevant risks and opportunities in line with the sustainability strategy of the Bank and, where necessary, its subsidiaries, and monitors short-, medium-, and long-term targets. The Committee primarily assesses, reviews, and manages the Bank's approach to sustainability and climate change, and, where necessary, the approaches of its subsidiaries, from a consolidated perspective. 7 of the 12 members of Garanti BBVA Factoring's board of directors serve in the senior management of its parent company, Garanti BBVA, and are members of the Garanti BBVA Sustainability and Responsible Banking Committee. In this context, the company's board actively participates in and takes responsibility for the parent company's approach and manages Garanti BBVA Factoring's sustainability strategy accordingly. In 2024, this Committee monitored the Group's consolidated sustainability performance indicators and activities, but no specific decisions were made regarding Garanti BBVA Factoring.

Garanti BBVA Factoring has developed

effective methods for pre-allocation evaluation and subsequent monitoring processes in credit risk management.

Similar to the Group's risk management approach, identifying and analyzing risks appropriate to the volume, nature and complexity of Garanti BBVA Factoring activities; ensuring compliance with international and local legal regulations; protecting financial strength by monitoring and controlling risks in order to limit the impact of possible adverse market conditions on capital and revenues; establishing a risk culture across Garanti BBVA Factoring by creating risk transparency and risk awareness; ensuring that Garanti BBVA Factoring evaluates the risks that may arise from newly developed products or services are accepted as basic application principles.

The integration of climate change and sustainability-related risks into the Company's risk management framework is achieved by integrating them into existing governance and processes, taking into account the expectations of regulatory bodies such as the BRSA, CMB, and KGK. Risk and opportunity management is based on a risk planning process determined by the Company's defined risk appetite. The integration of new legal infrastructures related to sustainability issues into standard

Governance

risk management legislation continues in line with the principle of continuous improvement, and Garanti BBVA Factoring updates its risk management framework with this approach.

Credit risk management evaluated within this structure aims to achieve solid profitability and create value adjusted to the risks exposed throughout the cycle. Diversification of the portfolio, considering compliance with sustainability policies, and the quality and profile of new allocations are planned and managed through the creation of the portfolio (asset allocation and activity frameworks) and the evaluation of transaction processes. In this context, risks related to climate change (physical and transition risks) are included in the planning and management in question, aiming to prevent individual, sectoral, product, currency and leveraged financing concentrations. For this purpose, in addition to continuous monitoring of activities and credit quality, policies and decision-making tools have been established to enable decision-making at different management levels in order to dynamically adapt to possible deviations from risk appetite as a result of changes in the operating environment due to macroeconomic or other extraordinary factors. The aforementioned assessment and monitoring processes are monitored within the scope of thresholds determined within the framework of risk appetite for the portfolios of non-performing receivables and stage 2 loans, and their

management is specifically managed.

Within this structure, Garanti BBVA Factoring specifically evaluates the Climate-Related Financial Risk Management process (High Transition Risk) and integrates it into risk management processes. In this context, in 2021, Garanti BBVA Factoring defined Net High Transition Risk as "the risk amount / equity of factoring receivables that are internally 'high' or 'very high' sensitive to 'transition risk'" and started to analyze the resilience of its portfolio against transition risks and physical risks arising from climate change.

The integration of climate change and sustainability-related risks into the Company's risk management framework is achieved by integrating them into existing governance and processes, taking into account the expectations of regulatory bodies such as the BRSA, CMB, and KGK. Risk and opportunity management is based on a risk planning process determined by the Company's defined risk appetite. The integration of new legal infrastructures related to sustainability issues into standard risk management legislation continues in line with the principle of continuous improvement, and Garanti BBVA Factoring updates its risk management framework with this approach.

The Company's Environmental and Social Credit Policies document determines the

activities taken into consideration in the decision-making and risk management processes regarding significant transactions. Garanti BBVA Factoring has a compensation and reward model that includes sustainability and climate issues in compensation, taking as an example the good practices of its parent company Garanti BBVA in the field of compensation and financial rights. Detailed information about the application is shared in the [4.4. Strategy and decision-making on sustainability issues](#) section of the report.

3.2 GOVERNANCE OF SUSTAINABILITY AND CLIMATE RISK & OPPORTUNITIES

3.2.1 Role of the Board of Directors and Committees

Garanti BBVA Factoring's Board of Directors approves strategic decisions that include environmental, social and governance (ESG) issues in line with Garanti BBVA's sustainability policies; and monitors sustainability performance integrated into financial reporting. In this context, sustainability targets are aligned with corporate performance indicators. The Risk Committee, operating under the Board of Directors, regularly monitors sustainability-related risks and opportunities (e.g. climate risk, reputation risk, legal compliance risk) and presents assessments to senior management regarding the potential impacts of these risks on the company's business model.

The Corporate Governance Committee is responsible for developing governance mechanisms in line with sustainability principles on issues such as managing stakeholder expectations within the framework of sustainability, ethical compliance, employee representation and corporate transparency.

3.2.2 Executive Responsibility

In accordance with the governance model, the main responsibility for monitoring, managing and auditing sustainability-related risks and opportunities lies with the Sustainability Committee (Please see 3.1 Sustainability and Climate Change Management Structure). Selahattin Güldü, who took over as the Company General Manager in December 2024, monitors the Company's sustainability and climate change activities through the Sustainability Committee and, when necessary, presents relevant issues to the Board of Directors. In this way, under the leadership of the General Manager, Finance, risk management, business development, human resources and operations teams analyze sustainability impacts in their areas of responsibility and take actions in line with performance indicators.

Transaction or request evaluations are evaluated in terms of compliance with environmental and social credit standards by obtaining opinions

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from Garanti BBVA Factoring's compliance teams and Garanti BBVA Credits and Sustainability teams, and are presented to the credit committee when necessary.

Garanti BBVA Factoring uses the [General Sustainability](#) Policy as a basis to monitor, manage and audit sustainability and climate-related risks and opportunities. Within the scope of this Policy, the Company works to gradually integrate sustainability into the daily activities of its business and operations and gradually integrate climate change opportunities and risks into its strategy, processes and risk management in order to operate in accordance with the policy. In addition, the [Environmental and Social Credit Policies](#) ensure that the environmental and social components that the Company takes into consideration in all its work are managed.

Garanti BBVA Group also monitors the sustainability policies of its subsidiaries, such as Garanti BBVA Factoring, in terms of both functionality and compliance with Garanti BBVA standards, including priority governance components, including the functionality of their sustainability committees, environmental and social credit standards, and sustainable finance standards. In this context, Garanti BBVA standards are also observed in [the Sustainability Policy](#), [Sustainability Committee](#), and [Environmental and](#)

[Social Credit Standards](#), which are also available for [Garanti BBVA Factoring](#).

3.2.3 Garanti BBVA Governance Structure and its reflection on Garanti BBVA Factoring

Garanti BBVA integrates its sustainability vision, which is based on combating climate change, preserving natural capital and inclusive growth, into its corporate strategy and business model through the Sustainability Policy that applies across the group. The policy directly affects and guides not only Garanti BBVA but also all subsidiaries subject to financial consolidation – including Garanti BBVA Factoring in this context.

This Policy, updated annually in line with the BBVA Group's global strategy, is shaped in line with scientific developments and stakeholder expectations. As of 2024, new strategic priority themes such as biodiversity have also been included in its scope. The group-level standards and implementation guides determined within the scope of the Policy are also taken into consideration by Garanti BBVA Factoring and integrated into business processes.

The main policies and procedures that are in force across the Group and that Garanti BBVA Factoring is also obliged to comply with are as follows:

- **Sustainability Policy:** Provides the basic framework for the environmental, social and governance (ESG) approach across the Group.

- **Environmental and Social Credit Standard (ESCS):** Defines non-financed activities and sectors and customer acceptance criteria.
- **Sustainable Activities Guide:** Specifies the activities that will be considered as sustainable financing, documentation requirements and classifications.
- **Standard on Conformity Criteria for Sustainable or Sustainability-Related Activities, Products or Customers:** Provides sustainability conformity assessment on an activity, product and customer basis.
- **Sustainable Finance Mobilization Key Performance Indicators (KPI) Calculation and Reporting Procedure:** Determines the methods for measuring and consolidated reporting of sustainable finance volume.
- **Standard for Commercial Identification and Naming of Sustainable Products:** Specifies product identification and communication rules to prevent the risk of greenwashing.
- **Procedure for Participating in, Following Up on and Withdrawing from Sustainability-Related Public Commitments:** Sets out the management principles of the Group's sustainability commitments.
- **Anti-Greenwashing Guide:** Aims to conduct sustainability communication in a

responsible and auditable manner across all group companies.

These policies are accepted by subsidiaries such as Garanti BBVA Factoring not only as a reference but also as an implementation standard. In this context, Garanti BBVA monitors the policy compliance of its affiliated partners, provides support regarding information and training processes, and strengthens its sustainability capacity by assuming an internal consultancy role when necessary.

Garanti BBVA Group also monitors the sustainability policies of its subsidiaries, such as Garanti BBVA Factoring, in terms of both functionality and compliance with Garanti BBVA standards, including priority governance components, including the functionality of their sustainability committees, environmental and social credit standards, and sustainable finance standards. In this context, Garanti BBVA standards are also observed in the Sustainability Policy, Sustainability Committee, and Environmental and Social Credit Standards, which are also available for Garanti BBVA Factoring.

Strategy

Garanti BBVA Group contributes to the Sustainable Development Goals (SDGs) through the multiplier effect of the financial sector in which it operates, through the creation of new jobs, the direct impact of its own activities and through social investments. Garanti BBVA Factoring also contributes to sustainable development by identifying and managing issues that have a significant impact on the sustainability of the business model in line with the Group's strategy.

Garanti BBVA Group conducted a similar materiality analysis with its main shareholder, BBVA Group, to identify the material issues for which it must inform and report to its stakeholders for 2024. This study, based on international, national, legal, and voluntary reporting standards, identified issues with sustainability impact for Garanti BBVA and its subsidiaries. With this exercise, Garanti BBVA Group identified and assessed the impact of its activities on the environment and people, as well as the impact of environmental and social issues on company operations.

