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TSRS Compliant Sustainability Report 2025

CONTENTS

1 INTRODUCTION

1.1 ABOUT THE REPORT

TSRS 1 20, TSRS 1 21, TSRS 1 22, TSRS 1 23, TSRS 1 24

The second TSRS Compliant Sustainability Report ("Report") of Odea Bank A.Ş. ("Odeabank" or the "Bank"), prepared with reference to the Türkiye Sustainability Reporting Standards 1: General Requirements for Disclosure of Financial Information ("TSRS 1") and in accordance with the Türkiye Sustainability Reporting Standards 2: Climate-related Disclosures ("TSRS 2"), is hereby published.

This Report has been prepared in compliance with the Board Resolution dated 27 December 2023 regarding the Scope of Application of TSRS and is presented fairly in all material respects. The Report aims to disclose the Bank's approach to integrating climate-related risks and opportunities into its corporate governance, strategy, and risk management processes, and to transparently present, within a comparable framework, the impacts of such risks and opportunities on the Bank's business model and long-term value creation.

The report has been prepared in accordance with the Procedures and Principles Regarding the Scope of Application of the Türkiye Sustainability Reporting Standards ("TSRS"), issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") and published in the Official Gazette dated 16 July 2025 and numbered 32957, and includes information covering Odeabank's subsidiary, Odea Teknoloji Hizmetleri A.Ş. ("Odeatech")

Consistent with the structure prescribed under the TSRS framework, the Report is organized under the headings of Governance, Strategy, Risk Management, and Metrics and Targets, and covers the reporting period from **1 January 2025 to 31 December 2025**, aligned with the reporting period of the Bank's financial statements.

Furthermore, in preparing this Report, consideration has been given to the TSRS 2 Sector-specific Guidance – Annex Volume-16 (Commercial Banks), published by the POA to provide interpretative guidance on sector-specific application of TSRS. In this context, the sector-specific metrics set out in Annex Volume-16 have been assessed in light of the Bank's activities and reporting framework, and the relevant disclosures are presented in the 5. Metrics and Targets section of the Report.

1.1.1 Information Connected to Financial Statements

TSRS 1 22, TSRS 1 23, TSRS 1 24

This Report forms an integral part of Odeabank's corporate reporting for the relevant reporting period. In order to enable a comprehensive and accurate assessment of the Bank's operations, strategic priorities, financial position and risk management approach, this Report should be read in conjunction with the Bank's annual report and other periodic disclosures.

The financial data presented in this Report are disclosed in **Turkish Lira (TL)**, which is the functional and presentation currency used in the preparation of the Bank's financial statements, in order to ensure consistency between sustainability and Climate-Related disclosures and financial information.

The time horizons applied in the Bank's financial and strategic planning processes **may differ** from those used in the assessment of sustainability- and climate-related risks and opportunities. Financial risks, by their nature, tend to materialize over **shorter timeframes** and require **more immediate management action**. In contrast, sustainability and Climate-Related risks and opportunities typically give rise to **medium- and long-term impacts**. Accordingly, **different time horizon definitions** used in sustainability- and climate-related risk and opportunity assessments may differ from those applied in financial and strategic planning processes.

Detailed disclosures regarding the time horizons (Short-, Medium- and Long-term) adopted by the Bank are provided in Section "3.1.1 Strategic Time Horizons", while projections extending to 2030, 2040 and 2050 used in measuring long-term impacts are presented in Section "4.2.1 Scenario Analysis Studies". Climate risks across different time horizons are assessed in full integration with the **Bank's Internal Capital Adequacy Assessment Process (ICAAP)** processes.

Further information regarding the time horizon definitions applied to sustainability- and climate-related risks and opportunities, as well as the financial materiality threshold, is provided under the section titled 3.1 Climate-Related Risks and Opportunities.

1.1.2 Transitional Provisions and Reliefs Applied

With the Board Decision dated December 30, 2025 and numbered 33123, the Public Oversight Authority (POA) decided to extend certain transition exemptions granted to entities preparing sustainability reports in compliance with TSRS for the first time for a period of one year. In this context, Odeabank has elected to apply the transitional reliefs set out in paragraphs E4, E5 and E6(b) of TSRS 1, and paragraph C4(b) of TSRS 2 for the 2025 reporting period.

TSRS 1 E4: The report is published after the financial statements for the period from January 1 to December 31, 2025, have been released.

TSRS 1 E5: The report includes disclosures solely related to climate-related risks and opportunities.

TSRS 1 E6(b): Comparative information regarding sustainability-related risks and opportunities, other than climate-related risks and opportunities, has not been disclosed in the report.

TSRS 2 C4(b): The Report does not include disclosures on Scope 3 emissions, including financed emissions. Within the scope of the "Board Decision on the Türkiye Sustainability Reporting Standards" published in the Official Gazette dated December 29, 2023 and numbered 32414 by the Public Oversight Authority (POA), a transition exemption has been granted to entities adopting TSRS for the first time regarding the disclosure of Scope 3 greenhouse gas emissions for the first two reporting years. Odeabank benefits from this exemption within this scope.

1.1.3 Reporting Boundaries and Measurement Approach

Odeabank calculates its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) and determines its organizational boundaries based on the **operational control approach**, in line with the operational structure of the financial sector.

Detailed information on the calculation of greenhouse gas emissions is provided under the Greenhouse Gas Emissions and Calculation Methodology section of the report.

1.1.4 Statement of Compliance

The disclosures included in the Report have been subject to a limited assurance engagement conducted by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with **Assurance Engagement Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements"** issued by the Public Oversight Authority (POA). The Independent Auditor's Limited Assurance Report is presented in the "Independent Auditor's Limited Assurance Report" section of this Report.

CONTACT

For any questions, comments, or suggestions regarding our report, you may contact the Bank's Sustainability Team at surdurulebilirlik@odeabank.com.tr

1.2 ABOUT ODEABANK

TSRS 1 20, TSRS 1 32(a)(b), TSRS 2 13(a)(b)

Odeabank was established on 15 March 2012 and commenced its operations in the Turkish banking sector on 2 October 2012, following the authorization granted by the Banking Regulation and Supervision Agency ("BRSA"). The following financial information has been extracted from the Bank's published financial statements, prepared in accordance with the BRSA Accounting and Financial Reporting Legislation.

Total Assets-Billion TL

Growth Rate **55%**

Number of Branches

35

Number of Employees(*)

1,211

(*) Taking into account 1,211 employees at Odeabank and 182 employees at Odeatech, the total number of employees amounts to 1,393.

Our Vision

To become the leading "phygital" Bank of Türkiye, offering the best digital experience integrated with authentic physical services.

Our Mission

To facilitate banking through authentic products and expertise, and be a responsible member of our community who contributes genuinely to its sustainable development.

Operating in the fields of commercial and retail banking, Odeabank provides financing solutions that support corporate green, digital, and technological transformation, placing sustainability at the core of its operations. Through this approach, the Bank aims to contribute to the development of both its customers and the Turkish economy. Adopting a customer-centric approach as a core principle, the Bank takes steps to create value for its customers, shareholders, and the national economy. To meet customer needs in a fast and convenient manner, it continuously advances and innovates its digital banking channels.

1.2.1 Shareholding Structure and Subsidiary: Odeatech

TSRS 1 20

Odeatech, the subsidiary of Odeabank, which was established in 2024, scaled up its operations in 2025 and has become the core technology structure executing the Bank's digital transformation strategies.

Odeatech supports Odeabank's "phygital banking" approach through solutions it develops in the areas of artificial intelligence, data management, digital banking infrastructure, and process automation. In addition, as part of the R&D activities carried out throughout the year, technological components with productization potential were developed, the capacity of the technical teams was strengthened, and a software development environment aligned with information security standards was established.

As of 2025, Odeatech has evolved beyond being a structure solely supporting the Bank's technology infrastructure and has positioned itself as an R&D company contributing to Türkiye's financial technology ecosystem, through its association memberships and sponsorship of fintech programs.

This positioning is considered part of the Bank's approach to support innovation and ecosystem collaborations in line with its long-term strategic objectives.

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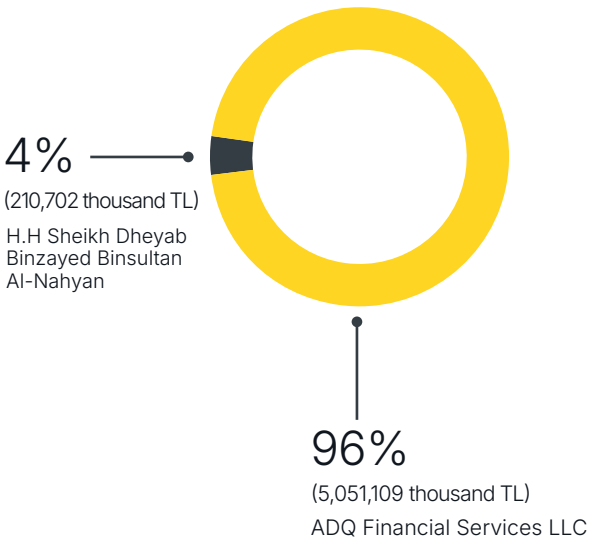
Odea Teknoloji Hizmetleri A.Ş. (Odeatech)

Field of Activity	Share Capital	Ownership Interest	Region of Operation
Computer programming activities	TL 10,000,000	100%	Türkiye

Shareholding Structure

As of 31 December 2025, Odeabank's shareholding and capital structure are presented below. Within this context, 96% of the Bank's share capital was acquired by Abu Dhabi Development Holding Company PJSC (ADQ) during 2025. This strategic partnership has contributed to strengthening Odeabank's capital structure and is considered a strategic development supporting the Bank's long-term growth and transformation objectives.



Name/ Trade Name	Share (TL thousand)
ADQ Financial Services LLC	5,051,109
H.H Sheikh Dheyab Binzayed Binsultan Al-Nahyan	210,702
Flash Investment Holding 1 RSC Ltd	1.00 (*)
Flash Investment Holding 2 RSC Ltd	1.00 (*)
Flash Investment Holding 3 RSC Ltd	1.00 (*)
Flash Investment Holding 4 RSC Ltd	1.00 (*)
Total	**5,261,811**

(*) Amounts in thousands of TL

Table 1. Odeabank Shareholding and Capital Structure

1.2.2 Value Chain

TSRS 1 32(a)(b), TSRS 2 13(a)(b)

Flow Direction	Key Stakeholders	Activities	Description
Upstream	• Shareholders • Financial Institutions and Creditors • Suppliers • Regulatory Authorities	Provision of Capital and Financial Resources	This step includes the provision of funding sources required for the Bank to deliver its lending and other banking services-such as deposits, debt instruments, and relationships with financial institutions-as well as the strengthening of its capital structure. It constitutes the fundamental inputs that determine the Bank's liquidity profile, risk-taking capacity, and lending capability.
		Procurement of Operational Goods and Services	This step includes the procurement of technology infrastructure, digital solutions, administrative and operational support services, as well as outsourced products and services required for the Bank to carry out its core banking operations in a continuous and secure manner.
Core Banking Operations	• Corporate Governance Structure • Employees • Regulatory Authorities	Product and Service Development	The development of the Bank's lending, deposit, investment, and digital banking products, as well as sustainable financing solutions, is essential for supporting low-carbon investments, promoting ESG (Environmental, Social and Governance)-focused product innovation, and expanding financing opportunities that contribute to customers' sustainability transition. In addition, Odeatech conducts R&D activities in the fields of information technologies, communication, and artificial intelligence, including the development of AI-based software, methodologies and standards, as well as new products, tools, software, and analytical solutions.
		Credit Allocation and Risk Management	Credit assessment, portfolio and collateral management processes play a critical role in monitoring financed emissions, managing the impacts of climate-related transition and physical risks on the credit portfolio, and ensuring long-term financial resilience.
		Customer Acquisition and Channel Management	Customer access and service delivery conducted through the branch network, Contact Center, Internet Banking, Mobile Banking, and ATM infrastructure contribute to enhancing financial inclusion, reducing resource consumption through digitalization, and ensuring the security of customer data.
		Payment Systems and Operations Management	The management of EFT, money transfer, and card payment transactions, together with reconciliation and operational processes, is important for enhancing operational efficiency, reducing environmental impact through digital payment solutions, and optimizing resource consumption.
		Treasury and Fund Management	Liquidity management, funding activities, derivative transactions, and the management of the investment portfolio contribute to supporting the Bank's financial stability through investment decisions that consider ESG criteria and the management of climate-related market risks.
		Human Resources and Corporate Governance	Employee management, training, competency development, and corporate governance practices are key to strengthening equality, diversity, employee well-being, ethics, and a culture of sustainability across the organization, and to supporting long-term value creation.
Downstream	• Local Communities • Customers and Business Partners • Regulatory Authorities	Social and Economic Impacts	The environmental and social impacts arising through the sectors and projects financed play a critical role in managing financed emissions, supporting economic development, and contributing to societal well-being through the Bank's indirect impacts.
		Customer Impacts	Access to finance for corporate, retail, SME and commercial customers through banking and digital banking products and services is important for enhancing financial inclusion, supporting economic activity, strengthening customer resilience, and delivering banking services in a manner that creates social value.

Detailed information on the abbreviations used in the value chain is provided under the "Definitions and Explanations" section in the Appendices.

1.3 CHANGES IN THE REPORTING SCOPE

In its 2024 TSRS Compliant report, Odeabank disclosed a climate-related opportunity titled "Development of ESG Advisory Services for Customers." At that time, the opportunity was included within the scope of reporting based on strategic assessments that considered its potential revenue and business model implications.

Following the strategic review and materiality assessment conducted during the 2025 reporting period, it was determined that the relevant initiative would not be pursued within the scope of the Bank's current business plans and capital allocation priorities. Accordingly, as of 2025, the opportunity has been removed from the scope of reporting, as it does not represent a material financial impact or a reasonably foreseeable financial effect.

As part of the update to the financial materiality threshold applied in 2025 (see Section 3.1.2 Risk-Based Financial Threshold Value), the threshold used for reporting climate-related risks and opportunities was **revised from 10% of Regulatory Core Capital to 2%**. As a result of the revision carried out, although the threshold amount decreased to a lower level, the relevant opportunity has been assessed as not having a significant financial impact on the Bank's cash flows, capital adequacy or access to finance.

TSRS 2 – Volume 16: Operating Metrics in the Commercial Banks Guidance **have been included in the report for the first time** in the 2025 reporting period in order to meet the industry-specific disclosure requirements of TSRS 2 (see Section 5.1.2 Sector Metrics). During the 2024 reporting period, the data scope and methodology for these metrics were still in a maturation phase, and therefore sufficient and verifiable data sets suitable for reporting were not available. As of 2025, with the strengthening of the data and control infrastructure, these metrics have become reliably measurable and comparable for disclosure purposes.

Accordingly:

- The planned projections evaluated in the 2024 period and the related performance indicators (KPIs) regarding the "Development of Environmental, Social and Governance (ESG) Consultancy Services" opportunity for customers have not been reported in the 2025 period.
- This change has been made in line with the principles of faithful representation and relevance under TSRS.
- Disclosures relating to the previous reporting period have not been restated; however, as the relevant opportunity does not generate a financial impact in the 2025 period, forward-looking projections have not been updated.

This change in scope does not constitute a change in accounting policy or a prior period error; rather, it has been implemented prospectively as a result of updates to strategic priorities and the financial materiality assessment.

These matters have been clearly disclosed to ensure comparability between reporting periods.

2 GOVERNANCE

2.1 CORPORATE GOVERNANCE

Odeabank's governance structure is built upon a decision making and oversight framework composed of the Board of Directors and senior management, established in line with the principles of transparency and accountability. This structure aims to ensure the determination of the Bank's strategic direction, the effective management of risks, and the support of long-term value creation process.

The senior management, consisting of the Chair of the Board of Directors, the Vice Chair and members of the Board, as well as the General Manager and Deputy General Managers, provides effective oversight over the Bank's activities and is responsible for the implementation of corporate governance principles.

The titles and educational backgrounds of the members of the Bank's Board of Directors and senior management are presented in the table below.

Title	Name - Surname	Date of Appointment	Education
Chair of the Board of Directors	Marcos Alonso De Quadros	10.04.2025	Bachelor's Degree
Vice-Chair of the Board of Directors	Jawad Shafique	10.04.2025	Bachelor's Degree
Member of the Board of Directors	Mohamed M. Kaissi	10.04.2025	Bachelor's Degree
Member of the Board of Directors	Hamad Saeed Ali Saeed Alshehhi	10.04.2025	Bachelor's Degree
Member of the Board of Directors	Subramanian Suryanarayan	10.04.2025	Bachelor's Degree
Member of the Board of Directors	Dr. Ayşe Botan Berker	12.10.2020	Doctorate Degree
Member of the Board of Directors	Oya Aydınlık	17.06.2021	Bachelor's Degree
Member of the Board of Directors	Ali Temel	10.04.2025	Bachelor's Degree
Member of the Board of Directors and General Manager(*)	Dr. Mert Öncü	02.04.2018	Doctorate Degree
Deputy General Manager and Assistant General Manager in charge of Commercial Banking	Yalçın Avcı	07.06.2012	Master's Degree
Deputy General Manager, CFO and Assistant General Manager in charge of Finance, Financial Control and Strategy	Mehmet Gökmen Uçar	02.07.2018	Bachelor's Degree
Assistant General Manager in charge of Technology and Operation	Sinan Erdem Özer	03.09.2018	Master's Degree
Assistant General Manager in charge of Risk Management and Internal Control	Hüseyin Gönül	24.06.2019	Bachelor's Degree
Assistant General Manager in charge of Treasury, Capital Markets and Financial Institutions(**)	Emir Kadir Alpay	09.09.2019	Master's Degree
Assistant General Manager in charge of Credit Allocation	Cenk Demiröz	25.11.2019	Master's Degree
Assistant General Manager in charge of Human Resources	Ebru Vardar	14.09.2020	Bachelor's Degree
Assistant General Manager in charge of Credit Monitoring and Remedial	Hüseyin Cem Taner	01.06.2012	Bachelor's Degree
Assistant General Manager in charge of Retail Banking	Gürcan Kırmızı	21.11.2022	Bachelor's Degree
Assistant General Manager in charge of Internal Systems	Tolga Usluer	10.07.2017	Master's Degree
Senior Management Director, Chief Legal Counsel	Aslı Pınar Akbaydoğan	04.01.2016	Master's Degree

Table 2. Board of Directors and Senior Management (Executive Committee Members) Information

(*) Dr. Mert Öncü, serving as a Board Member and CEO, is an executive (executive) member. The other Board members are non-executive members

(**) Sustainability efforts within the Bank are carried out under the Deputy General Manager responsible for Treasury, Capital Markets, and Financial Institutions as part of the organizational structure.

2.2 SUSTAINABILITY AND CLIMATE FOCUSED GOVERNANCE STRUCTURE

TSRS 1 27(a), TSRS 1 27(a)(i), TSRS 1 27(a)(iii), TSRS 2 6(a), TSRS 2 6(a)(i), TSRS 2 6(a)(iii)

Odeabank's corporate governance structure is established under the oversight of the Board of Directors and senior management in accordance with the principles of transparency and accountability. This structure ensures the determination of the Bank's strategic priorities, the provision of effective oversight, and the integration of matters affecting long-term value creation, including climate and sustainability, into governance processes.

At the top of the sustainability and climate-focused governance structure sits the **Board of Directors**. Sustainability and climate-related matters are assessed, implemented, and regularly monitored under the oversight of the Corporate Governance and Sustainability Committee, which reports to the Board, with the involvement of relevant committees and operational units.

The Sustainability Department, together with the Sustainability Working Group and its sub-working groups, coordinates the processes for the development, implementation, and reporting of the Bank's sustainability and climate strategy and regularly reports progress to the Committee.

BOARD OF DIRECTORS

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

SUSTAINABILITY DEPARTMENT

SUSTAINABILITY WORKING GROUP

- Retail Banking
- Credit Allocation
- Digital Transformation
- Financial Reporting, Control, and Tax
- Corporate Communications and Marketing
- Legal and Compliance
- Support Services
- Human Resources
- Risk Management
- Internal Control
- Technology and Operations
- Commercial Banking

SUB-WORKING GROUPS

GREEN ASSET RATIO

- Information Technology
- Environmental and Social Risk
- Credit Coordination
- Financial Institutions and Funding
- Legal and Compliance
- Risk Management
- Commercial Banking

GENDER EQUALITY

- Human Resources
- Corporate Communications and Marketing

GREENHOUSE GAS EMISSIONS

- Administrative Affairs
- Construction and Real Estate
- Procurement- Accounting
- Environmental and Social Risk
- Project Finance
- Security Management
- Contract Management
- Appraisal and Mortgage
- Retail Data Analytics and Reporting
- Commercial Banking Data Management

TSRS REPORTING

- Risk Management
- Financial Reporting and Capital Management
- Human Resources Operations
- Agile Transformation
- Learning, Development, and Leadership Management
- Environmental and Social Risk
- Financial Planning and Investor Relations
- Central Operations Management
- Commercial Banking Budget, Performance, and Data Management
- Corporate Secretariat

Table 3. Odeabank Sustainability Governance Structure

2.2.1 Role and Responsibilities of the Board of Directors

TSRS 1 27(a)(i), TSRS 1 27(a)(iii), TSRS 2 6(a)(i), TSRS 2 6(a)(iii)

The Board of Directors addresses the Bank's activities, risks, and matters affecting long-term value creation, including sustainability, from a holistic perspective through the committees operating under its authority. The work carried out through these committees supports the Board's oversight and guidance functions.

The Board of Directors considers the management of sustainability and climate-related risks and opportunities among the Bank's strategic priorities. In accordance with the Banking Law and relevant regulations, the Board oversees the effective monitoring of all risks to which the Bank is exposed, including climate risks.

Within this scope, the Board approves policies, reports, and practices in the field of sustainability. It conducts its oversight function based on the evaluations presented by the Corporate Governance and Sustainability Committee and the Risk Committee. This oversight is supported by regular reports prepared by the Sustainability Department and, when necessary, through individual reports submitted by managers responsible for sustainability and by the teams performing control and audit functions.

All members of the Corporate Governance and Sustainability Committee are Board members. Following the meetings held throughout the year, Board Members were informed through meeting notes and summary reports prepared by the Corporate Secretariat. The Committee Chair shared evaluations on sustainability and climate-related matters with all members of the Board.

During 2025, the Board of Directors made various decisions related to sustainability and climate. Within this framework, authorization was granted for participation in the UN Global Compact, and an individual was appointed to represent the Bank before the UN Global Compact's legal entity, the Global Compact Network Türkiye. Participation in the UN Global Compact supports the development of the Bank's policies, strategies, and practices in areas directly related to sustainability and climate, such as human rights, labor standards, environment, and anti-corruption, in alignment with global norms. This decision reflects the Board's active engagement in overseeing sustainability and climate-related risks and opportunities and demonstrates its governance approach toward long-term value creation.

2.2.2 Corporate Governance and Sustainability Committee

TSRS 1 27(a)(i), TSRS 1 27(a)(iii), TSRS 1 27(b), TSRS 2 6(a)(i), TSRS 2 6(a)(iii), TSRS 2 6(b)(i),

The Corporate Governance and Sustainability Committee operates under the Board of Directors and is responsible for overseeing the Bank's governance framework related to sustainability and climate matters. The Committee conducts regular activities to assess the effectiveness of sustainability initiatives, monitor progress against strategic objectives, and support sustainability reporting processes in line with TSRS requirements.