4.1 SUSTAINABILITY AND CLIMATE TOPICS

Garanti BBVA Factoring has conducted a financial materiality analysis in accordance with the Türkiye Sustainability Reporting Standards, based on the issues included in the analysis of the Garanti BBVA Group to which it is affiliated.

The study began with the Bank's sustainability unit reviewing and simplifying 64 topics assessed under the risk and opportunity headings of the materiality analysis, the results of which are included in Garanti BBVA's 2024 Integrated Annual Report. Subsequently, the credit risk, risk management, organizational and process development, and talent and culture teams, led by the Garanti BBVA Factoring Finance team, conducted a financial materiality workshop on these topics with the Bank's sustainability team. The short-, medium- and long-term potential impacts of 18 issues that were assessed to have an impact on Garanti BBVA Factoring's business model were assessed under the environmental, social

and governance headings on the company's financial statements, financial planning and cash flow. The active opinions of the teams responsible for the management of the relevant issue were taken into account in the study, and the level of materiality, the Group's strategic priorities and their implementation, the market environment and interaction with stakeholders were taken into consideration. The materiality study will be reviewed periodically based on developments in these areas and changes in regulations. Important sustainability issues emerged from the analysis

Garanti BBVA Factoring contributes to sustainable development by identifying and managing issues that have a significant impact on the sustainability of the business model in line with the Group's strategy.

Strategy

IMPORTANT SUSTAINABILITY ISSUES EMERGED FROM THE ANALYSIS

MAIN TOPIC	SUBTOPIC	DESCRIPTION	MATERIALITY LEVEL	RISK/ OPPORTUNITY	TIME HORIZON	VALUE CHAIN STAGE
Climate Change	Increased extreme weather events leading to financial losses	Production interruptions, particularly for customers operating in sectors such as agriculture, logistics, and construction, can complicate receivables collection. This can lead to increased loss provisions in the factoring portfolio.	Very High	Risk (Physical)	Long	Downstream
Climate Change	Development of green financing products	Opportunities arise to develop specialized factoring products for sustainability-focused clients. This presents a potential for the company to generate new revenue streams (green factoring).	Very High	Opportunity	Medium	Operations
Corporate Culture and Work Ethic	Fighting Corruption, Preventing Ethical Violations	Corruption, fraud, and ethical violations lead to both direct fines and reputational damage in financial sectors like factoring. This can lead to financial impacts such as customer loss, difficulty accessing financing, and increased costs of capital. Therefore, ethical compliance and prevention of bribery are among the direct financial material issues. (CMB compliance processes)	Very High	Risk	Short	Downstream
Employee Rights and Working Conditions	Employee Engagement	High employee turnover negatively impacts customer relations and operational efficiency. This, in turn, creates indirect financial impacts such as decreased business volume and increased costs.	High	Risk	Short	Operations
Climate Change	Providing financing for the transition to a low-carbon economy	Financing requirements may vary depending on the carbon intensity of the companies in a factoring company's portfolio. While clients operating in low-carbon sectors offer growth opportunities, carbon-intensive sectors may increase default risks, and their ability to repay may decline.	High	Opportunity	Long	Operations
Climate Change	Financing conditions in carbon-intensive sectors becoming more difficult due to regulations.	Companies that fail to adapt to new environmental and climate policies will experience a decline in their export capabilities. This increases the risk of factoring transactions based on export invoices (e.g., SKDM).	High	Risk (Transition)	Medium	Upstream
Work Ethic	Strengthening work ethic and compliance processes	Establishing structures that prevent business ethics violations such as corruption and bribery can increase financial and legal confidence.	High	Opportunity	Medium	Upstream
Social Inclusion	Increasing customer access to financial services	As customers, particularly in the SME segment, have easier access to financing, factoring activities offer the potential for portfolio growth and increased revenue. This can directly impact financial growth.	High	Opportunity	Short	Upstream
Social Inclusion	Developing products and services for SMEs and disadvantaged groups	Developing financial solutions specifically for SME customers can impact company revenues by acquiring new customers and increasing transaction volume.	High	Opportunity	Medium	Operations

Strategy

As a result of the study, 3 subtopics under 5 main topics were evaluated as very high and 6 subtopics were evaluated as high financial importance. Topics to be strategically managed together can be grouped and evaluated under the following headings:

- Operational and financial impacts of physical and transition risks from climate change on client activities
- Increased financing needs for climate change compatible activities in the market (green/social/sustainable factoring)
- Legal liabilities and reputational issues arising from business ethics and corruption
- Employee loyalty and customer communication

The resulting material risks (excluding climate risk) can be matched with the operational risk types used in the management of operational risks within Garanti BBVA Factoring. As a result of this match, the number of risks defined in the relevant risk types has been reached through the Risk and Control Self-Assessment Form, where the risks and controls related to the company's operational risk management are defined and the risks are quantified. The calculation of the natural and residual risk amounts of these risks continues.

As a result of the analysis, it is aimed to prioritize the establishment of missing

policies, development of strategic approaches, regular assessment of risks and opportunities, determination of relevant metrics and monitoring with targets in the future processes regarding the management of all sustainability issues that are assessed as having high financial importance. In addition, since this report benefits from the TSRS 1 transitional provision exemption, assessments regarding significant climate-related risks and opportunities are explained.

4.2 TIME HORIZON DEFINITIONS

Garanti BBVA Group's time horizon definitions were used in defining the impacts of sustainability and climate issues, which are considered to have high financial significance, on Garanti BBVA Factoring as risks and opportunities. Although factoring transaction terms are short compared to banking transactions, the frequency of transactions with the customer was taken into account, and in particular, the continuity of the impacts of sustainability and climate-related impacts on the customer was evaluated regardless of the transaction term.

In this context, this maturity definition approach was taken as basis instead of the transaction maturity in the financial impact analyses included in the report.

TIME HORIZONS	
Short	0-1 year
Medium	1-4 year
Long	4+ year

4.3 IMPACT ON VALUE CHAIN

The value chain refers to the processes and stakeholders required for the provision of company activities, products and services. The value chain prepared according to Garanti BBVA Factoring's business model is included in the 2.2. Value chain and business model section of the report. The three main categories representing the value chain are shown below:

- **Upstream:** preparation process for carrying out basic activities
- **Operations:** the process of carrying out basic activities
- **Downstream:** the process that follows the realization of basic activities

In the financial materiality assessment conducted for sustainability issues, it was observed that issues with significant potential financial impact were present at every stage

of Garanti BBVA Factoring's value chain. It was analyzed that 3 issues with very high significance were mainly in the downstream, while 6 issues with high significance were equally affecting the upstream and operations. On the other hand, the significant issues assessed under the climate change theme were present at every three stages of the value chain.

4.4 SUSTAINABILITY AND CLIMATE RELATED STRATEGY AND DECISION-MAKING

Garanti BBVA Group's strategy, in line with its parent company, BBVA Group, is based on six strategic priorities that respond to critical global trends for economic transformation, such as digitalization, innovation and carbon reduction. Garanti BBVA Group has integrated established sustainability-related practices, such as non-financial risks, reputational risks and sustainable business channel creation plans, into the business model and risk management structures of the group companies to ensure the alignment of its own material issues with BBVA Group's strategy.

The results of the materiality analysis included in the Garanti BBVA 2024 Integrated Annual Report are structured around seven main important categories: climate change, employees, business ethics, consumers and end users, environmental pollution, circular

Strategy

economy, water and marine resources. These categories reflect the Group's strategic priorities and strengthen the alignment with corporate goals.

The results of the materiality analysis included in the Garanti BBVA 2024 Integrated Annual Report are structured around seven main important categories: climate change, employees, business ethics, consumers and end users, environmental pollution, circular economy, water and marine resources. These categories reflect the Group's strategic priorities and strengthen the alignment with corporate goals.

The financial materiality analysis carried out by Garanti BBVA Factoring regarding sustainability and climate issues is also parallel to the group's priority issues. The emergence of climate change-related risks and opportunities as well as ethics and employee-related issues as important issues that are considered to have high financial impact underlines the compatibility of Garanti BBVA Group's corporate and sustainability strategies with Garanti BBVA Factoring. In this context, the issues that are considered to have significant financial impact are managed with the sustainability and climate priorities and approach determined in Garanti BBVA Factoring General Sustainability Policy, which is based on the Group Sustainability Policy.

Garanti BBVA's commitment and targets to decarbonize its portfolio, which it has given to the Net Zero Banking Association (NZBA), are based on the International Energy Agency's 2050 Net Zero scenario, and the Group's sustainability strategy to combat climate change is based on the necessity of decarbonizing the economy in this scenario. This situation has become a reality affecting the consumption patterns of all sectors and customers, and requires significant investments in the coming years. In addition, climate change caused by human activities puts pressure on natural capital (water, agricultural products, raw materials), and ensuring the continuity and quality of resources for the continuity of production and service activities becomes more important. Global social inequalities may increase further with decarbonization efforts and the destruction of natural capital. Garanti BBVA Factoring aims to play a fundamental role in the development of inclusive growth through the society's access to financial resources and services, as well as financial education, as stated in its Sustainability Policy. The company's strategy for managing sustainability and climate issues and increasing climate resilience is shaped under two main headings:

• Foster new business opportunities through sustainability

Garanti BBVA's sustainability-related business opportunities are managed based on the Sustainable Finance Standard. This document, which was created by referencing the EU taxonomy, developed local taxonomies, market standards and best practices, and local guides, defines and specifies activities under the headings of climate action and inclusive growth that can be considered as sustainable finance, and the necessary documentation and criteria for these activities.

Garanti BBVA Group aims to provide TL 400 billion in financing for sustainable activities between 2018 and 2025. Garanti BBVA Factoring's sustainable financing amounts were not included in the target that reached TL 291 billion as of December 31, 2024. It is planned to include factoring transactions in the sustainable financing group target to be determined for the period after 2025. In this context, the Company examines its activities in sectors where financing opportunities are concentrated and has carried out preliminary studies to identify customers operating in compliance with the Standard.

• Achieve net zero emissions by 2050

Garanti BBVA Group pursues its decarbonization strategy under two main headings: direct and indirect impacts. The Group works with the aim of reducing, as much as possible, the negative environmental impacts that are directly under the responsibility of the Group, such as emissions and resource consumption resulting from operations. The Group also monitors the impacts of the activities of the customers it finances and aims to reduce these emissions through credit policies.

Garanti BBVA Group has set 2030 interim targets in carbon-intensive sectors (energy, automotive, iron and steel, cement, coal) for the decarbonization of banking activities. New targets are planned to be set in 2025 in sectors such as aviation, real estate, maritime transportation, oil and gas, and aluminum. Monitoring of interim targets is carried out through alignment methodologies that enable tracking of how financing transactions contribute to emission reductions. Metrics determined within the scope of targets are compared with reference values compatible with climate change scenarios and help determine sectoral targets. With these plans, selective growth policies based on risk assessments are created, strategies are planned based on customers and sectors,

Strategy

and customers' transition plans to a net zero economy are evaluated.

In order to ensure compliance with the bank's decarbonization targets, it is aimed to establish the necessary structures to monitor transactions financed through subsidiaries such as Garanti BBVA Factoring, and it is considered that in the future, it may be possible to monitor and set targets for all transactions within the scope of decarbonization on a metric basis at the company.

Garanti BBVA Group also works to develop and reward the competencies of its employees in this regard in order to support its sustainability strategy.

Training

The Group has offered innovative training solutions to support the individual and corporate development of its employees throughout 2024, and has developed the skills of employees through programs designed in line with strategic priorities such as sustainability, while contributing to social responsibility goals. It has made environmental awareness a corporate value by integrating sustainable development goals into its business processes. Carbon footprint, zero waste and climate change trainings for employees of domestic subsidiaries such as the Bank and Garanti BBVA Factoring have increased environmental responsibility

awareness at individual and corporate levels, allowing them to develop behaviors that will reduce environmental impacts and contribute to sustainable development both in their business processes and in their daily lives. Within the scope of sustainable development goals, elective and digital trainings open to the participation of all employees were offered throughout the year to enable employees to acquire new skills and increase their sustainability-focused awareness levels.

Training is provided on a total of 24 topics on climate risk, sustainable financing, environmental and social credit policies, energy, inclusive growth, and sustainable living. The number of individual employees who received sustainability training is 103, and the total number of hours of training provided is 99. 4 of these trainings are mandatory trainings assigned to all employees at all levels. The focus of the training content is sustainable financing, sustainability investments, and climate risk.

The seminar titled "The Impacts of Climate Change in 2023 and Risks Surrounding Banking" of the Senior Management Talks, organized to increase the competence of Garanti BBVA Bank Senior Management on sustainability issues, continued in 2024 on climate and human-induced environmental disasters. The Bank's senior management team

is the Board members of subsidiaries such as Garanti BBVA Factoring. Such events are planned to continue in 2025.

Remuneration and Compensation

Garanti BBVA Group, as published on the investor relations website, has prepared a Remuneration Policy for Group employees such as the Bank and Garanti BBVA Factoring in accordance with the relevant [Banking and Capital Markets legislation and this policy](#) has been approved by the Board of Directors. Garanti BBVA's remuneration policy is based on the principles of "equal pay for equal work" and "performance-based compensation". In addition to individual performance, the Group also closely monitors general macroeconomic conditions, current inflation rates in Türkiye and trends in the sector. The Group's remuneration package consists of fixed or variable components including monthly salary and bonuses, annual bonuses, meal cards, and other fringe benefits that may vary depending on the scope of work or service location.

Garanti BBVA has a corporate variable compensation model that consists of providing an incentive that reflects the level of performance measured by achieving targets that are compatible with the risk exposure and is valid for all Garanti BBVA employees according to their functions. This constitutes the annual variable compensation of each

employee and this variable compensation is based on the following principles;

- Measures or indicators that take into account current and future risks as well as strategic priorities for BBVA Group, Garanti BBVA and individual results and are subject to an annual measurement period,
- Relevant success scales that can be created based on the weight given to each annual indicator and the targets set for each,
- A target annual variable remuneration representing the annual variable remuneration amount if 100% of the pre-determined targets are achieved.

Among the non-financial indicators of BBVA and Garanti BBVA scores affecting variable compensation is the "Amount Transferred to Sustainable Financing". All employees benefiting from corporate bonuses in Garanti BBVA Group are directly affected by the achievement of the sustainable financing target through these scores in the bonus models. The achievement of the sustainable financing target constitutes 10% of both scores, and the share of the scores in the entire model varies between central and field duties. The job descriptions, performance criteria and bonus system criteria of all positions in the Group are transparently announced to all employees on the intranet.

Strategy

Resources

Garanti BBVA Group and its subsidiaries such as Garanti BBVA Factoring consider sustainability a strategic priority and are gradually integrating it into all their regular business processes. In this context, it is essential that all activities be conducted in accordance with the strategy. There are no dedicated financial resources for the sustainability strategy in the Group's business areas other than banking, such as factoring.

4.5 MANAGEMENT OF SUSTAINABILITY AND CLIMATE STRATEGY

4.5.1 Direct impacts

Garanti BBVA Group conducts many studies with the aim of systematically and effectively managing the environmental impacts arising from its activities. It continues to maintain its sustainable perspective in the fight against the climate crisis in all its branches and buildings and strives to manage the environmental impacts of its activities and ensure energy efficiency. In this context, all subsidiaries of the group, including Garanti BBVA Factoring, operate in common buildings and branches, and their direct impacts are managed by teams reporting to the Executive Vice President of Talent and Culture of the Bank. The Sustainable and Green Office function here is responsible for overseeing compliance with group policies

on issues such as greenhouse gas emission reduction efforts, environmental impact and efficient consumption of natural resources. Garanti BBVA Factoring, which conducts its central operations from Pendik Campus, conducts its field operations in Garanti BBVA branches and regional directorates.

Garanti BBVA Group is working to reduce its consolidated greenhouse gas emissions. As of 2020, it is purchasing voluntary carbon credits for emissions resulting from its activities that cannot be reduced, and is supporting projects in voluntary carbon markets accepted by international organizations.

Renewable Energy

The Garanti BBVA Eco-Efficiency Plan, published in 2021, aims to meet at least 80% of energy consumption from renewable energy and reduce water consumption per square meter every year between 2021 and 2025. To this end, the electricity consumption of Garanti BBVA Group locations, including subsidiaries including Garanti BBVA Factoring, is provided by I-REC certified renewable sources.

Remote Eye

Garanti BBVA started to implement the Remote Eye System in May 2021 to limit electricity consumption through infrastructure monitoring and control. In 2024, 313 locations

were reached with new installations and installations made in relocated/renewed branches. Thanks to this system, electricity consumption of Garanti BBVA Group locations is saved.

ISO 14001 Environmental Management System

In order to control and systematically manage the environmental impacts originating from operations, Garanti BBVA works to manage the environmental impacts originating from operations with the ISO 14001 Environmental Management System, which was certified in 2012. The system, which has included all branches and buildings since 2015, also aims to increase awareness for all stakeholders by being supported by a comprehensive Environmental Policy and "ISO 14001 Environmental Management System Training" assigned compulsorily to all employees. Third-party audits in 2024 were successfully completed, and the continuity of the ISO 14001 Environmental Management System certificate was ensured.

ISO 50001 Energy Management System

In order to manage and improve Garanti BBVA's energy performance and use resources effectively, the third-party audits of the ISO 50001 Energy Management System certificate received for the Pendik Campus in 2023 were successfully completed in 2024, and the continuity of the ISO

50001 Energy Management System certificate was ensured. With this established system, environmental impact and carbon footprint are reduced, energy-related costs are reduced, and resources are used efficiently. In addition, the Energy Policy created within this scope is shared with all parties. In order to increase employee awareness, employees in the certified building are provided with "ISO 50001 Energy Management System Training" via the Campus platform.

ISO 14046 Water Footprint verification certification and continuity

Within the scope of the Eco-Efficiency Plan, in line with the target of reducing water consumption, the 2022 water consumption of Garanti BBVA branches and buildings was documented for the first time in 2023 according to the internationally accepted ISO 14046 Water Footprint Standard. In 2024, a third-party audit was carried out with the 2023 water consumption data of the branches and buildings, ensuring verification and certification continuity.

GES Project

Garanti BBVA, which supports Türkiye's fight against the climate crisis with its work in the field of renewable energy, is undertaking many projects to increase the renewable energy ratio in the total energy it uses for its activities.

Strategy

With the solar energy plants with an installed power of 103 kW in the Pendik Campus Building, it increases the renewable energy ratio while also contributing to the reduction of the carbon footprint.

4.5.2 Sustainable Finance
Explanations and plans regarding the sustainable finance approach in Garanti BBVA Group are provided under the heading 4.4 Sustainability and Climate related strategy and decision-making.

SUSTAINABLE CLIENT APPROACH

MAIN TOPIC	OPPORTUNITY DEFINITION	OPPORTUNITY DESCRIPTION	OPPORTUNITY FINANCIAL IMPACT	JUDGEMENTS, UNCERTAINTIES, AND ERRORS	RESULT
Climate Change	Increased financing needs for climate change-compatible activities in the market (green/ social/sustainable factoring)	Prioritizing companies that are not currently Garanti BBVA Factoring customers but have been identified by the Garanti BBVA Group as having low-carbon production processes according to the Garanti BBVA Sustainable Operations Guide in the customer acquisition process could increase the volume of factoring transactions aimed at sustainable activities.	Garanti BBVA Factoring has assumed that 60% of the average fixed factoring limit assigned to companies identified as potential sustainable customers will be converted into risk. If Garanti BBVA Factoring takes ownership of this risk in proportion to its market share, factoring receivables of between \$2.8 million and \$4.7 million are expected to emerge. ³	<ul style="list-style-type: none">• A fixed average amount recommendation was used by the Garanti BBVA Factoring Finance team for the average limit allocation per customer.• The probability of the opportunity being realized varies depending on Garanti BBVA Factoring's customer acquisition and limit utilization rates.• The list of companies identified as sustainable customers, determined in accordance with the Garanti BBVA Sustainable Operations Guide, is a trade secret.	When customer acquisition is evaluated as a medium/long-term process, the calculated annual financial impact remains below the materiality threshold that may require adjustments to Garanti BBVA Factoring's financial statements.
			Type of impact		
			Predicted Impact		

³ Because it's a long-term, time-limited opportunity forecast, its financial impact is presented in USD. The USD exchange rate accepted in the unconsolidated financial reports dated December 31, 2024, is 34.5480 TL.