Following the update in November 2025, the Committee's duties and responsibilities under the Sustainability Policy were revised in consideration of TSRS standards. The Committee regularly evaluates the effectiveness of sustainability initiatives, monitors progress toward strategic goals, and develops improvement recommendations where necessary.

The Committee Chair is a non-executive member of the Board of Directors, in accordance with regulatory requirements. Committee members continuously monitor national and international developments in sustainability management, climate risks, and environmental and social impact areas, and they regularly enhance their knowledge and competencies to contribute to the Bank's strategic objectives.

Members	Role	Board Relationship
Ali Temel	Committee Chair	Board Member
Mohamed M. Kaissi	Committee Member	Board Member
Dr. Ayşe Botan Berker	Committee Member	Board Member

Table 4. Corporate Governance and Sustainability Committee

During 2025, the Committee held a total of three meetings on 18 February, 7 May, and 3 November. The agenda of these meetings included the 2025 roadmap and timeline, analyses of climate risks and opportunities, the sustainability governance structure, green transformation and GAR calculations, TSRS-compliant sustainability reporting, the Carbon Border Adjustment Mechanism (CBAM), UN Global Compact membership, ESG maturity assessment, and social responsibility projects in the field of sustainability.

Within the scope of the 2025 meetings, the Committee adopted four decisions regarding the approval of the Sustainability Policy, Information Technology Policy, Environmental and Social Policy, Code of Ethics and Conduct Policy, Corporate Governance Policy, and Human Resources Policy. Following its 2025 meetings, the Committee reported to the Board of Directors three times.

The Committee's relationship with risk management, strategy, and portfolio risk assessment processes is maintained through the membership of its members in the Risk Committee, Strategy and Investment Committee, Credit Committee, and Audit Committee. This structure supports the alignment of sustainability and climate-related matters with the Bank's overall risk management and strategic decision-making processes.

2.2.3 Executive Committee and CEO

TSRS 1 27(a)(i), TSRS 2 6(a)(i)

The Executive Committee and CEO assume responsibilities within the scope of implementing the Bank's sustainability and climate-related strategies and practices. The Executive Committee is responsible for translating decisions made by the Board of Directors and relevant committees into operational processes, monitoring the implementation of these practices, and ensuring coordination across the Bank. The management of climate risks, evaluation of sustainable and green financing opportunities, and the integration of the sustainability approach into credit and risk policies are addressed under the leadership of the CEO.

During 2025, the Executive Committee addressed sustainability and climate-focused matters in a total of three meetings under different agenda items. Decisions taken and actions followed during these meetings were reviewed in the context of annual priorities, planned activities, and current developments. The Executive Committee is informed through presentations and reports prepared by the Sustainability team.

In addition, the senior management presentations have conveyed both the progress of the TSRS reporting process and the latest developments regarding climate risk and related regulations. These presentations are conducted every two months, six times a year, summarizing the Bank's key performance and risk indicators with a focus on trends and deviations to provide early warning and support decision-making and actions on critical issues.

2.2.4 Key Units in Sustainability and Climate-Focused Governance

TSRS 1 27(a)(i), TSRS 2 6(a)(i)

Sustainability and climate-focused governance at the Bank is carried out through an interdisciplinary approach across the organization, coordinated by the Sustainability Department. In this context, the sustainability strategy and priorities are prepared for submission to the relevant committees, while implementation and reporting processes are monitored with the contributions of the respective units and working groups.

The Sustainability Department operates under the Financial Institutions, Funding and Sustainability Group Directorate and is responsible for coordinating the Bank's sustainability and climate strategy activities and for managing sustainability reporting processes under the leadership of Group Director Burcu Akın Öztemel. The Department contributes to keeping the Bank's policies and practices up to date by monitoring national and international developments and regulations in the field of sustainability. It also conducts studies for the development of sustainable financial products and services in cooperation with the relevant units and ensures the necessary coordination for compliance with sustainability reporting frameworks, including TSRS. The progress of these activities and the outputs achieved are regularly reported to the Corporate Governance and Sustainability Committee.

The Sustainability Working Group supports the interdisciplinary execution of sustainability activities across the Bank, with representatives from relevant business units. The Working Group operates in coordination with the Sustainability Department on matters such as integrating sustainability practices into business processes, meeting data and reporting requirements, and supporting awareness and capacity-building activities. Additionally, to ensure more focused progress on specific and priority sustainability topics, sub-working groups under the Sustainability Working Group have been established. These sub-groups support work in areas such as GAR, Gender Equality, Greenhouse Gas Emissions, and TSRS Reporting. Detailed information on the relevant working groups is provided below.

- **The TSRS Reporting Sub-Working Group** operates to support reporting activities within the scope of TSRS. It contributes to identifying data needs in line with TSRS requirements and obtaining the necessary information from relevant units. The group supports efforts to ensure consistency and integrity throughout the reporting process and facilitates the combined consideration of financial and non-financial information.
- **The Greenhouse Gas Emissions Sub-Working Group** supports activities related to the calculation, monitoring, and management of greenhouse gas emissions resulting from the Bank's operations. It coordinates data collection and analysis processes for Scope 1, Scope 2, and Scope 3 emissions. Emission data are regularly shared with relevant reporting and governance processes.
- **The GAR Sub-Working Group** carries out work to measure and monitor the Bank's sustainable financing activities. It contributes to identifying, classifying, and ensuring compliance of credit and financing transactions included under green assets with applicable laws and regulations. The group coordinates data collection, verification, and analysis process, conducts methodological work for GAR calculation, and supports reporting processes.
- **The Gender Equality Sub-Working Group** implements initiatives across the Bank to promote gender equality and strengthen related practices. It contributes to integrating an equality perspective into relevant processes, including human resources policies, corporate culture, communications, and stakeholder engagement. The group coordinates data collection for analyzing the current situation, supports awareness-raising and capacity-building initiatives, and regularly monitors and reports progress indicators.

The Credit Allocation unit plays a role in integrating sustainability and climate-related risks and opportunities into business processes. At all authorization levels where credit proposals are evaluated, the use of Environmental and Social Risk Assessment forms and obtaining the opinion of the Environmental and Social Risk Assessment specialist are mandatory. During 2025, a summary section was added to credit analysis documents to indicate that the opinion of the Environmental and Social Risk Assessment team was obtained, and a new section was included in intelligence reports to track developments related to environmental and social risks.

The Risk Management unit strengthened its efforts in 2025 to assess climate-related financial risks. Leveraging studies published by the United Nations Environment Programme Finance Initiative (UNEP FI), companies within the Bank's asset portfolio were mapped by sector and sub-sector, and climate-based financial risks were analyzed based on transition risks.[1]

The Internal Audit Department, within the scope of the ICAAP Data, System, and Process Review, assessed that the Bank's regulations and practices regarding climate-related financial risks have been largely established in a manner consistent with the Bank's scale and the complexity of its operations.

The Sustainability Ambassadors program has been established to strengthen field-level practices in line with the Bank's climate change mitigation and transition to a low-carbon economy objective. Composed of branch portfolio managers trained in climate change, sustainable finance, and responsible investment, this structure provides guidance to clients on sustainable financing opportunities and climate-related risks. The Ambassadors also contribute to monitoring and reporting the environmental and social impacts of financed projects, supporting the tracking of progress in the Bank's sustainability journey. Data and feedback obtained from field experience are conveyed to the corporate sustainability processes through the relevant units, helping to enhance the effectiveness of transformation initiatives.

2.3 AVAILABILITY AND DEVELOPMENT OF COMPETENCIES

TSRS 1 27 (a)(ii), TSRS 2-6(a)(ii)

At Odeabank, sustainability and climate-related matters are addressed not only through policies and processes but also by strengthening corporate competencies. In this context, the Bank implements practices to maintain the knowledge and awareness levels of teams within the Board of Directors, senior management, and relevant functions to ensure the effective management of sustainability and climate risks.

The competencies of the Board members forming the Corporate Governance and Sustainability Committee, which is responsible for overseeing the Bank's governance framework on sustainability and climate-related matters, are presented in the table below.

BOARD OF DIRECTORS SUSTAINABILITY AND CLIMATE-FOCUSED COMPETENCY MATRIX (*)

Note: ● The symbol indicates the presence of experience or expertise in the relevant competency area.

Competency Area	Marcos Alonso De Quadros	Jawad Shafique	Mohamed M. Kaissi	Hamad Saeed Ali Saeed Alshehhi	Subramanian Suryanarayan	Ali Temel	Oya Aydınlık	Dr. Ayşe Botan Berker	Dr. Mert Öncü
Committee Membership	Chair of the Board of Directors	Vice-Chair of the Board of Directors, Chair of the Strategy and Investment Committee, and the Remuneration Committee, Member of the Credit Committee	Board Member, Member of the Audit Committee, Corporate Governance and Sustainability Committee, and Remuneration Committee	Board Member, Member of the Audit Committee, Risk Committee, and Strategy and Investment Committee	Board Member, Member of the Risk Committee, Strategy and Investment Committee, and Associate Member of the Credit Committee	Board Member, Chair of the Corporate Governance and Sustainability Committee, Member of the Credit Committee and Strategy and Investment Committee	Board Member and Chair of the Audit Committee	Board Member, Chair of the Risk Committee, Member of the Corporate Governance and Sustainability Committee, and Associate Member of the Credit Committee	Board Member, General Manager, Chair of the Credit Committee, and Member of the Strategy and Investment Committee
Independent Member					●		●	●	
Financial Management / Audit	●	●			●		●		●
Risk Management (Financial & Operational)	●	●	●	●	●	●	●	●	●
Climate Risk and ESG Integration	●		●	●		●		●	
Sustainable Finance / Green Financing			●	●		●		●	●
Public Policy and Regulation	●	●	●		●	●	●	●	●
Banking Sector Experience	●	●			●	●	●	●	●
International Markets and Multi-Sector Experience	●	●	●	●	●	●	●	●	●
Strategy and Transformation Management	●	●	●	●	●	●	●	●	●

(*) This matrix has been prepared to demonstrate the Board of Directors' oversight capacity regarding climate and ESG matters. The assessment was conducted using a board competency matrix approach, focusing on the collective competencies of the Board, and the determination of competency areas was guided by the Glass Lewis Board Competency Matrix.

[1] This assessment does not take into account the specific circumstances of individual companies. Depending on the measures they adopt or the solutions they implement, companies may exhibit risk levels that differ from those indicated by sector classifications.

The detailed evaluation criteria and methodology for the competency matrix are provided in the "Appendices" section.

Within the Bank's governance structure, competencies related to sustainability and climate matters are supported through regular briefings, capacity-building activities, and the monitoring of regulatory and market developments. This approach contributes to the systematic integration of climate-related risks and opportunities into decision-making processes and ensures the consistency of practices across the Bank.

A key component of competency development is training. In 2025, training activities at Odeabank aimed at enhancing sustainability and climate-related competencies were designed at different levels, including strategic, technical, and awareness-focused programs. The training content covered topics such as climate risks and scenario analyses, sustainable finance, environmental and social risk management, TSRS-compliant reporting, and general sustainability awareness.

Advanced technical and specialist training included sessions for expert personnel on topics such as mapping climate risk scenarios to credit portfolios, sustainable finance instruments, assessment of environmental and social risks, and TSRS expectations. Additionally, long-term certification programs focused on corporate sustainability reporting and sustainability expertise were conducted to strengthen technical capacity within the Bank. **A total of 6 employees participated in these specialized training programs, completing 151 hours of instruction.**

To increase awareness and foundational knowledge, **all Bank employees** were required to complete mandatory online courses titled "Basic Sustainability" and "Advanced Sustainability." The online course on "Environmental and Social Risk Management" was attended by **507 participants**.