Strategy

4.5.3 Portfolio decarbonisation

Garanti BBVA Group leads the financial sector with the innovative products and services of all its subsidiaries, including Garanti BBVA Factoring, to build a more sustainable and inclusive economy on the path to the Sustainable Development Goals. Its work in the field of combating climate change and social inequalities, as well as its innovative solutions aimed at creating value for the economy, society and all stakeholders, are recognized by national and international authorities.

As part of the fight against the negative impacts of climate change, Garanti BBVA Group's banking company became the first bank in Türkiye to commit to phase out coal in 2021 and pledged to eliminate the risks related to coal activities in its portfolio by 2040 at the latest. In 2022, it took these commitments one step further and announced its decarbonization targets for 2030 in other carbon-intensive sectors such

as energy, automotive, iron and steel, and cement. These interim targets constitute an important stage in achieving the emission targets compatible with net-zero by 2050. In this context, Garanti BBVA aims to accompany its customers in their transition to a more sustainable future.

Garanti BBVA Group, which aims to spread its decarbonization strategy in its subsidiaries in a similar structure to the BBVA Group, monitors that Garanti BBVA Factoring provides financing in accordance with the [Environmental and Social Credit Policy](#). Garanti BBVA Factoring, which acts in accordance with the Bank's policy of not financing coal due to its high greenhouse gas intensity, closely monitors its risks in prohibited or unsafe sectors such as coal, defense industry, etc. The Company has integrated the environmental and social risk management approach into its credit risk analysis process.

Measurement of High Risk Transition

As of 2021, Garanti BBVA Group has developed an internal sector classification regarding transition risk in order to achieve its 2050 net zero emissions target. The estimation of the vulnerability levels regarding transition risk is made through a qualitative analysis based on the degree of exposure of companies in the relevant sectors to regulatory, technological and market changes that may occur in line with the decarbonization processes. This analysis categorizes sectors according to very high, high, medium or low vulnerability levels.

The sectors most sensitive to transition risk include energy production and fossil fuels (oil and gas, electricity generation, coal mining), emission-intensive industries (steel, cement) and end-user activities (automotive, aviation, transportation). In the analysis conducted with data as of December 31, 2024, it was determined that the total risk of sectors with high or very high transition risk at the time of default was TL 787 million, which is 6.1% of the factoring receivables portfolio. Garanti BBVA Factoring will continue to monitor the resilience of its portfolio to climate transition risks in the future.

Garanti BBVA Factoring, which acts in accordance with the Bank's policy of not financing coal due to its high greenhouse gas intensity, closely monitors its risks in prohibited or unsafe sectors such as coal, defense industry, etc.

Strategy

THE RISK OF A BORDER CARBON ADJUSTMENT MECHANISM ⁴

MAIN TOPIC	RISK DEFINITON	RISK DESCRIPTION	RISK FINANCIAL IMPACT	JUDGEMENTS, UNCERTAINTIES, AND ERRORS	RESULT
Climate Change	Operational and financial impacts of physical/material and transition risks from climate change on client activities	Companies in select carbon-intensive sectors within the factoring portfolio are gradually coming under financial pressure due to national and international carbon regulation regulations, such as the EU Border Carbon Adjustment Mechanism (BCDM). These customers may face long-term disruptions to their payment plans due to increased operational costs, raw material and product prices, and a loss of competitiveness.	As of December 31, 2024, 1% of Garanti BBVA Factoring's total receivables portfolio consisted of companies operating in sectors subject to the EU Border Carbon Adjustment Mechanism. In calculating the SKDM risk, the total 2024 risk for these customers was projected to 2029 based on the annual equity growth rate. Based on long-term projections, the NPL impact of this amount in 2029 is expected to be 13 million TL, and its impact on the company's cash flows and financial planning is expected to be visible only at this level.	<ul style="list-style-type: none">• Garanti BBVA Factoring's long-term NPL rate projection was used.• Sectors to be added to SKDM in 2030 were not included in the assessment.• Annual equity growth rate has been kept constant.• When this study was conducted, the impacts of the Emissions Trading System, which was decided to be implemented with the Climate Law, which was passed by the Türkiye Grand National Assembly on July 2, 2025, and published in the Official Gazette on July 9, 2025, were not included in the calculation.	The calculated risk amount remains below the materiality threshold that requires adjustment in Garanti BBVA Factoring's financial statements.
			Type of impact		
			Predicted Impact		
			Place in risk management		
			Credit risk		

⁴The existing High Transition Risk metric has been reduced to sectors covered by the European Union's Border Carbon Adjustment Mechanism to account for the direct climate financial impact.

Strategy

4.6 IMPACT ON FINANCIAL STATEMENTS

The tangible financial impacts of the studies on sustainability and climate-related risks and opportunities are expected to be observed primarily in loans, expected loss provisions and equity items in the company balance sheet, and these impacts are disclosed if they have financial significance within the framework of compliance with the Türkiye Sustainability Reporting Standards. The threshold value was determined by taking into account a certain percentage of pre-tax profit for the financial significance criterion, and the analyses included in the report were conducted accordingly. The calculation of the impact of the risks and opportunities arising from sustainability and climate-related issues determined as a result of the financial materiality analysis on the financial statements requires comprehensive and long-term studies. However, when the credit portfolio related to climate-related

issues such as transition to a low-carbon economy, sustainable financing, greenhouse gas emissions and the calculated expected credit loss provision are evaluated, it has been determined that there is no significant adjustment risk that will affect the financial statements in the short, medium and long term.

Garanti BBVA Factoring has established a sustainability strategy with the goal of effectively managing sustainability and climate-related risks and capitalizing on opportunities. It continues to plan and work towards this goal in the coming periods. In this context, the metrics identified within the scope of the sustainable finance and portfolio decarbonization strategy will continue to be monitored and evaluated. In line with the Group's objectives set for the implementation of this strategy, Garanti BBVA Factoring may also be able to set targets aligned with its business model in the future.

Garanti BBVA Factoring has established a sustainability strategy with the goal of effectively managing sustainability and climate-related risks and capitalizing on opportunities. It continues to plan and work towards this goal in the coming periods.

Risk Management

5.1 POLICY FRAMEWORK FOR MANAGING SUSTAINABILITY AND CLIMATE-RELATED RISKS

Climate change risk refers to the transition risks that may be encountered due to the process of adapting to a low-carbon economy and the risks that may arise due to the impacts of natural events resulting from climate change. At Garanti BBVA Factoring, climate change-related risks are considered an additional factor affecting the already defined and established risk categories. These risks are managed through the risk management framework approved by the Board of Directors. Therefore, the integration of climate change-related risks into the Company's risk management framework is ensured by integrating them into existing policies and processes, taking into account legal obligations.

Garanti BBVA Factoring utilizes the risk transmission channels structure accepted in the literature to assess and monitor the impact of environmental and climate-related financial risks on conventional financial risk types.

In order to conduct effective environmental and social risk assessment in credit processes, to proactively manage risk and to minimize the negative impacts that may be caused by related risks, and in line with the consolidated risk management approach, Garanti BBVA Factoring complies with the Garanti BBVA

Group's Environmental and Social Credit Standard.

5.2 DISCLOSURES ON SUSTAINABILITY AND CLIMATE-RELATED RISK MANAGEMENT AT GARANTI BBVA FACTORING

5.2.1 Data used for risk assessment

Garanti BBVA Factoring leverages its parent company Garanti BBVA's existing climate risk management framework to assess the impact of climate-related financial risks on the company's traditional risk types through transmission channels. In this context, the High Transition Risk (HTR) framework assesses the credit portfolio's transition risks arising from climate change, in line with Garanti BBVA Group methodology. The risk balance at the time of default for sectors with high and very high transition risk exposure is monitored using the High Transition Risk indicator, based on thresholds determined with the approval of the Board of Directors. Detailed explanations are provided in section 4.5.3. Portfolio Decarbonization of the report.

Physical risks, which represent risks that may arise due to the effects of natural events resulting from climate change, are being assessed based on Garanti BBVA Factoring's activity locations and the activity locations of its customers, in relation to financial risk types and operational risks.

Garanti BBVA Factoring conducts analyses led by responsible business areas to measure the resilience of its branch and headquarters buildings to physical climate risk exposure. Detailed explanations are provided in section 4.5.1, Direct Impacts of the report.

In addition, Garanti BBVA Factoring will be integrated into Garanti BBVA's Sustainability Data Platform by 2025. This system will enable processing of carbon emission data, sector-based risk scores, physical risk scores, and scenario analyses for the factoring portfolio. This infrastructure will constitute one of the primary data sources for reporting and risk management processes in accordance with TSRS.

5.2.2 Climate scenarios used in analyses

As part of its science-based target-setting commitments to the Net Zero Banking Association (NZBA), Garanti BBVA aims to align its banking loan portfolio with the International Energy Agency's (IEA) net-zero scenarios by 2050. In this context, it is essential that its subsidiaries, such as Garanti BBVA Factoring, also operate in line with this target of their parent company. Garanti BBVA Factoring references the global models implemented by Garanti BBVA Group and adapts sectoral risk exposure analyses to its own business model.

In addition to the scenarios identified for calculating internal capital requirements within the scope of Garanti BBVA Group's 2024 Consolidated Internal Capital Adequacy Assessment Process (ICAAP) Report, models that estimate the potential consequences of climate change on the global economy and financial stability, which form the basis of the Network for Greening Financial System (NGFS) scenarios, were utilized to assess the impacts of climate-related financial risks on the Group's risk profile and to calculate the capital requirement related to these risks. The impact was reflected in credit risk parameters and taken into account in climate risk capital requirement calculations. Garanti BBVA Factoring was also included in the capital requirement calculations as part of Group-based consolidated risk management activities.⁵

As of 2025, Garanti BBVA has initiated various studies to strengthen its analytical and data capabilities to accurately assess and measure the impacts of physical and transition risks. The CRIS project, conducted within this scope, involves projecting our customers' collateral and the asset locations of our corporate and commercial customers in terms of physical risks using three different scenarios based on the Network for Greening the Financial System (NGFS) climate scenarios. On the transition risk side, analyses will be conducted

⁵ Details and explanations regarding the study's results can be found in the "Scenario and Stress Test Analysis" section on page 146 of the Garanti BBVA 2024 Integrated Activity Report.