Furthermore, sustainability-themed training sessions conducted jointly for Bank employees and company representatives increased awareness of sustainability considerations not only in internal processes but also in customer and stakeholder interactions.

During the reporting period, various training and informational activities were carried out to develop corporate capacity and support sustainability-focused transformation. Within this scope, GAR Training was provided to a total of 72 participants from branches and Sustainability Ambassadors. In addition Sustainability Training was completed with 73 participants, including company representatives and Ambassadors. **Through these trainings enhance corporate knowledge and strengthening practical competencies on sustainability and TSRS-related matters.**

Through this training approach, Odeabank ensures the dissemination and continuous updating of the knowledge and competencies required for the effective management of sustainability and climate-related risks across different organizational levels.

2.4 INTEGRATION INTO STRATEGY AND RISK MANAGEMENT PROCESSES

TSRS 1 27(a)(iv), TSRS 1 27(b)(ii), TSRS 2 6(a)(iv), TSRS 2 6(b)(ii), TSRS 1 27(a)(iv), TSRS 2-6(a)(iv)

Supporting Controls and Procedures

The management of sustainability and climate-related risks at the Bank is carried out within the framework of the **Sustainability Policy**, as well as the **Environmental and Social Policy, Credit Allocation Processes, and relevant procedures.** In 2025, the Sustainability Policy was updated taking into account the requirements of TSRS. These policies establish the fundamental principles for integrating environmental and social risks into lending and business processes and provide guidance for implementation.

To enhance the management of TSRS-focused processes in 2025, The **TSRS 1 and 2 Compliance Procedure** was established. This procedure defines the principles and processes to be followed for reporting the Bank's sustainability-related financial information and climate risks in accordance with TSRS 1 and TSRS 2 provisions. In line with these principles, the Bank aims to disclose sustainability-related financial information to the public in a transparent, reliable, and consistent manner. Additionally, the procedure serves as a guiding framework for all relevant units within the Bank. Key stakeholders, including the Board of Directors, senior management, internal systems, and relevant departments, are expected to coordinate their activities with a clear understanding of their roles and responsibilities to ensure compliance with TSRS 1 and 2.

An internal audit conducted at the end of 2024 reviewed the Bank's governance framework for sustainability processes, including analysis processes for assessing environmental, social, economic, and societal impacts, the control environment related to sustainability processes, and compliance with relevant regulations.

Integration into Strategic Decision-Making Processes

Combating climate change and transitioning to a low-carbon economy are among Odeabank's long-term strategic priorities. The Bank evaluates climate-related risks and opportunities not only in the context of compliance requirements but also by linking them to strategic planning, portfolio management, and product development processes. In this regard, climate risks and opportunities are integrated into credit policies, portfolio management, product and service development processes, and strategic decision-making mechanisms.

Within the framework of the ICAAP conducted by Risk Management, climate-based financial risks were assessed as an additional capital requirement; the stress test analyses performed were presented to the Board of Directors and deemed appropriate.

Regarding credit policies, the existing practice of using the Environmental and Social Risk Assessment form in credit proposals, as defined under the Bank's Environmental and Social Policy and Credit Allocation Procedure, continued in 2025. Additionally, in 2025, the Credit Allocation Procedure was updated to include compliance with environmental and social policies as a criterion for eligible customers.

In portfolio management, climate as well as environmental and social criteria are considered within the Bank's sustainability objectives and within the framework of the portfolio diversification approach. Accordingly, lending is carried out under the green credit classification framework. Furthermore, no lending is provided to companies listed on the Prohibited Activities List, and credit risk exposure to companies operating in the tobacco and alcohol sectors is limited to a maximum of 3% of the total loan portfolio risk.

2.5 REMUNERATION

TSRS 1 27(a)(v), TSRS 2 6(a)(v)

At Odeabank, remuneration practices are implemented within the framework of the Remuneration Policy and relevant human resources processes. Employees' monthly salaries are determined based on the qualifications required for the role, job evaluation levels, market conditions, and macroeconomic developments. Salaries are reviewed and updated periodically in accordance with the salary bands defined for each level. The Remuneration Policy is published through the Bank's corporate communication channels.

The Bank utilizes the Objectives and Key Results (OKR) approach in performance management. As of 2025, the OKR framework is applied as one of the components of total performance evaluation for senior management and is also used within the performance evaluation system for Agile Areas under Retail Banking and the Information Technology (IT) department.

OKR achievement levels contribute to year-end individual performance evaluations of employees within the relevant scope. Performance results derived from OKRs are reflected proportionally in variable remuneration based on their weight within the overall performance evaluation system.

OKRs are monitored throughout the period and updated as needed, supporting the tracking of progress against performance targets using measurable indicators. The OKR framework is one of the tools used within the Bank's overall performance management system, which is conducted in a broader and more holistic context.

In senior management performance evaluations, contributions to sustainability and environmental and social objectives are included within the OKR sets alongside financial indicators. ESG-focused targets determined in line with the Bank's sustainability strategy are among the factors considered in evaluating the performance of relevant executives.

Across the Bank, the impact of OKRs on the total performance score of senior management varies by role and department, ranging between **4% and 13%.** This percentage reflects the contribution of the overall OKR set, including OKRs not related to sustainability, to the performance evaluation.

Additionally, for senior management in Commercial Banking, Treasury, Capital Markets and Financial Institutions, Credit Allocation, Credit Monitoring and Follow-up, Information Technology, Operations, and Internal Systems units, sustainability-related OKRs are specifically defined. In these units, sustainability OKRs account for **19.6%** of the total OKR set, demonstrating the integration of sustainability targets into performance management processes. Below are the objectives included in the OKR system during the year.

As of 2025, there are no directly defined sustainability- or climate-focused performance indicators (KPIs) or targets within the remuneration processes at the Board of Directors level or for senior management.

2025 OKR SYSTEM GOALS

1. Developing a culture to raise sustainability awareness across the Bank
2. Establishing Fund Buckets and developing guiding recommendations for portfolio formation
3. Preparing and publishing the Bank's first TSRS-Compliant Sustainability Report
4. Achieving full compliance with 2025 GAR reporting requirements and enhancing corporate readiness
5. Implementing and effectively operating the ADQ ESG Data Collection System within Odeabank
6. Increasing efficiency and automation in processes through sustainable IT applications supporting banking operations(*)
7. Enhancing awareness of ESG, sustainability, and green assets across the Bank
8. Achieving measurable reductions in carbon emissions through the implementation of carbon-efficient solutions
9. Integrating sustainable practices into all banking operations and actively participating in sectoral sustainability initiatives
10. Ensuring clarity, transparency, and full regulatory compliance in legal representation and signature processes within the scope of sustainability governance

(*) This objective is included in the performance and OKR sets of two different senior management members in line with corporate priorities. In total, 10 sustainability-focused OKRs have been established for 11 members.

3 STRATEGY

3.1 CLIMATE-RELATED RISKS AND OPPORTUNITIES

TSRS 2 9(a), TSRS 2 9(b), TSRS 2 9(c), TSRS 2 9(d), TSRS 2 9(e)

Odeabank assesses climate change–related risks and opportunities by considering their potential impacts on the Bank's business model, risk profile, and long-term financial resilience. In this context, climate-related transition and physical risks as well as opportunities are classified based on their areas of impact and time horizons and are linked to the Bank's strategic planning and decision-making processes. In the process of identifying climate-related risks and opportunities, regulatory developments, sectoral studies, and analyses published by the Banks Association of Türkiye (TBB) are monitored. The Bank's loan portfolio exposures and collateral structures are assessed within the framework of scenario analyses to determine the relevant risks and opportunities.

Climate-related risks are addressed within the Bank's existing risk management framework, primarily through Credit Risk Management (CRM). Transition risks are mainly evaluated in terms of their potential impacts on the quality and long-term resilience of the credit portfolio, while physical risks are analyzed by considering their potential effects on the collateral structure and collateral values.

Climate-related opportunities are assessed within the framework of sustainable finance products and the diversification of the Bank's business model.

During 2025, credit portfolio exposures were reviewed and relevant controls were implemented by taking into account sectoral heat maps published by the TBB as well as scenario analyses conducted within the Bank. As a result of these assessments conducted regarding climate risks in the portfolio, **no significant risk or opportunity exceeding the financial materiality threshold determined as of the reporting period** has been identified.

Although efforts are ongoing to measure financial impacts, definitive quantitative conclusions could not be reached at this stage due to uncertainties related to scenario assumptions and limitations in sectoral data availability.

Based on the current qualitative assessments, these risks and opportunities are not expected to have an impact exceeding the defined threshold on the Bank's cash flows, capital adequacy, or access to finance in the short term. However, potential impacts related to regulatory compliance, reputation, and long-term business continuity continue to be monitored qualitatively.

Throughout 2025, climate-related risks were reviewed by monitoring the TBB sectoral heat maps and the scenario analyses conducted by the Bank, and by performing the necessary analyses and controls on the portfolio. As a result of these studies, no risks exceeding the financial materiality threshold were identified during the reporting year. For the risks assessed, analyses aimed at measuring potential financial impacts were carried out; however, due to scenario-related uncertainties and the lack of sectoral data, no definitive conclusions could be drawn regarding the calculated impacts.

3.1.1 Strategic Time Horizons

TSRS 1 30 (b) (c), TSRS 2 10(d)

Odeabank applies an approach based on short-, medium-, and long-term time horizons in the assessment of climate-related risks and opportunities. Within this framework, the defined time horizons are considered in connection with the Bank's strategic planning, risk management, and decision-making processes. Definitions of these time horizons and their relationship with the Bank's business model, credit portfolio management, and operational processes are presented in the table below.

Furthermore, the time horizons indicated in the table 0-3 years, 3-5 years, and over 5 years are aligned with the planning periods used in the Bank's strategic planning, budgeting, and loan portfolio management processes.

However, taking into account the long-term impacts of climate change, the assessment horizon is extended in the report's Section "4.2.1. Climate Resilience and Scenario Analyses", which includes NGFS-based macroeconomic stress tests and sectoral impact analyses. Within this context, the short-, medium-, and long-term horizons used in the analyses correspond to periods up to 2030, 2040, and 2050, respectively.

Maturity Period	Definition	Scope (Risks, Opportunities and Financial Impacts)
Short Term (0-3 years)	A time horizon aligned with current business strategies, annual budgeting processes, and credit portfolio management cycles.	Climate-related risks and opportunities are assessed in terms of their impacts on operational processes, credit and product policies, internal risk controls, and customer behavior. These factors are **directly observable and manageable** in the short term. While regulatory developments, changes in market conditions, and **the initial impacts of transition risks** are taken into account, the operational effects of acute physical risks are considered to a limited extent. In addition, **product-based revenue opportunities** arising from customer demand for green financing products are evaluated.
Medium Term (3-5 years)	The time horizon covering the period beyond the Bank's current strategic planning cycle.	During this period, the impacts of climate-related risks and opportunities are assessed primarily in terms of their effects on the **portfolio structure, customer profile, and product design.** Transition risks are considered in line with the regulatory framework and evolving customer expectations, while the potential impacts of physical risks on collateral structures are also taken into account. In addition, **opportunities for portfolio diversification** are evaluated through increasing the volume of sustainable financing and expanding access to ESG compliant customer segments
Long Term (5 years and above)	The time horizon during which physical risks and structural transition risks arising from the shift to a low-carbon economy are assessed.	The impacts of chronic physical risks on the business continuity of credit customers, together with the implications of transition risks for capital requirements, credit valuation, and regulatory compliance processes, are assessed in an integrated manner. During this period, **the potential impacts are expected to become more pronounced,** and the long-term resilience of the Bank's business model is evaluated. In addition, **strategic growth opportunities** are considered through the transition to a climate-aligned business model, access to sustainable funding sources, and the financing of low-carbon investments.

Table 5. Time Horizons Used in the Assessment of Climate-Related Risks and Opportunities

3.1.2 Risk-Based Financial Threshold Value

Odeabank applies a risk-based threshold approach to determine financial materiality when reporting the financial impacts of climate-related risks and opportunities within the scope of TSRS. This threshold represents a boundary that may have a meaningful impact on the Bank's financial resilience. It is calculated dynamically based on the Regulatory Tier 1 Capital, which is updated on a monthly basis, and serves as a reference for assessing the potential impacts of climate-related risks and opportunities on cash flows, capital adequacy, and access to finance. As of 31 December 2025, the Bank's Regulatory Tier 1 Capital amounts to TL 6,838,064,000.

In the previous reporting period, the Bank defined the materiality threshold for climate-related financial impacts as 10% of its Regulatory Tier 1 Capital. **Following the assessments carried out in 2025 as part of the TSRS implementation process, this threshold was revised to 2% of Regulatory Tier 1 Capital. The revised 2% threshold has been approved by senior management and put into effect. Accordingly, as of 31 December 2025, the financial materiality threshold for climate-related financial impacts is calculated at TL 136,761,280 (TL 6,838,064,000 × 2%).**

The revised threshold aims to enable a more sensitive, consistent, and comparable assessment of the impacts of climate-related risks and opportunities on the Bank's financial statements. Climate-related financial impacts exceeding the defined threshold are classified as "material" for the Bank.

Assessments conducted within this framework include not only quantitative financial impacts but also qualitative considerations, such as potential effects on operational continuity, regulatory compliance, reputation, and long-term business continuity.

3.1.3 Transition Risks

TSRS 2 10(a), TSRS 2 10(b), TSRS 2 10(c), TSRS 2 10(d), TSRS 2 13(a), TSRS 2 13(b), TSRS 2 14(a), TSRS 2 14(a)(i), TSRS 2 14(a)(ii), TSRS 2 14(a)(iii), TSRS 2 14(a)(iv), TSRS 2 14(a)(v), TSRS 2 14(b), TSRS 2 14(c), TSRS 2 15(a), TSRS 2 15(b), TSRS 2 16(a), TSRS 2 16(b), TSRS 2 16(c)(i), TSRS 2 16(c)(ii), TSRS 2 16(d), TSRS 2 21(a), TSRS2 21(b), TSRS2 21(c)

The global acceleration of policy, regulatory, technological, and market transformations in response to the climate crisis gives rise to transition risks for the banking sector, primarily through the credit portfolio and customer structure. These risks are assessed in relation to the Bank's strategic planning, risk management, and capital allocation processes, taking into account their potential impacts on the structure of the credit portfolio, asset quality, and long-term financial resilience.

Within the scope of the analyses conducted by the Bank, transition risks have been classified under the categories of policy, technology, and reputational risks. The assessments regarding the transition risks identified within this framework are presented below respectively.

Risk 1: Financing Risk in Carbon-Intensive Sectors – Policy Risk

Loans extended to carbon-intensive sectors entail a high level of transition risk, due to the accelerating emission reduction policies and the transformation of the regulatory framework in line with the Paris Agreement, which aims to limit the global temperature increase to well below 2°C and pursue efforts to limit it to 1.5°C.

Carbon pricing mechanisms and similar regulatory frameworks, particularly the European Union's (EU) CBAM, are triggering a structural transformation in the economic structure of carbon-intensive activities. In the initial phase of CBAM, the sectors of aluminum, cement, iron and steel, electricity, hydrogen, and fertilizers have been included within the scope. In the coming periods, the scope of the regulation is expected to expand to cover additional sectors.

Turkish companies operating in these sectors and exporting to the EU market may face additional financial obligations depending on their carbon intensity.

Position in the Value Chain	Downstream
Time Horizon	Short Term
Position within Credit Risk Management (CRM)	Credit Risk
Likelihood of Occurrence	**Medium** Carbon pricing, CBAM, and sustainability regulations are expected to tighten in the medium term. In particular, the likelihood of transition risks materializing is increasing for companies operating in sectors with high trade volumes with the EU.
Severity of Occurrence	**Medium** In the event of the sudden implementation of climate transition regulations, companies operating in carbon-intensive sectors may experience a rapid deterioration in their cost structures and a loss of competitiveness. This situation may create significant pressure on their debt repayment capacity.
Potential Financial Impact	**Financial Position:** Loans extended to companies operating in carbon-intensive sectors may be exposed to increasing cost pressures and potential loss of competitiveness under CBAM and similar climate transition regulations, which may have adverse implications for the risk profile and asset quality of the Bank's credit portfolio. In particular, loans granted to companies operating in sectors included in the initial phase of CBAM may lead to an increase in default risk within the relevant portfolio segments, potential deterioration in asset quality, and a decline in net interest income. Within this context, 10.95% of the Bank's total credit portfolio consists of sectors included in the initial phase of CBAM, while the manufacturing, energy, agriculture, and construction sectors account for 33.02% of the portfolio. These ratios indicate that the impact of transition risks on the Bank's balance sheet may primarily materialize through the composition of the credit portfolio and asset quality. **Financial Performance:** An increase in the default risk of loans extended to companies operating in carbon-intensive sectors may lead to higher loan loss provisions, thereby adversely affecting the Bank's financial performance. Potential deterioration in asset quality within credit portfolio segments concentrated in CBAM-covered sectors may put pressure on profitability through increased provisioning expenses and may result in a decline in net interest income. The magnitude of the impact at the company level may vary depending on factors such as the carbon intensity of firms, their export markets, transition strategies, and financial resilience. Therefore, no quantitative impact calculations have been performed at this stage, and the direction of the risk and its transmission mechanisms have been assessed qualitatively. **Cash Flows: Indirect Negative Impact** Increasing compliance costs and investment requirements for companies operating in carbon-intensive sectors may weaken their debt servicing capacity. This situation may increase the risk of delays in loan repayments, thereby creating downward pressure on the Bank's cash inflows.

Risk 2: Compliance with Climate-Related Policies and Regulations – Policy Risk

The rapid development of climate-related policies and regulations at both the national and global levels create policy-driven transition risks for the Bank in terms of its internal processes and ways of doing business. In Türkiye, the introduction of regulations and guiding frameworks in the field of green finance may necessitate comprehensive adaptation and restructuring of data collection, reporting, and risk assessment processes.

In this context, regulations such as TSRS, sustainable banking frameworks, and the GAR communiqué issued by the BRSA give rise to operational compliance requirements affecting the Bank's reporting infrastructure and governance processes. The financial implications of these requirements are addressed in further detail in the section below.

In addition, in line with global regulatory developments and reporting obligations, the Bank's products, policies, and practices must be regularly reviewed and updated, which increases the need for organizational and process-related transformation.

Position in the Value Chain	Direct Operations
Time Horizon	Short Term
Position within Credit Risk Management (CRM)	Operational Risk
Likelihood of Occurrence	**Medium** Climate related policies and regulations (e.g., reporting obligations, operational compliance requirements, data infrastructure expectations) are expected to gradually increase in the upcoming period. In this context, the risk of regulatory demands arising that may require additional processes, system updates and investment in the Bank's direct operations is assessed as moderate.
Severity of Occurrence	**Low** While investments and process updates required for compliance with these regulations are expected to increase the Bank's operational costs, their overall impact on the Bank's financial structure is anticipated to remain limited. However, if the scope of the regulations expands or their implementation timelines accelerate, the level of operational impact may increase.
Potential Financial Impact	**Financial Position:** If certain investments to be made to comply with climate-related policies and regulations qualify as capital expenditures (CAPEX), they may have implications for the Bank's balance sheet structure. In particular, investments in information technology infrastructure may affect the Bank's financial position through intangible assets or other asset categories. However, since the scope and timing of the investments required for regulatory compliance have not yet been finalized, the quantitative impact on the Bank's financial position cannot be determined at this stage. **Financial Performance:** Within the scope of compliance with climate-related policies and regulations, consulting expenses and process updates may lead to an increase in the Bank's operating expenses (OPEX), thereby placing pressure on period profitability. However, the magnitude of these effects will vary depending on the scope of compliance investments and the implementation timeline. **Cash Flows: Limited and Indirect Negative Impact** If compliance investments and operational process updates are implemented, cash outflows may increase in the short term. However, such cash outflows are expected to remain limited and manageable in relation to the Bank's overall cash flows.
Actions Taken	• An internal procedure for the TSRS implementation process has been established, defining the reporting scope, allocation of responsibilities, data flows, and control mechanisms. • The sustainability function has been strengthened to support the monitoring and implementation of TSRS requirements, and training and capacity-building activities have been carried out to enhance the technical competencies of relevant teams. • Within the scope of the BRSA GAR regulation, a calculation methodology has been developed, and data collection and verification processes have been structured. • The Environmental and Social Policy and credit underwriting processes have been reviewed and updated in line with regulatory developments. • National and international sustainability regulations are monitored regularly, and the Bank's products, policies, and practices are reviewed accordingly. • Awareness and training programs on climate risk and sustainability regulations are organized for employees.

Risk 3: Technological Transition Risk – Technology Risk

The obligation for companies within the Bank's portfolio to transition to low-carbon technologies may require significant capital investments, particularly in the industrial, energy, and construction sectors. The adoption of renewable energy, energy efficiency practices, and green production technologies to reduce emissions is increasingly becoming mandatory. This transition process necessitates structural changes in the business models and production processes of companies operating in these sectors. Regulatory frameworks such as Türkiye's Green Deal Action Plan and the GAR regulation developed by the BRSA are further reinforcing and accelerating this transition.

Position in the Value Chain	Downstream
Time Horizon	Long Term
Position within Credit Risk Management (CRM)	Credit Risk
Likelihood of Occurrence	**Medium** In the long term, companies that are unable to adapt to the transition to low-carbon technologies may lose their competitiveness and face difficulties in maintaining sustainable operations. The likelihood of this risk materializing increases particularly for customers operating in carbon-intensive sectors with limited transition capacity. In this context, the risk is assessed as having a medium likelihood of occurrence in the long term.
Severity of Occurrence	**High** If the risk materializes, companies that fail to adapt to the low-carbon transition may experience permanent deterioration in their debt repayment capacity. This may lead to an increase in default rates within the Bank's credit portfolio, a deterioration in asset quality, and a rise in risk-weighted assets, thereby creating significant pressure on capital adequacy. Due to the long-term and structural nature of these potential impacts, the severity of the risk is assessed as medium to high.
Potential Financial Impact	**Financial Position:** If the risk materializes, companies that fail to adapt to the low-carbon transition may experience a persistent deterioration in their debt repayment capacity. This could lead to an increase in default rates within the Bank's loan portfolio, a deterioration in asset quality, and a rise in risk-weighted assets (RWAs), thereby creating significant pressure on the Bank's capital adequacy. Given the long-term and structural nature of the potential impacts, the severity of this risk has been assessed as high. **Financial Performance:** Persistent deterioration in the loan portfolio may result in higher credit loss provisions, creating a long-term downward pressure on the Bank's profitability indicators. In particular, credit exposures concentrated in sectors that are unable to adapt to the transition process may adversely affect net interest income and return on equity. **Cash Flow: Indirect Negative Impact** An increase in default rates and higher provisioning expenses may, over the long term, reduce cash inflows generated from lending activities. This could create an indirect yet persistent pressure on the Bank's cash flows.

Risk 4: Reputational Risk

Loans extended to carbon-intensive sectors may negatively affect market perceptions regarding the Bank's sustainability performance. In line with international commitments such as the Paris Agreement and the European Green Deal, expectations from investors, regulators, and the public are steadily increasing, with greater emphasis placed on reducing financed emissions and supporting the low-carbon transition.

Within this framework, the Bank's "empowering and transforming finance" strategy is based on reducing financed emissions, prioritizing projects that contribute to sustainable development, and aligning with climate targets. However, a significant concentration of carbon-intensive sectors within the loan portfolio and insufficient implementation of strategies that promote the green transition may create a perceived inconsistency between the Bank's sustainability commitments and its practices. Such a situation may potentially exert pressure on stakeholder trust and the Bank's corporate reputation.