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to calculate the impact of climate risks on the financial data of our corporate and commercial customers. The scenarios used for these analyses are those determined by the NGFS. The aim is to gradually include Garanti BBVA Group subsidiaries within this project infrastructure.

5.2.3 RISK ASSESSMENT CRITERIA

Garanti BBVA Factoring uses Garanti BBVA's processes as a basis for assessing the nature, probability and magnitude of climate-related risks.

In this context, it is important to examine the risk assessment criteria of the Company's parent company, Garanti BBVA:

- At Garanti BBVA, transition risk is characterized through an internal sector classification developed to achieve the 2050 net-zero emissions target. The vulnerability levels associated with transition risk are estimated through a qualitative analysis based on the companies' exposure to regulatory, technological, and market changes that may occur as a result of decarbonization processes. This analysis categorizes sectors according to very high, high, medium, or low vulnerability levels.
- The Bank has set its 2030 decarbonization targets for carbon-intensive sectors such as electricity

generation, automotive, iron and steel, and cement, based on the internationally accepted Paris Agreement-Aligned Capital Transition Assessment (PACTA) methodology. Additionally, exit plans have been prepared and are currently being implemented for thermal coal mining and coal-fired power plants. Separate efforts have also been initiated for the maritime transport sector.

- In addition, the Partnership for Carbon Accounting Financials (PCAF) methodology has been adopted for measuring financed emissions across retail and commercial portfolios. Both methodologies are considered in risk assessments.

Although Garanti BBVA Factoring does not directly apply these methodologies due to its different field of activity and transaction processes from Garanti BBVA, it is planned to align its perspective with the parent company in its regular annual risk assessments.

The Company's parent company, Garanti BBVA, is also used as a basis for assessing the nature, probability, and magnitude of physical risks. Garanti BBVA's physical risk assessment methodology is as follows:

- Garanti BBVA utilizes the methodology of the World Bank's Think Hazard tool. The risk

levels provided by this tool are calculated based on the frequency and intensity of natural threats. Additionally, detailed sector-by-sector assessments are provided for the commercial segment. The analysis is based on eight indicators that reveal sectoral vulnerabilities, and indirect impacts are assessed by analyzing each sector's sensitivity to climate risks.

- This approach is based on best practice standards established by the Task Force on Climate-related Financial Disclosure (TCFD) and UNEP-FI. This approach creates a qualitative classification of sub-sectors to assess the potential impacts of chronic or acute climate changes on their business models and operations.

It is planned to shape the quality, probability and magnitude assessment criteria accepted in the Garanti BBVA Factoring risk assessment process in a way that they are compatible with the aforementioned Garanti BBVA practices.

5.2.4 INTEGRATION OF SUSTAINABILITY AND CLIMATE RISKS INTO CORPORATE RISK FRAMEWORK

Garanti BBVA Factoring prioritizes operational excellence while continuously improving its business model and processes. It closely monitors financial and non-financial risks, and in particular, evaluates sustainability and climate related risks and opportunities that are

reasonably expected to impact the Company's financial adequacy, along with other financial risks, and prioritizes them when necessary.

The Company prioritizes all risks it is exposed to within the framework of its risk appetite. Garanti BBVA Factoring determines the level of risk it is prepared to accept based on its risk appetite framework, which anticipates the Board of Directors' capacity to absorb risks at a safe level to achieve its objectives and strategies. It regularly monitors risk appetite indicators related to capital and profitability, as well as risk-based limits established within the risk appetite framework. Sustainability and climate-related risks are also included within this framework.

Details of the process of integrating climate change into standardized risk management processes, which Garanti BBVA Group implemented primarily for its banking activities in 2024, and the structure of transmission channels adopted to identify and monitor sustainability and climate risks can be found in the "Integration of Climate Change into Risk Management" section on page 144 of the Garanti BBVA 2024 Integrated Annual Report. Subsidiaries are continuing their efforts to adapt to this practice.

Additionally, Garanti BBVA Factoring conducted a financial materiality analysis

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to rank sustainability and climate risks and opportunities it may encounter throughout its business processes and value chain in terms of financial impact. This materiality analysis was based on the TSRS materiality principle.

5.2.5 MONITORING RISKS AND OPPORTUNITIES ASSESSMENT

The Company identifies, assesses, and monitors sustainability and climate risks and opportunities in accordance with the policies and methodologies developed by its parent company, the BBVA Group, and Garanti BBVA. In this context, Garanti BBVA's Environmental and Social Credit Procedure, Sectoral Transition Risk Classification, PACTA, and PCAF-compatible calculation models serve as a framework for risk management, while the Garanti BBVA Sustainable Operations Guide forms the framework for the fundamental approach to identifying opportunities.

At Garanti BBVA and its subsidiaries, sustainability and climate related opportunities are positioned under Sustainable Finance and considered a growth strategy. Details of this approach are included in the strategy section of the report. Financial risks at Garanti BBVA Factoring are managed within the framework of risk identification, assessment, monitoring, and control/mitigation, under the supervision of the Board of Directors, the Audit Committee, the Board Risk Committee, and the Early Risk Detection Committee. Furthermore, each unit

is responsible for monitoring and controlling its own risks and mitigating them by taking necessary actions.

Garanti BBVA Factoring monitors sustainability and climate related risks and opportunities through its Sustainability Committee. [\(Detailed explanations are provided in section 3.2.2. Executive Responsibility of the report.\)](#) It has been decided that the Committee will meet at least once a year to review activities carried out within the scope of the policies and submit any necessary or desired changes to the Garanti Faktoring A.Ş. Board of Directors.

Monitoring and monitoring of sustainability and climate related risks and opportunities are managed within the framework of Garanti BBVA Group's three-stage safeguarding structure, the details of which are shared below, and the roles and responsibilities of relevant parties are clearly stated.

The first and second levels of the three-stage protection approach, determined in line with group policies, are carried out within Garanti BBVA Factoring, while within the third line of defense, important processes are additionally audited within the scope of the annual audit plans of the T. Garanti Bankası AŞ Inspection Board.

Within the framework of the three-stage protection structure;

• **Stage One:** Business and support units performing risk-generating activities;

Each operating unit is responsible for identifying risks arising from its processes, products, activities, and systems and for mitigating these risks by taking necessary actions. Ultimate responsibility rests with the relevant senior management. Units conduct risk management activities in accordance with the Bank's risk appetite and capacity, and within the framework of policies established by the Board of Directors.

• **Stage Two:** Independent risk management, internal control, and compliance functions;

The Risk Management and Credit Monitoring Unit, which reports to the Board of Directors through the Risk Committee, ensures the implementation and compliance of risk management policies, rules, and procedures throughout the Company. It ensures that the Company's risks are measured collectively, that risks are kept within limits determined by the risk appetite approved by the Board of Directors, and that an integrated risk management system, consistent with legislation, the Bank's strategies, and policies, is maintained and prioritized for risk-return relationships. It also ensures that activities aimed at identifying, measuring, reporting, monitoring, and controlling risks

are carried out fully and timely, and monitors the results.

• **Third Stage:** Independent Internal Audit Function;

The Garanti BBVA Audit Board assesses the environmental, social, and governance risks that the Bank and its subsidiaries, such as Garanti BBVA Factoring, may be exposed to. Annual and multi-year audit plans are developed based on the priorities determined by the Board of Directors and the Audit Board. Within the scope of the audit plan, audits are conducted in accordance with international standards and local regulations regarding sustainability risk, as well as the Company's sustainability strategy, objectives, and business plan.

Metrics and Targets

Garanti BBVA Group and its subsidiaries, such as Garanti BBVA Factoring, manage their sustainability strategy not only with qualitative targets but also with measurable and trackable performance indicators. The defined metrics reflect the impacts and risk-opportunities of the business model, and the targets set accordingly are integrated into the corporate strategy. All metrics and targets included in the report are structured in accordance with the TSRS principles of accuracy, comparability, consistency, and verifiability.

Garanti BBVA Factoring's business model, which provides short-term financing, easy collection, and trade receivables guarantee services to businesses by taking on their domestic and international term receivables, has been assessed as compatible with the Commercial Banking sector based on the definitions in the TSRS-2 Guide for the Sector-Based Application of Climate-Related Disclosures. The disclosures within this standard are included in [Volume 7, TSRS-16, Commercial Banking Sector Standards](#), of the report.

6.1 APPROACH TO DETERMINING METRICS

The sustainability and climate metrics followed at Garanti BBVA Group are determined in line with the following main principles:

- The business model is linked to financial and sustainability impacts,
- Being monitored and having defined responsibilities within the governance structure,
- Covering material sustainability issues,
- Being suitable for internal and external comparisons.

These metrics are also selected in line with Garanti BBVA Group's corporate indicators and contribute to consolidated reporting at the group level.

Garanti BBVA Factoring monitors the strategic priorities and focus areas determined by the Group for sustainability and climate, and aligns with the relevant metrics and targets within the framework of its own business model.

6.2 ENVIRONMENTAL METRICS AND EMISSION REDUCTION TARGETS

Garanti BBVA Factoring monitors the company's environmental indicators such as direct and indirect greenhouse gas emissions and natural resource consumption in line with group policies. As explained under the heading [4.5 Management of Sustainability and Climate Strategy of the Report](#), all subsidiaries of the group, including Garanti BBVA Factoring, operate in common buildings and branches, and their direct impacts are managed by teams

reporting to the Executive Vice President of Talent and Culture within the Bank. Garanti BBVA Factoring's central operations are carried out from the Pendik campus, while field operations are carried out from Garanti BBVA branches and regional directorates.

6.2.1 Greenhouse Gas Emissions⁶ - Scope 1 and 2

Garanti BBVA Factoring's greenhouse gas emissions from its operations are calculated and monitored in accordance with the GHG Protocol (2004 & 2015) adopted by the

Garanti BBVA Group. Scope 1 emissions, which represent direct emissions, and Scope 2 emissions, which represent indirect emissions from purchased energy consumption, were calculated for 2024 and disclosed in the Garanti BBVA 2024 Integrated Annual Report, along with documentation related to the assurance audit.

The goal is to expand the scope of Scope 3 emissions and include them in reporting in the coming years.