Position in Value Chain	Direct Operations
Time Horizon	Long Term
Position within Credit Risk Management (CRM)	Operational Risk
Likelihood of Occurrence	**Low** Increasing stakeholder expectations regarding climate change and sustainability are intensifying the demand for transparency and accountability within the financial sector. Assessments regarding the management of climate-related risks and the alignment of financing practices for carbon-intensive sectors with stakeholder expectations constitute key factors that may influence the Bank's reputational risk.
Severity of Occurrence	**Medium** If the risk materializes, a decline in customer trust, deterioration in investor perception, and a weakening of brand value may occur. However, the Bank's existing sustainability practices and reporting efforts are expected to mitigate and limit the potential impact of this risk.
Potential Financial Impact	**Financial Position:** Although Odeabank's corporate ESG profile is assessed as low risk, the Bank's exposure to carbon-intensive sectors within its loan portfolio and evolving sectoral expectations have led to the reputational risk being assessed at a moderate level. The potential financial impacts of this risk are expected to arise primarily through indirect channels rather than directly affecting specific balance sheet or income statement line items. **Financial Performance:** If a perception emerges that the Bank does not sufficiently comply with sustainability criteria, access to sustainable financing instruments (such as green bonds and social bonds) may become more challenging. This could increase long-term borrowing costs, thereby exerting downward pressure on the Bank's net interest margin and overall financial performance. **Cash Flow: Indirect Negative Impact** As climate performance ratings may influence investor appetite, fluctuations may occur in the Bank's access to market-based funding sources. This may affect the diversity and accessibility of the Bank's liquidity resources. The potential financial impacts related to reputational risk are shaped by external factors such as investor appetite, funding costs, and market perception. Therefore, at this stage, it is not considered feasible to perform a consistent and disaggregated quantitative assessment of these potential impacts.
Actions Taken	• The sectoral distribution of the loan portfolio and climate-related risk exposures are reported in accordance with the TSRS framework, and sustainability disclosures are publicly presented with due consideration for consistency with financial information. • Within the scope of the Environmental and Social Policy, environmental and social risk assessments are integrated into the credit allocation processes, and restrictive criteria for high-risk activities are taken into account. • Sustainable finance volumes are monitored and reported through green loan classification and GAR assessments. • Climate-related risks and opportunities are regularly reviewed by the Board of Directors and relevant committees, and the portfolio structure and strategic orientations are evaluated in light of these assessments. • Sustainability information in TSRS Compliant Sustainability Report is subject to limited assurance, and the accuracy and consistency of the disclosures are reviewed.

3.1.4 Physical Risks

TSRS 2 10(a), TSRS 2 10(b), TSRS 2 10(c), TSRS 2 10(d), TSRS 2 13(a), TSRS 2 13(b), TSRS 2 14(a), TSRS 2 14(a)(i), TSRS 2 14(a)(ii), TSRS 2 14(a)(iii), TSRS 2 14(a)(iv), TSRS 2 14(a)(v), TSRS 2 14(b), TSRS 2 14(c), TSRS 2 15(a), TSRS 2 15(b), TSRS 2 16(a), TSRS 2 16(b), TSRS 2 16(c)(i), TSRS 2 16(c)(ii), TSRS 2 16(d), TSRS 2 21(a), TSRS2 21(b), TSRS2 21(c)

Climate change–driven acute and chronic physical impacts may give rise to a range of risks for the banking sector, not only through direct operational activities but also through the loan portfolio, collateral structures, and the continuity of customer operations. An increase in the frequency and severity of extreme weather events, together with long-term changes in climate variables, may adversely affect customers' assets, production capacity, and cash-generating ability. This may, in turn, create additional pressures on the Bank's credit risk profile and the resilience of its loan portfolio. Within this context, physical risks are addressed through an integrated approach aligned with the Bank's strategic planning, risk management, and credit assessment processes.

Risk 1: Extreme Weather Events – Acute Physical Risk

Extreme weather events (such as storms, floods, and hail), whose frequency and intensity are increasing due to climate change, may pose direct physical threats to Odeabank's branches, data centers, and IT infrastructure. According to assessments published by the Intergovernmental Panel on Climate Change (IPCC), Türkiye is expected to experience increases in extreme temperatures and heavy precipitation.

These developments present risks to operational continuity and increase the likelihood of service disruptions. Consequently, the Bank's business continuity and disaster recovery plans need to be strengthened to account for the rising physical risks.

Position in Value Chain	Direct Operations
Time Horizon	Medium Term / Long Term
Position within Credit Risk Management (CRM)	Operational Risk
Severity of Occurrence	**Medium** An increase in the frequency and severity of acute weather events, such as floods, storms, and extreme heat, is expected due to climate change.
Severity of Occurrence	**Low** If extreme weather events occur, their impact is expected to concentrate primarily on operational continuity and physical assets. Temporary service disruptions may occur at branch offices, ATMs, and service points. However, given the Bank's geographically diversified operations, robust digital banking channels, and the active implementation of business continuity plans, a systemic or prolonged operational halt is not anticipated. Potential damages are largely covered by insurance, and alternative service channels can be deployed, which serves to limit the financial impact of the risk. Therefore, in the event of occurrence, the impact is considered manageable and is not assessed as high in severity.
Potential Financial Impact	**Financial Position:** Damages to physical assets may be reflected in the financial statements through depreciation. At this stage, the quantitative and persistent effects of this impact on the balance sheet cannot be reliably disaggregated. **Financial Performance:** Damages to physical assets such as branches, the headquarters, or data centers resulting from extreme weather events may lead to increases in periodic depreciation and maintenance expenses, negatively affecting the Bank's operating costs and financial performance. In addition, if such events cause temporary disruptions in the Bank's services, fee and commission income may decline. The financial impacts of physical risks are influenced by multiple factors, including the realization of climate scenarios, geographical variations, and insurance coverage. Therefore, at this stage, it is not considered feasible to perform a consistent and disaggregated quantitative assessment of these impacts. **Cash Flows: Direct Negative Impact** Repair costs and temporary operational disruptions may lead to short-term increases in cash outflows. Temporary slowdowns in revenue streams could moderately affect cash inflows. However, considering insurance compensation and existing liquidity buffers, no significant or persistent risk to cash flows is anticipated.

Risk 2: Impact of Extreme Weather Events on Customer Activities – Acute Physical Risk

Customers operating in climate-sensitive sectors such as agriculture, energy, tourism, and real estate are exposed to production and revenue losses due to physical climate risks, including floods, extreme heat, and heatwaves. These risks create uncertainty in the operating conditions of the relevant sectors and increase climate-related vulnerabilities.

According to climate projections published by the IPCC, Türkiye is among the countries at high risk for water stress, extreme weather events, and wildfires. Within this context, physical climate risks need to be monitored more closely at the sectoral level.

Position in Value Chain	Downstream
Time Horizon	Long Term
Position within Credit Risk Management (CRM)	Credit Risk
Likelihood of Occurrence	**Medium** Extreme weather events may adversely affect the production, logistics and operational processes of customers receiving credit, as well as the value and sustainability of collateral.
Severity of Occurrence	**Medium** If extreme weather events disrupt the production and operations of customers within the loan portfolio, deterioration in loan repayment performance may occur. The impact may be particularly concentrated in specific sectors or regions. However, due to the sectoral and geographical diversification of the loan portfolio, collateral mechanisms, and early warning systems, the risk is not expected to cause significant or widespread deterioration in the Bank's overall asset quality. Therefore, in the event of occurrence, the impact is assessed to remain limited and manageable.
Potential Financial Impact	**Financial Position:** Customers operating in climate-sensitive sectors such as agriculture, tourism, real estate, and energy may be affected by extreme weather events, including heatwaves, droughts, wildfires, and floods, creating risks of collateral devaluation and asset quality deterioration within the loan portfolio. In the Construction and Infrastructure sector (9.96% of the portfolio), extreme weather events may lead to declines in asset values or operational disruptions. In the Tourism sector (11.99%), heatwaves and fire risks may shorten the season, reduce customer demand, and result in revenue losses. In the Energy sector (8.38%), fossil fuel–based production facilities may experience water shortages due to droughts, while wildfires may cause direct damage to energy transmission infrastructure. In the Agriculture and Food sector (6.86%), drought and water stress can restrict access to raw materials, increasing production and revenue loss risks. Together, these sectors account for approximately 37.2% of the loan portfolio, highlighting physical climate risks as a significant exposure area that requires close monitoring from a balance sheet perspective. **Financial Performance:** Production and revenue losses in climate-sensitive sectors may weaken customers' loan repayment capacity, increasing the risk of delays and defaults. This, in turn, has the potential to negatively affect the Bank's financial performance through higher credit loss provisions and increased restructuring needs. **Cash Flows: Indirect Negative Impact** Disruptions to customer operations caused by extreme weather events may lead to delays in loan repayments. However, the magnitude of these effects and their impact on the Bank's cash flows can vary depending on geographical uncertainties and the frequency of such events. Therefore, at this stage, it is not considered feasible to perform a consistent and disaggregated quantitative assessment.

Risk 3: Water Stress – Chronic Physical Risk

Increasing water scarcity and water stress in Türkiye directly impact the operational continuity and production capacity of Odeabank's borrowers in water-dependent sectors such as agriculture, energy, food, and tourism. Limitations in water access may lead to reduced production volumes, operational disruptions, and higher costs, negatively affecting these firms' revenue generation and cash flow capacity.

These developments may weaken loan repayment performance, increase default risk, and reduce portfolio resilience, particularly given the concentration of the Bank's loan portfolio in the affected sectors. In sectors with high dependency on water resources, the structural nature of water scarcity indicates that physical risks could have long-term and persistent effects on the Bank's credit risk management and strategic portfolio assessments.

Position in Value Chain	Downstream
Time Horizon	Long Term
Position within Credit Risk Management (CRM)	Credit Risk
Likelihood of Occurrence	**Medium** Increasing water scarcity and water stress in Türkiye may affect the operational continuity and production capacity of Odeabank's borrowers in water-dependent sectors such as agriculture, energy, food, and tourism.
Severity of Occurrence	**Low** Water stress is a chronic risk that generates long-term and gradual impacts rather than sudden or shock-like effects. Consequently, its effects emerge progressively over time. Customers operating in water-intensive sectors may experience increased costs and reduced profitability. However, the overall share of these sectors in the Bank's loan portfolio is limited, and risk concentration remains low.
Potential Financial Impact	**Financial Position:** Water stress may reduce the production capacity and revenue levels of borrowers, particularly those operating in the agriculture, energy, food, and tourism sectors. This can affect the Bank's balance sheet through impairment analyses and provisioning for loans in the affected sectors. **Financial Performance:** Fluctuations in customer operating income due to water stress may impact loan repayment performance. These effects can influence both credit loss provisions and asset impairment analyses, thereby affecting the Bank's financial profitability. Due to measurement uncertainties and challenges in data disaggregation, it is not considered feasible at this stage to perform a consistent quantitative assessment. **Cash Flows: Indirect Negative Impact** Chronic water stress may lead to a contraction in borrowers' operational activities and potentially result in extended payment maturities. This may slow down collection flows. However, considering the Bank's portfolio diversification and collateral structure, no significant or sudden deterioration in cash flows is expected.