2024 Emissions	Scope 1 ⁷ (TCO ₂ e)	Scope 2 ⁸ (TCO ₂ e)	Total Scope 1&2 (TCO ₂ e)
Garanti Faktoring A.Ş.	95.04	0.00	95.04

Greenhouse gas emissions are defined as greenhouse gases (CO₂, CH₄, N₂O, and f-gases) originating from fossil fuels consumed for heating, generators, rental vehicles, cooling units, and purchased electricity used in Garanti BBVA Factoring's operations. IPCC 6th Assessment Report factors were used for global warming potentials and emission factors. The Grid Emission Factor was calculated based on the most up-to-date data provided by TEİAŞ for 2021. Reporting was conducted according to GRI 305-1 Direct

greenhouse gas (GHG) emissions (Scope 1), GRI 305-2 Energy Indirect greenhouse gas (GHG) emissions (Scope 2), and the GHG Protocol – Location-Based approach.

⁷ The calculation methodology for Garanti BBVA Factoring is based on an arithmetic method. The company share is calculated by dividing the number of subsidiary employees by the total number of Group employees, and this ratio is multiplied by the total emissions to arrive at the company's emissions figure.

⁸ Scope 1 emissions are declared gross. Scope 2 emissions are calculated as 0 due to the receipt of IREC certificates.

Metrics and Targets

6.2.2 Greenhouse Gas Emission reduction targets and progress

In line with Garanti BBVA Group’s 2050 Net Zero commitments and 2030 interim decarbonization targets, Garanti BBVA Factoring is also working on developments to monitor carbon reduction performance for its own portfolio and take measures to reduce risk weight. In the upcoming period, the scope of the financed emission calculation (PCAF) for Garanti BBVA banking activities is targeted to be expanded in 2024, and the feasibility of a Scope-3 Category-15 emission calculation for factoring transactions will be evaluated.

Within the scope of Garanti BBVA Factoring's Environmental and Social Credit Procedure, coal customers have been monitored and financing has not been provided since 2021.

Garanti BBVA Group announced its goal to reduce greenhouse gas emissions by 29% by 2025 and 71% by 2035. Garanti BBVA was one of the pioneering companies that announced that it had adopted a target in line with the maximum temperature increase target of 1.5 °C of the Paris Climate Agreement in 2020.

By the end of 2020, the Group had reduced its emissions from its operations by 75%

and began investing in projects in voluntary carbon markets recognized by international organizations to offset the remaining emissions. Thus, the Group offset its greenhouse gas emissions 15 years ahead of its reduction target. (Carbon credits are purchased for Scope 1, and I-REC certificates are purchased for Scope 2). The operations of Garanti BBVA Factoring, located on the Group's premises, are also included in the Group's target and carbon credit purchases. Carbon credit purchases for year 2024 emissions will be made through projects in voluntary carbon markets recognized by international organizations.⁸

6.2.3 Energy, Water ve Waste Management

Garanti BBVA Factoring’s energy, water and waste management are monitored and controlled by the teams within the Bank. Garanti BBVA's Garanti BBVA Eco-Efficiency Plan, published in 2021, has set various targets for the following target indicators between 2021-2025. These targets also cover Garanti BBVA Factoring’s processes.

Indicators Tracked in Garanti BBVA Eco-Efficiency Plan:

- Meeting electricity consumption with renewable energy (tracked as a percentage)
 - Total amount of electrical energy consumed per square meter and per employee (MWh, MWh/sqm and MWh/FTE)
- Total amount of energy consumed per square meter and per employee (MWh, MWh/sqm and MWh/FTE)
 - Total amount of water consumed (m³)
 - Total paper consumption (kg)
 - Total amount of waste (Tonnes of waste)
 - Total Scope 1&2 greenhouse gas emission amount (TCO₂e)

ENVIRONMENTAL INDICATOR	2024
Total Energy Consumption/Use (MWh)	833.55
Total Electricity Consumption/Use (MWh)	509.59
Percentage of Renewable Energy in Total Electricity Consumption/Use (%) ⁹	100%
Water Consumption/Use (m³)	1.42
Total Waste Amount (ton)	2.46
Dangerous Waste Amount (ton)	0.16
Recyclable Waste Amount (ton)	2.29
Paper Consumption/Use (1.000 ton)	0.01

⁹ IREC certificated electric production included.

Metrics and Targets

Within the scope of zero waste management, Garanti BBVA Factoring separates its waste at source in its branches and buildings and implements effective waste management. The certification process for the Basic Level Zero Waste Certificate issued by the Ministry of Environment, Urbanization and Climate Change was initiated in 2022 with the Zincirlikuyu Head Office and Pendik Campus buildings and expanded to include a total of 17 service buildings by the end of 2024. In addition, “Zero Waste Training for a More Livable World” is provided to all employees within this scope and it is aimed to increase employee awareness. The hazardous waste and recyclable waste metrics reported for 2024 are defined as the amount of recyclable hazardous waste (waste oils, vegetable waste oil, cartridges, batteries, fluorescents) and non-hazardous recyclable waste (paper/cardboard, glass, metal, plastic, etc.). Recyclable hazardous waste (cartridges and batteries) are collected centrally by TAP (Portable Battery Manufacturers and Importers Association) and HP (Hewlett Packard Enterprise). Their total weight is calculated based on data from these two organizations. Since there is no measurement mechanism for non-hazardous recyclable waste (paper/cardboard, glass, metal, plastic, etc.) collected centrally by municipalities, the calculation of the waste generated is based on the amount of waste generated at the Garanti BBVA Headquarters

Building. The total annual waste amount in the reporting period is given in tons.

Within the scope of the Eco-Efficiency Plan, in line with the target of reducing water consumption, for the first time in 2023, water consumption for the year 2022 was documented according to the internationally accepted ISO 14046 Water Footprint Standard. The 2024 audit process was completed for the water consumption data audited within the scope of ISO 14046 in 2023 and the continuity of the certification was ensured. The water consumption data declared in the TSRS report took into account the mains water provided by the municipality and the rainwater collected in the Zincirlikuyu General Directorate and Pendik Campus buildings. This indicator is defined as the total amount of water used and withdrawn. Reporting was made according to the total water withdrawal based on GRI 303-3 Source.

Total annual energy consumption is defined as the fossil fuel, purchased electricity and geothermal energy consumption of Garanti BBVA Factoring for heating, generators, rental vehicles in commercial use. Universal conversion factors provided by IPCC were used to convert resource data in cubic meters, liters and tons to MWh. Energy consumption reporting is based on GRI 302 Energy consumption within the organization.

6.3 SUSTAINABLE FINANCE

Garanti BBVA Group aims to contribute TL 400 billion to the sustainable financing target of its main shareholder BBVA of €300 billion between 2018 and 2025¹⁰. TL 291 billion has been contributed to this target since 2018. Garanti BBVA Factoring has started working to identify potential in the field of sustainable financing. Details of the opportunity analysis conducted according to Garanti BBVA's sustainable customer approach are provided in the [4.5.2. Sustainable Finance section of the report](#).

6.4 SOCIAL METRICS

Garanti BBVA Factoring, in line with the Talent & Culture approach of its parent company Garanti BBVA, has provided carbon footprint, zero waste and climate change trainings to its employees, increasing their environmental responsibility awareness at individual and corporate levels, enabling them to develop behaviors that will reduce environmental impacts and contribute to sustainable development both in their business processes and daily lives. Within the scope of sustainable development goals, elective and digital trainings open to the participation of all employees were offered throughout the year to help employees gain new skills and increase their sustainability-focused awareness levels.

EMPLOYEE, DIVERSITY, AND EMPLOYEE DEVELOPMENT INDICATORS ¹¹		2024
Number of employees		120
Ratio of women employees		54%
Number of Employees Completed "Sustainability Trainings		103
Total Training Hours of "Sustainability Trainings		99

¹⁰ Garanti BBVA Group completed its 2018–2025 sustainable financing target of 400 billion Turkish Lira in the first half of 2025 and announced a new target of 3.5 trillion Turkish Lira for the 2018–2029 period. Thus, approximately 3.1 trillion Turkish Lira in new resources will be directed to sustainable investments from the second half of 2025 until the end of 2029.

¹¹ These are year-end data.

Metrics and Targets

6.5 SUSTAINABILITY AND CLIMATE RELATED METRICS

The Company supports the achievement of the sustainability and climate-related targets set in line with Garanti BBVA Group's sustainability strategy through the metrics it monitors. Garanti BBVA Factoring does not have a direct gross target as a focus of its activities. In this context, the Company aims to continue to increase its contributions to the Group. The relevant targets, target year and monitoring frequency are detailed in the table below.

AIM OF TARGET	DESCRIPTION	TARGET YEAR	TRACING FREQUENCY
Sustainable Financing	Identifying sustainable financing potentials and contributing to Garanti BBVA Group's 3.5 trillion TL sustainable financing target for the period 2018-2029	2029	Yearly
GHG Emissions Management	Expanding the scope of Scope 3 emissions	2025	Yearly
Environmental Impact Reduction	Maintaining the percentage of renewable energy sources in electricity consumption at 100% (%)	2025	Yearly
Environmental Impact Reduction	Certification of water consumption according to ISO 14046-Water Footprint Standard	2025	Yearly

6.6 GOVERNANCE PROCESS AND FEEDBACK MECHANISMS

All metrics and targets are integrated into management decision-making processes and, when necessary, are evaluated by the Sustainability Committee, the company's highest management body on sustainability. The process works as follows:

- **Description:** Updated annually during the strategic planning process.
- **Monitoring:** Performance is measured regularly through tracking systems and reported to relevant managers.
- **Evaluation:** If there is a deviation in the indicators, a cause analysis is performed and strategies are revised.
- **Feedback:** The Board of Directors and relevant committees monitor developments and provide direction.
- **Communication:** Achieved targets are shared transparently in sustainability reports.

This structure, which allows Garanti BBVA Group and its subsidiaries, such as Garanti BBVA Factoring, to effectively implement their sustainability strategy, enables the timely identification of sustainability and climate-related risks and opportunities, the determination and monitoring of relevant metrics, and the setting of group or company targets aligned with the group's strategic priorities.

Garanti BBVA Factoring’s employees, whose sustainability competencies have been enhanced through a continuous development approach and a Board of Directors and Senior Management team competent in sustainability and climate matters, will continue their work to increase sustainable financing and decarbonize their portfolios in line with the Group's strategy.