3.1.5 Climate-Related Opportunities

TSRS 2 10(a), TSRS 2 10(b), TSRS 2 10(c), TSRS 2 10(d), TSRS 2 13(a), TSRS 2 13(b), TSRS 2 14(a), TSRS 2 14(a)(i), TSRS 2 14(a)(ii), TSRS 2 14(a)(iii), TSRS 2 14(a)(iv), TSRS 2 14(a)(v), TSRS 2 14(b), TSRS 2 14(c), TSRS 2 15(a), TSRS 2 15(b), TSRS 2 16(a), TSRS 2 16(b), TSRS 2 16(c)(i), TSRS 2 16(c)(ii), TSRS 2 16(d), TSRS 2 21(a), TSRS2 21(b), TSRS2 21(c)

Odeabank addresses the transformation arising from climate change not only through the lens of risks but also by identifying opportunities that support the Bank's operational capacity, competitive position, and value-creation potential. In this context, climate related opportunities are defined in areas that are directly related to the Bank's core banking activities, taking into account matters that are reasonably expected to have an impact on the Bank's financial position, performance and cash flows.

The Bank evaluates climate-related opportunities as elements that enhance its ability to respond to customer needs through the development of existing products and services, strengthening of operational processes, and implementation of innovative solutions. This approach underscores that climate-related opportunities are treated not as secondary or indirect gains, but as areas that directly support operational activities and contribute to strategic growth.

Opportunity 1: Development of Green Financing Products

In line with increasing regulatory requirements and corporate sustainability expectations, the diversification of Odeabank's green loan products focusing on renewable energy, energy efficiency, green building projects and investments aimed at reducing environmental impact constitutes an area of opportunity. In this context, the development and expansion of green financing products may strengthen the Bank's capacity to provide financing for sustainable projects while contributing to an increase in its relevant market share.

Position in Value Chain	Direct Operations
Time Horizon	Short Term
Likelihood of Occurrence	**High** Increasing regulatory requirements, the European Green Deal, and sustainability-focused financing frameworks are expected to drive demand for green financing products. The need for corporate and commercial clients to fund sustainable transition investments raises the likelihood of this product development opportunity for the Bank. Additionally, stronger sustainability expectations from investors and stakeholders support interest in green products.
Severity of Occurrence	**Medium** Diversifying and effectively positioning green financing products can lead to increased lending volumes and an expanded customer base. Growth in financing for renewable energy, energy efficiency, and sustainable infrastructure projects may positively impact interest income and fee revenues. However, the magnitude of this effect will depend on market conditions, competitive intensity, funding costs, and the evolution of the regulatory framework. Therefore, the financial contribution of this opportunity is expected to materialize gradually and become more pronounced in the medium term.
Potential Financial Impact	In 2025, the total amount of green transition loans disbursed by Odeabank was approximately TL 447 million. In the short term, product differentiation is expected to expand the customer base and increase demand for green financing products. In the long term, interest income from loans aligned with ESG criteria may increase. However, the long-term financial impact of this opportunity will depend on the development of the product portfolio, evolving customer demand, and market dynamics. Therefore, at this stage, it is not considered feasible to provide a consistent and disaggregated quantitative forecast.

Opportunity 2: Access to Sustainable Funding Sources

Sustainable funding opportunities offered by international development banks and ESG-focused investors represent a key opportunity for the Bank. Relatively low-cost sustainable funding sources, accessible through instruments such as green bonds and sustainable debt instruments, have the potential to diversify the Bank's funding structure and strengthen access to long-term financing.

Position in Value Chain	Direct Operations
Time Horizon	Short Term / Medium Term
Likelihood of Occurrence	**Medium** The growing interest of international development banks, multilateral financial institutions, and ESG-focused investors in sustainable financing instruments increases the likelihood of the Bank accessing these funding sources. Global demand for sustainability-themed bonds and debt instruments remains strong, and with appropriate structuring and transparent reporting processes, the Bank's capacity to access these markets can be enhanced. However, market conditions and investor appetite may influence the level of access, so the likelihood is assessed as medium to high.
Severity of Occurrence	**Medium** Access to sustainable funding sources can reduce the Bank's average funding costs, positively impacting net interest margin and competitive position. Additionally, an extended maturity profile can provide strategic benefits for liquidity management and balance sheet resilience. However, the magnitude of this effect will depend on the volume of funding obtained, the level of cost advantage, and prevailing market conditions. Therefore, the financial impact is expected to materialize gradually and become more pronounced in the medium term.
Potential Financial Impact	Access to relatively low-cost sustainable funding provided by international development banks and ESG-focused funds may reduce the Bank's average borrowing costs and support its capital structure. By obtaining funding at favorable costs, financing expenses can decrease, and net interest margin may improve. However, the financial impact of this opportunity will depend on various external factors, including funding conditions, market demand, and investor appetite. At this stage, it is not considered feasible to provide a consistent and disaggregated quantitative estimate.

4 RISK MANAGEMENT

4.1 CORPORATE RISK AND OPPORTUNITY MANAGEMENT

TSRS 1 - 45 (c), TSRS 2 - 25 (c)

The Bank's Enterprise Risk Management framework is structured under the oversight of the Board of Directors and guided through the Risk Committee. The Bank's risk appetite and risk limits are determined by the Board of Directors; compliance with these limits is regularly monitored by the relevant units, and necessary corrective actions are taken in case of potential deviations.

While the Audit Committee oversees the effectiveness and adequacy of internal systems, the Risk Committee establishes the Bank's risk governance framework for each risk type and presents its assessments of risk factors to the Board of Directors.

The principal risks to which the Bank is exposed, including credit, market, liquidity, operational, and structural interest rate risks, are monitored and reported to the Board of Directors within the framework of defined methodologies and reporting periods. This structure ensures that the Bank's risk profile is managed in alignment with its strategic objectives and defined risk appetite.

In addition to limiting risks, the Bank systematically evaluates opportunities arising from changing market conditions, regulatory developments, and the transformation in sustainable finance. Opportunity areas identified through risk assessment processes are linked to strategic planning and product development processes and are addressed under the oversight of the Board of Directors.

4.1.1 Climate-Related Specific Processes

TSRS 2 - 25 (a)(i), TSRS 2 25 (a)(ii), TSRS 2 - 25 (a)(iii), TSRS 2 - 25 (a)(iv), TSRS 2 - 25 (a)(v), TSRS 2 25 (a)(vi), TSRS 2 25 (c), TSRS 1 - 44 (a), TSRS 1 - 44 (a)(i), TSRS 1 44 (a)(ii), TSRS 1 - 44 (a)(iii), TSRS 1 - 44 (a)(iv), TSRS 1 - 44 (a)(v), TSRS 1 44 (a)(vi), TSRS 1 45 (c)

Transition and physical risks are analyzed by considering their potential impacts on the credit portfolio, balance sheet structure, and operational activities. Scenario analyses and sectoral risk studies are utilized in these assessments. Details regarding the scope and methodology of the scenario analyses are presented in the "Climate Resilience" section.

Within the scope of transition risks, regulatory developments, carbon pricing mechanisms, and the potential impacts of international sustainability regulations on sectoral and portfolio exposures are monitored. Physical risks are evaluated in terms of their potential effects on operational continuity and the structure of credit collateral.

Assessments related to climate-related risks are integrated into the Bank's risk management and decision-making processes by linking them with credit allocation processes, portfolio monitoring mechanisms, and strategic planning activities.

Identification of Risks

The identification of climate-related risks is carried out in alignment with the Bank's existing risk management framework. In this process, physical and transition risks are systematically identified by considering their potential impacts on the Bank's credit portfolio, balance sheet structure, and operational activities.

The general framework for risk classification and the strategic time horizons are described under the heading "Climate-Related Risks and Opportunities." Within this scope, exposures to carbon-intensive sectors and the sectoral and geographical distribution of climate-related physical impacts are addressed as priority areas of assessment.

During the risk identification process, the sectoral distribution of the credit portfolio, customer areas of activity, and operational exposures are analyzed, and the interaction of climate risks with existing risk types is evaluated. National and international reference sources, including NGFS scenarios, IPCC projections, and analyses published by BRSA and TBB, are utilized in this process.

Assessment of Risks

Identified climate risks are assessed by considering the magnitude of impact and the likelihood of occurrence, and are analyzed within the framework of short-, medium- and long-term time horizons.

During the assessment process:

- Heat maps are used to identify portfolio concentrations.
- Scenario analyses presented under the "Climate Resilience" section are used to examine potential impacts under different policy and emission scenarios.

Within the scope of credit risk management, customer level environmental and social risk analyses are conducted by the relevant business units, while macro level impacts on the balance sheet and implications for capital adequacy are evaluated by Risk Management. Assumptions related to climate risks are also addressed within ICAAP studies.

The results of these assessments provide input to the review of credit policies and to the development of risk mitigation mechanisms.

Prioritization of Risks

Odeabank prioritizes Climate-Related risks by considering the magnitude of impact, the likelihood of occurrence and the potential financial implications for the credit portfolio. In this process, physical and transition risks are assessed through heat maps and vulnerability analyses developed on the basis of sector, type of activity and geographic location.

Exposures to carbon intensive sectors, as well as operational and customer related risks located in disaster prone regions, are addressed as priority areas. The results of the prioritization process provide input to credit policies, the risk appetite framework and portfolio management practices.

The prioritization of climate risks is periodically reviewed in line with regulatory developments, market conditions and changes in scientific data, and is reflected in internal policies and procedures where necessary.

Monitoring of Risks

Odeabank monitors Climate-Related financial risks within the framework of the three lines of defense model.

First Line – Business Units

Business units integrate Climate-Related risks into operational processes within the scope of their activities. Environmental and social risk analyses are considered in credit allocation, customer assessment and product development processes. Sector based vulnerability assessments are reflected in decision making processes. This line is responsible for identifying and managing risks at their source.

Second Line – Risk Management and Compliance

Risk Management and Compliance functions independently monitor and assess the impacts of Climate-Related risks on the Bank's overall risk profile. Climate-Related risks are integrated into credit, market and operational risk frameworks. Through studies conducted within the scope of ICAAP, climate risks are considered in capital planning and portfolio analyses. The assessments carried out in this context are reported to the Audit Committee through the relevant committees.

Third Line – Internal Audit

The Board of Inspectors independently audits the effectiveness of climate risk management processes, the control mechanisms applied and the quality of data. The findings and improvement recommendations are submitted to the Board of Directors through the Audit Committee, with the Senior Management being informed accordingly. In this way, the Board of Directors fulfills its ultimate oversight responsibility regarding the monitoring of Climate-Related risks.

4.1.2 Management of Opportunities

TSRS 1 - 44 (b), TSRS 2 - 25 (b)

Odeabank evaluates Climate-Related opportunities within the scope of credit policies, product development and portfolio management processes. Findings obtained from climate risk analyses provide input to the development of sustainable finance products and to the management of the portfolio composition by considering the risk return balance. The evaluation of these opportunities is conducted in alignment with the Bank's risk management, capital planning and strategic decision-making mechanisms.

4.2 CLIMATE RESILIENCE

TSRS 2 22(a)(i), TSRS 2 22(a)(ii), TSRS 2 22(a)(iii)(1), TSRS 2 22(a)(iii)(2), TSRS 2 22(a)(iii)(3), TSRS 2 22(b)(i)(1), TSRS 2 22(b)(i)(2), TSRS 2 22(b)(i)(3), TSRS 2 22(b)(i)(4), TSRS 2 22(b)(i) (5), TSRS 2 22(b)(i)(6), TSRS 2 22(b)(i)(7), TSRS 2 22(b)(ii)(1), TSRS 2 22(b)(ii)(2), TSRS 2 22(b)(ii)(3), TSRS 2 22(b)(ii)(4), TSRS 2 22(b)(ii)(5), TSRS 2 22(b)(iii), TSRS 2 25(a)(ii), TSRS 2 25(b)

Odeabank addresses climate resilience as the assessment of the potential impacts of transition and physical risks on the credit portfolio and operational activities under different climate scenarios. In this context, scenario analyses and portfolio-based risk heat maps are used, and the findings are utilized to provide input to risk management processes. The studies conducted enable the assessment and prioritization of Climate-Related risks on the basis of sector and portfolio breakdowns.