TSRS Volume-16 Commercial Banking Sector Standards

Sustainability Disclosure Topics and Metrics	Incorporating Environmental, Social and Governance Factors into Credit Analysis	Description of the approach to incorporating environmental, social and governance (ESG) factors into credit analysis	FN-CB-410a.2	4.5.3 Portfolio Decarbonisation 6.2.2 Emission Targets and Progress
Activity Metrics	Activity Metrics	By segment: (1) number and (2) value of (a) individual and (b) small business, checking, and savings accounts	FN-CB-000.A	(a.1.)- no individual accounts (a.2.) b.1. -no small business accounts (b.2.)
	Activity Metrics	By segment: (1) number and (2) value of (a) individual, (b) small business, and (c) corporate loans	FN-CB-000.B	(a.1.) no individual loans (a.2.) no individual loans (b.1.) 4,727 clients (b.2.) 5,494,399 thousand TL (c.1.) 322 clients (c.2.) 7,453,820 thousand TL

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TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Governance	a) Governance Body/Bodies (May Include a Board, Committee, or Equivalent Body Responsible for Senior Management) or Individuals Responsible for Overseeing Sustainability-Related Risks and Opportunities	TSRS-1 27.a.i	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-1 27.a.ii	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities 4.4 Sustainability and Climate related strategy and decision-making - Training
		TSRS-1 27.a.iii	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-1 27.a.iv	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-1 27.a.v	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities 4.4 Sustainability and Climate related strategy and decision-making - Training
	b) The Role of Management in Governance Processes, Controls, and Procedures Used to Monitor, Manage, and Oversee Sustainability-Related Risks and Opportunities	TSRS-1 27.b.i	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-1 27.b.ii	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
Strategy	a) Sustainability-related risks and opportunities	TSRS-1 30.a	4. Strategy 4.1 Sustainability and climate topics
		TSRS-1 30.b	4. Strategy 4.1 Sustainability and climate topics
		TSRS-1 30.c	4. Strategy 4.2 Time horizon definitions

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TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Strategy	b) Business model and value chain	TSRS-1 32.a	2.2 Business Model and Value Chain 4.1 Sustainability and climate topics 4.3 Impact on Value Chain
		TSRS-1 32.b	2.2 Business Model and Value Chain 4.1 Sustainability and climate topics 4.3 Impact on Value Chain
	c) Strategy and decision-making	TSRS-1 33.a	4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy
		TSRS-1 33.b	6.2 Environmental Metrics and Emission Reduction Targets
		TSRS-1 33.c	4.5.3 Portfolio decarbonisation

Türkiye Sustainable Reporting Standards Index

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Strategy	d) Financial position, financial performance and cash flows	TSRS-1 34.a	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-1 34.b	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-1 35.a	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-1 35.b	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-1 35.c.i	4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-1 35.c.ii	4.4 Sustainability and Climate related strategy and decision-making - Resources
		TSRS-1 35.d	4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
	e) Resilience	TSRS-1 41	4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements

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TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Risk Management	a) Processes and Related Policies Used to Identify, Assess, Prioritize, and Monitor Sustainability-Related Risks	TSRS-1 44.a.i	5.2.1 Data used for risk assessment
		TSRS-1 44.a.ii	5.2.2 Climate scenarios used in analyses
		TSRS-1 44.a.iii	5.2.3 Risk Assessment Criteria
		TSRS-1 44.a.iv	5.1 Policy Framework for the Management of Sustainability and Climate-Related Risks 5.2.4 Integration of Sustainability and Climate Risks into the Corporate Risk Framework
		TSRS-1 44.a.v	5.2.5 Monitoring Risk-Opportunity Assessments
		TSRS-1 44.a.vi	Since this is the first TSRS-compliant reporting period, no comparison can be made.
	b) Processes Used by the Entity to Identify, Assess, Prioritize, and Monitor Sustainability-Related Opportunities	TSRS-1 44.b	4.4 Sustainability and Climate related strategy and decision-making 5.2.5 Monitoring Risk-Opportunity Assessments
	c) The Extent and Manner in Which the Processes for Identifying, Assessing, Prioritizing, and Monitoring Sustainability-Related Risks and Opportunities Are Integrated into the Entity's Overall Risk Management Process and How They Inform the General Risk Management Process	TSRS-1 44.c	4.4 Sustainability and Climate related strategy and decision-making 5.2.5 Monitoring Risk-Opportunity Assessments

Türkiye Sustainable Reporting Standards Index

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Metrics and Targets	a) Metrics Required by the Relevant TSRS	TSRS-1 46.a	It is included in the TSRS-2 table.
	b) Metrics Used by the Entity to Measure and Monitor Sustainability-Related Risks and Opportunities	TSRS-1 50.a	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics 7. TSRS Volume 16 Commercial Banking Industry Standards Necessary assessments have been made for criteria and targets outside the scope of TSRS.
		TSRS-1 50.b	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics 7. TSRS Volume 16 Commercial Banking Industry Standards Necessary assessments have been made for criteria and targets outside the scope of TSRS.
		TSRS-1 50.c	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics The metrics included in the 6.2 Environmental Metrics and Greenhouse Gas Reduction Targets section of the report are within the scope of the Limited Assurance Report issued by the independent auditor for Garanti BBVA 2024 Integrated Activity Report.
		TSRS-1 50.d	6. Metrics and Targets

Türkiye Sustainable Reporting Standards Index

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Metrics and Targets	c) The Entity's Performance Related to the Identified Sustainability Risk or Opportunity, Including Progress Toward Its Self-Determined Targets and Those Required by Regulations	TSRS-1 51.a	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics
		TSRS-1 51.b	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics
		TSRS-1 51.c	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics
		TSRS-1 51.d	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics
		TSRS-1 51.e	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics
		TSRS-1 51.f	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.4 Social Metrics 6.5 Sustainability and Climate-related Metrics
		TSRS-1 51.g	The company had no declared targets in its solo reports prior to the reporting year.

Türkiye Sustainable Reporting Standards Index

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
General Provisions	Guidance Resources	TSRS-1 54	1.1 Report preparation process
		TSRS-1 55.a	7. TSRS Volume-16 Commercial Banking Sector Standards It has been assessed that the disclosure issues in the SASB Standards are not applicable under the company's circumstances.
		TSRS-1 56	4.1 Sustainability and climate topics
		TSRS-1 59	4.1 Sustainability and climate topics 7. TSRS Volume-16 Commercial Banking Sector Standards
	Location of Explanations	TSRS-1 60	1.1 Report preparation process
	Reporting Time	TSRS-1 64	1.2 Reporting date and Transition Notice
	Comparative Information	TSRS-1 70	1.2 Reporting date and Transition Notice
	Declaration of Conformity	TSRS-1 72	1.1 Report preparation process
Judgements, Uncertainties and Errors	Judgements	TSRS-1 74	1.1.3 Determining Priority Issues – The Materiality Approach 4.1 Sustainability and climate topics 4.5.2 Sustainable Finance 4.5.3 Portfolio decarbonisation
	Uncertainties	TSRS-1 77	1.1.3 Determining Priority Issues – The Materiality Approach 4.1 Sustainability and climate topics 4.5.2 Sustainable Finance 4.5.3 Portfolio decarbonisation
		TSRS-1 78	1.1.3 Determining Priority Issues – The Materiality Approach 4.1 Sustainability and climate topics 4.5.2 Sustainable Finance 4.5.3 Portfolio decarbonisation
	Errors	TSRS-1 83	Since this is the first reporting year in compliance with TSRS, there are no past financial disclosures related to sustainability within the scope of the Standard.

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Governance	a) Governance body(s) (which may include a board, committee or equivalent body responsible for governance) or person(s) responsible for oversight of climate-related risks and opportunities	TSRS-2 6.a.i	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-2 6.a.ii	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities 4.4 Sustainability and Climate related strategy and decision-making - Training
		TSRS-2 6.a.iii	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-2 6.a.iv	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-2 6.a.v	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities 4.4 Sustainability and Climate related strategy and decision-making - Remuneration and Compensation
	b) Management's role in governance processes, controls and procedures used to monitor, manage and control climate-related risks and opportunities	TSRS-2 6.b.i	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
		TSRS-2 6.b.ii	3.1 Sustainability and climate change governance structure 3.2 Governance of Sustainability and Climate risk & opportunities
Strategy	a) Climate Related Risk and Opportunities	TSRS-2 10.a	4. Strategy 4.1 Sustainability and climate topics
		TSRS-2 10.b	4. Strategy 4.1 Sustainability and climate topics
		TSRS-2 10.c	4. Strategy 4.1 Sustainability and climate topics
		TSRS-2 10.d	4. Strategy 4.2 Time horizon definitions

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Strategy	b) Business Model and Value Chain	TSRS-2 13.a	2.2 Business Model and Value Chain 4.1 Sustainability and climate topics 4.3 Impact on Value Chain
		TSRS-2 13.b	2.2 Business Model and Value Chain 4.1 Sustainability and climate topics 4.3 Impact on Value Chain
	c) Strategy and Decision Making	TSRS-2 14.a.i	4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy
		TSRS-2 14.a.ii	4.4 Sustainability and Climate related strategy and decision-making 4.5.1 Direct impacts
		TSRS-2 14.a.iii	4.4 Sustainability and Climate related strategy and decision-making 4.5.2 Sustainable Finance 4.5.3 Portfolio decarbonisation
		TSRS-2 14.a.iv	4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy
		TSRS-2 14.a.v	4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy
		TSRS-2 14.b	4.4 Sustainability and Climate related strategy and decision-making - Resources
		TSRS-2 14.c	Since this is the first reporting period in line with TSRS, there is no disclosure.

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Strategy	d) Financial position, financial performance and cash flows	TSRS-2 15.a	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-2 15.b	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-2 16.a	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-2 16.b	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-2 16.c.i	4.1 Sustainability and climate topics 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-2 16.c.ii	4.4 Sustainability and Climate related strategy and decision-making - Resources
		TSRS-2 16.d	4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Strategy	e) Climate Resilience	TSRS-2 22.a.i	5.2 Disclosures on Sustainability and Climate-Related Risk Management at Garanti BBVA Factoring 4.4 Sustainability and Climate related strategy and decision-making 4.5 Management of Sustainability and Climate Strategy 4.6 Impact on Financial Statements
		TSRS-2 22.a.ii	4.5 Management of Sustainability and Climate Strategy
		TSRS-2 22.a.iii.(1)	4.4 Sustainability and Climate related strategy and decision-making - Resources
		TSRS-2 22.a.iii.(2)	4.5 Management of Sustainability and Climate Strategy
		TSRS-2 22.a.iii.(3)	4.5 Management of Sustainability and Climate Strategy
		TSRS-2 22.b.i.(1)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.i.(2)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.i.(3)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.i.(4)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.i.(5)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.i.(6)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.i.(7)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.ii.(1)	5.2.2 Climate scenarios used in analyses 4.4 Sustainability and Climate related strategy and decision-making
		TSRS-2 22.b.ii.(2)	5.2.2 Climate scenarios used in analyses 5.2.3 Risk Assessment Criteria

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Strategy	e) Climate Resilience	TSRS-2 22.b.ii.(3)	5.2.2 Climate scenarios used in analyses 5.2.3 Risk Assessment Criteria
		TSRS-2 22.b.ii.(4)	5.2.2 Climate scenarios used in analyses 5.2.3 Risk Assessment Criteria
		TSRS-2 22.b.ii.(5)	5.2.2 Climate scenarios used in analyses 5.2.3 Risk Assessment Criteria
		TSRS-2 22.b.iii	5.2.2 Climate scenarios used in analyses 5.2.3 Risk Assessment Criteria 4.4 Sustainability and Climate related strategy and decision-making
Risk Management	a) Processes and relevant policies used by the business to identify, assess, prioritize and monitor climate-related risks	TSRS-2 25.a.i	5.2.1 Data used for risk assessment
		TSRS-2 25.a.ii	5.2.2 Climate scenarios used in analyses
		TSRS-2 25.a.iii	5.2.3 Risk Assessment Criteria
		TSRS-2 25.a.iv	5.1 Policy Framework for Sustainability and Climate-Related Risk Management 5.2.4 Integration of Sustainability Risks into the Corporate Risk Framework
		TSRS-2 25.a.v	5.2.5 Monitoring Risk-Opportunity Assessments
		TSRS-2 25.a.vi	Since this is the first reporting period in line with TSRS, there is no disclosure.
	b) Including information on whether and how it uses climate-related scenario analysis; The processes the business uses to identify, evaluate, prioritize and monitor climate-related opportunities	TSRS-2 25.b	4.4 Sustainability and Climate related strategy and decision-making 5.2.5 Monitoring Risk-Opportunity Assessments
	c) Processes for identifying, evaluating, prioritizing and monitoring climate-related risks and opportunities; to what extent and how it is integrated into the business's overall risk management process and to what extent and how it informs the business's overall risk management process	TSRS-2 25.c	4.4 Sustainability and Climate related strategy and decision-making 5.2.5 Monitoring Risk-Opportunity Assessments

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Metrics and Targets	a) Climate Related Metrics	TSRS-2 29.a.i	6.2.1 Greenhouse Gas Emissions- Scope 1 and 2
		TSRS-2 29.b	4.5.3 Portfolio decarbonisation 6.2.2 Greenhouse Gas Reduction Targets and Progress
		TSRS-2 29.c	Due to Garanti BBVA Factoring's business model, the amount and percentage of assets or business activities vulnerable to climate-related physical risks have not been calculated.
		TSRS-2 29.d	4.5.2 Sustainable Finance 6.3 Sustainable Finance
		TSRS-2 29.e	4.4 Sustainability and Climate related strategy and decision-making - Resources 6.3 Sustainable Finance
		TSRS-2 29.f	6.2.2 Greenhouse Gas Reduction Targets and Progress As of the end of 2024, internal carbon pricing will no longer be used in the company's decision-making processes.
		TSRS-2 29.g	4.4 Sustainability and Climate related strategy and decision-making - Remuneration and Compensation
	b) Sector-based metrics (Guidelines for Sector-Based Application of TSRS-2)	TSRS-2 32	7. TSRS Volume-16 Commercial Banking Sector Standards

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Metrics and Targets	c) Climate Related Targets	TSRS-2 33.a	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 33.b	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 33.c	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 33.d	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 33.e	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 33.f	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 33.g	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Metrics and Targets	c) Climate Related Targets	TSRS-2 33.h	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 34.a	The metrics included in the 6.2 Environmental Metrics and Greenhouse Gas Reduction Targets section of the report are within the scope of the Limited Assurance Report issued by the independent auditor for Garanti BBVA 2024 Integrated Activity Report.
		TSRS-2 34.b	6.1 Approach to Determining Metrics 6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 34.c	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 34.d	There is no explanation as this is the first TSRS-compliant reporting period.
		TSRS-2 35	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 36.a	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics

Independent Auditor's Opinion and Assurance Report

TSRS Title	Main Disclosure Requirement	Standard Clause	Relevant Report Section / Answer
Metrics and Targets	c) Climate Related Targets	TSRS-2 36.b	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 36.c	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 36.d	6.2 Environmental Metrics and Emission Reduction Targets 6.3 Sustainable Finance 6.5 Sustainability and Climate-related Metrics
		TSRS-2 36.e.i	6.2 Environmental Metrics and Emission Reduction Targets
		TSRS-2 36.e.ii	6.2 Environmental Metrics and Emission Reduction Targets
		TSRS-2 36.e.iii	6.2 Environmental Metrics and Emission Reduction Targets
		TSRS-2 36.e.iv	6.2 Environmental Metrics and Emission Reduction Targets

Independent Auditor's Opinion and Assurance Report

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE INFORMATION PRESENTED BY GARANTİ FAKTORİNG A.Ş. WITHIN THE SCOPE OF TÜRKİYE SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Garanti Faktoring A.Ş.;

We have undertaken a limited assurance audit regarding the information presented by Garanti Faktoring A.Ş. (the "Company") in accordance with Türkiye Sustainability Reporting Standards 1 "General Provisions on the Disclosure of Financial Information Related to Sustainability" and Türkiye Sustainability Reporting Standards 2 "Climate-Related Disclosures" for the year ending December 31, 2024 (the "Sustainability Information").

Our assurance audit does not cover information related to prior periods and other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Result of Limited Assurance

Based on the procedures we performed and the evidence we obtained, as described under the heading "Summary of the Work Performed as the Basis for the Assurance Result," we have not identified any matters that would lead us to conclude that the Sustainability Information of the Company for the year ending December 31, 2024, has not been prepared, in all material respects, in accordance with the Türkiye Sustainability Reporting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("KGK") in the Official Gazette dated December 29, 2023, and numbered 32414(M). We do not provide an assurance result regarding any information associated with prior periods and the Sustainability Information (including any images, audio files, website links, or embedded videos).

Structural Limitations in the Preparation of Sustainability Information

The Sustainability Information is subject to structural uncertainties arising from deficiencies in scientific and economic knowledge. The inadequacy of scientific knowledge in calculating greenhouse gas emissions leads to uncertainty. Additionally, due to a lack of data regarding the likelihood, timing, and impacts of potential future physical and transition climate risks, the Sustainability Information contains uncertainties based on climate-related scenarios.

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

The Company Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of Türkiye Sustainability Reporting Standards,
- Designing, implementing, and maintaining internal controls related to the preparation of the Sustainability Information that is free from material misstatements due to error or fraud,
- Additionally, the Company Management is responsible for selecting and applying appropriate sustainability reporting methods and making reasonable assumptions and estimates in accordance with the circumstances.

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

Responsibilities of the Independent Auditor Regarding the Limited Assurance Audit of the Sustainability Information

We are responsible for:

- Planning and performing assurance work to obtain limited assurance about whether the Sustainability Information is free from material misstatements due to error or fraud,
- Reaching an independent conclusion based on the evidence we obtained and the procedures we applied, and
- Reporting the conclusion we reached to the Company management.

Since we are responsible for reporting an independent conclusion regarding the Sustainability Information prepared by management, we are not permitted to be involved in the preparation process of the Sustainability Information to avoid compromising our independence.

Application of Professional Standards

We conducted the limited assurance audit in accordance with the Assurance Audit Standard 3000 "Other Assurance Engagements Outside the Independent Audit or Limited Independent Audit of Historical Financial Information" published by KGK and the Assurance Audit Standard "3410 Assurance Engagements on Greenhouse Gas Statements" regarding the greenhouse gas emissions included in the Sustainability Information.

Independent Auditor's Opinion and Assurance Report

Independence and Quality Control

We have complied with the independence provisions and other ethical requirements in the Ethical Rules for Independent Auditors published by KGK, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior (including Independence Standards). Our firm maintains a comprehensive quality control system, including written policies and procedures regarding compliance with ethical rules, professional standards, and applicable legislation, in accordance with Quality Management Standard 1. Our work has been carried out by an independent and multidisciplinary team of auditors and sustainability and risk experts. We have utilized the work of our expert team to assist in evaluating the reasonableness of the information and assumptions related to the Company's climate and sustainability-related risks and opportunities. We are solely responsible for the assurance result we provided.

Summary of the Work Performed as the Basis for the Assurance Result

We need to plan and perform our work to address areas where we identified a high likelihood of material misstatements in the Sustainability Information. Our procedures are based on professional judgment. While conducting the limited assurance audit regarding the Sustainability Information:

- Face-to-face and online interviews were conducted with key senior personnel of the Company to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Company's internal documentation was used to evaluate and review sustainability-related information.
- The presentation and disclosure of sustainability-related information were assessed.
- Through inquiries, we gained an understanding of the Company's control environment and information systems related to the preparation of the Sustainability Information. However, specific control activities were not evaluated, evidence regarding their implementation was not obtained, and operational effectiveness was not tested.
- The appropriateness and consistency of the Company's estimation development methods were evaluated. However, our procedures did not include testing the data on which the estimates were based or developing our own estimates to evaluate the Company's estimates.

The procedures applied in the limited assurance audit differ in nature and timing from those of a reasonable assurance audit and are narrower in scope. As a result, the level of assurance provided by the limited assurance audit is significantly lower than the level of assurance that would have been obtained had a reasonable assurance audit been performed.

Güney Independent Audit and Certified Public Accountant Inc.
A member firm of Ernst & Young Global Limited

Aykut Üşenti, SMMM
Partner

July 29, 2025
İstanbul, Türkiye

Contact

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DESIGN

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