In order to maintain operational resilience against events that may cause disruptions in the Bank's activities, including physical climate risks, a Business Continuity Policy and Plan covering critical business processes, information systems, physical workspaces and service providers is implemented and regularly reviewed. Business continuity management is carried out through the Head Office Crisis Management Team and the Ankara Crisis Management Team, while the continuity of information systems is monitored by the Information Systems Continuity Committee.

In order to mitigate the potential impacts of physical climate risks, such as extreme weather events, regional disasters and infrastructure disruptions, on operations, a geographic redundancy approach has been adopted. In response to scenarios in which the Istanbul Head Office structure may become unavailable, a Business Continuity Center has been established in Ankara, and critical systems are backed up at the Disaster Recovery Center. Critical processes are identified through annual business impact analyses, and backup and continuity tests are conducted periodically. Within the scope of the active data center architecture in which the

Istanbul and Ankara data centers operate simultaneously, workloads are distributed between the two centers and service continuity is supported.

In order to ensure continuity of communication during crises, an Emergency Communication System is used, and satellite communication solutions are maintained to address the risk of terrestrial communication infrastructure becoming unavailable. In addition, the preparedness level of personnel is supported through training and testing structured according to defined roles and responsibilities.

The Bank addresses the management of Climate-Related risks in an integrated manner with financial product development, credit assessment processes and business continuity practices, and considers sustainable finance practices and operational resilience mechanisms as complementary elements.

4.2.1 Scenario Analysis Studies

TSRS 2 22(b)(i)(1), TSRS 2 22(b)(i)(2), TSRS 2 22(b)(i)(3), TSRS 2 22(b)(i)(4), TSRS 2 22(b)(i) (5), TSRS 2 22(b)(i)(6), TSRS 2 22(b)(i)(7), TSRS 2 22(b)(ii)(1), TSRS 2 22(b)(ii)(2), TSRS 2 22(b)(ii)(3), TSRS 2 22(b)(ii)(4), TSRS 2 22(b)(ii)(5), TSRS 2 22(b)(iii), TSRS 2 25(a)(ii), TSRS 2 25(b)

Odeabank uses scenario analyses to assess the potential impacts of Climate-Related risks and opportunities on the Bank's credit portfolio and operational activities. The analyses aim to understand the possible evolution of transition and physical risks over time under different climate policy implementations and physical risk projections. Through these scenarios, the Bank aims to evaluate the resilience of its portfolio to physical and transition risks.

Scenario studies support the assessment of risks not only under current conditions but also from short-, medium- and long-term perspectives by considering the time horizons of 2030, 2040 and 2050. The analyses are conducted based on the Bank's funded and non-funded credit portfolio. In addition to customer-based exposures, the sensitivity of head office and branch operations to physical risks is also included in the assessment.

The following key assumption sets are considered in the scenario analyses:

- The potential trajectory of climate policies and regulatory developments in Türkiye.
- Macroeconomic trends, energy use and energy transition dynamics.
- Carbon pricing and climate transition regulations such as the EU Carbon Border Adjustment Mechanism.
- Sector based decarbonization pathways and the pace of technological transformation.
- Within the scope of physical risk projections, acute and chronic impacts such as temperature increase, water stress, drought, floods, forest fires and extreme weather events.

The scenarios used are developed in line with current scientific data and international frameworks and represent projections given the uncertainties in market and regulatory conditions.

Selection and Use of Scenarios

Internationally recognized frameworks are referenced in scenario analyses. In this context, scenario sets published by the **NGFS (Network for Greening the Financial System)** are used. In the assessment of physical risk projections, **RCP (The Representative Concentration Pathway) emission scenarios, including RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5,** are also considered. This approach enables a comparative assessment of how the intensity of transition and physical risks may differ under different policy timelines and emission reduction pathways.

The following Table summarizes the key assumptions represented by the scenarios for the Bank and their corresponding risk intensity profiles.

The scenarios used are developed within the framework of the NGFS and are based on current scientific data and policy assumptions. Due to uncertainties in market and regulatory conditions, they are of a forward-looking nature.

NGFS Scenario	Policy and Transition Assumption	Transition Risk Intensity(*)	Physical Risk Intensity(*)	Analytical Focus for the Bank
Orderly Transition (1.1–1.8°C)	Early, gradual and coordinated policy implementation	Medium	Low	Assessment of portfolio sensitivity under manageable transition conditions
Disorderly Transition (1.7–1.8°C)	Delayed and abrupt policy interventions	High	Medium	Analysis of the impact of sudden regulatory changes on credit risk
Hot House World (2.3–3.0°C)	Limited or insufficient policy implementation	Low–Medium	High	Evaluation of the long-term effects of physical risks on portfolio exposures

Table 6. NGFS Scenarios – Rationale for Selection and Risk Intensity Profile

(*) The risk intensity classification qualitatively indicates the relative predominance of transition and physical risks under the relevant scenario and does not represent a quantitative estimate of financial impact.

Assessment of Transition Risks under Scenarios

Within the selected NGFS scenarios, the potential impacts of transition risks on the Bank have been assessed across regulation, technology, market and reputational dimensions, taking into account short (2030), medium (2040) and long term (2050) time horizons. The assessments are conducted within a qualitative framework aimed at understanding the sensitivities of the sectors in the Bank's credit portfolio under different transition pathways.

Scenario	Risk Category	Short Term (up to 2030)	Medium Term (up to 2040)	Long Term (up to 2050)
Orderly Transition (1.1–1.8°C)	Market	Implementation of EU carbon pricing, taxes and CBAM. Cost and compliance risk increases in carbon intensive sectors.	Regulations become widespread and internalized. Sectors unable to comply face higher regulatory risk.	Regulations are largely embedded. Past compliance issues may have limited residual effects.
	Reputation	Transition to low carbon technologies begins. Transformation is manageable.	Firms unable to adapt to decarbonization investments face increased technology risk.	Technological transformation is largely completed. Technology risk is limited.
	Regulation	Credit demand in carbon intensive sectors contracts moderately. Demand for green projects rises; gradual portfolio transition begins.	Contraction in carbon intensive sectors and growth in low emission sectors; defaults may increase in high-risk sectors.	Market risk persists in sectors unable to complete the transition. Portfolio becomes greener.
	Technology	Limited reputational pressure may arise due to high carbon exposure.	Sustainable finance approach mitigates reputation risk.	Reputation risk remains low due to a carbon compliant portfolio.
Disorderly Transition (1.7–1.8°C)	Market	Sudden carbon pricing and emission limits may weaken the payment capacity of clients in carbon intensive sectors.	Harsh regulations may increase credit losses in some sectors.	Regulatory framework settles, but residual impacts of the abrupt transition may persist in the portfolio.
	Reputation	Sudden transformation needs; high investment requirements increase credit risk.	Technology misalignment may create lasting credit risk.	Technology and credit risk combine for clients unable to complete the transition.
	Regulation	Uncertainty and rising costs negatively affect credit demand and quality.	Sectors with weakened competitiveness may shrink, creating risk concentrations in the portfolio.	High carbon prices and cost pressures may trigger inflationary effects; rising defaults may impair portfolio performance.
	Technology	High carbon exposure under sudden policy changes may create reputational pressure.	Increasing credit losses may question the effectiveness of risk management.	Prolonged credit issues may elevate reputational risk.
Hot House World (2.3–3.0°C)	Market	Limited climate policies such as carbon pricing and emissions trading result in low regulatory credit risk.	Growing international pressures may gradually introduce regulatory risk.	Delayed policy interventions weaken global carbon neutrality goals; sudden regulations may increase credit risk.
	Reputation	Low transformation pressure; no significant technology risk anticipated for the Bank.	Delayed transformation may increase client adaptation costs, raising credit risk.	Delayed transformation may translate technology risk significantly into credit risk.
	Market	Sector distribution remains stable; market risk is limited. Clients in high carbon sectors do not face sudden transition pressure.	Market risk may increase for clients struggling to access low carbon markets.	Physical risks and market pressures may negatively affect portfolio performance.
	Reputation	Weak climate expectations result in minimal short term reputational risk.	Rising investor and stakeholder expectations may make reputation risk visible.	Continued financing of carbon intensive sectors may damage the Bank's reputation.

Table 7. Scenario Analysis Results for Transition Risks

Assessment of Physical Risks under Scenarios

Physical risks are creating increasingly significant impacts on financial systems through long term climate trends and extreme weather events. In this context, Odeabank assesses physical risks under different climate scenarios by distinguishing between chronic and acute risks, and analyzes their potential impacts on the credit portfolio and operational activities on a scenario-based approach.

The projections presented in this section are used as a reference to illustrate how physical risks differentiate across scenarios and provide input for comparative assessments as of 2025. The indicators presented are forward looking projections and do not constitute a definitive forecast of financial outcomes.

Chronic Physical Risks: Changes in Precipitation Patterns and Drought

Chronic indicators, such as changes in precipitation patterns, drought risk and water stress, show clear differentiation under varying levels of warming. In scenarios where global temperature increase is limited to 1.5°C, precipitation changes remain relatively moderate, whereas higher warming scenarios lead to increased frequency and severity of droughts.

This outlook highlights risk channels that may exert long term pressure on production continuity, cost structures and cash flows, particularly for customers operating in water dependent sectors. Therefore, chronic risk indicators are used as a reference in assessing the long-term resilience of the credit portfolio.

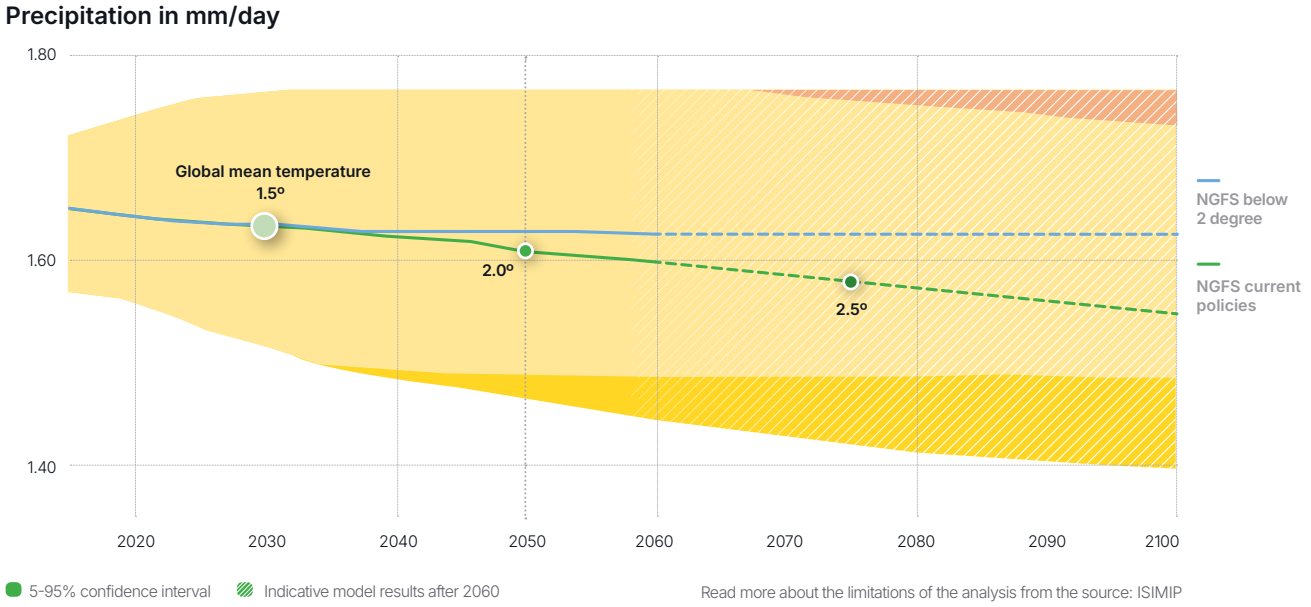


Figure 1. Long-term change in average daily precipitation in Türkiye under different scenarios

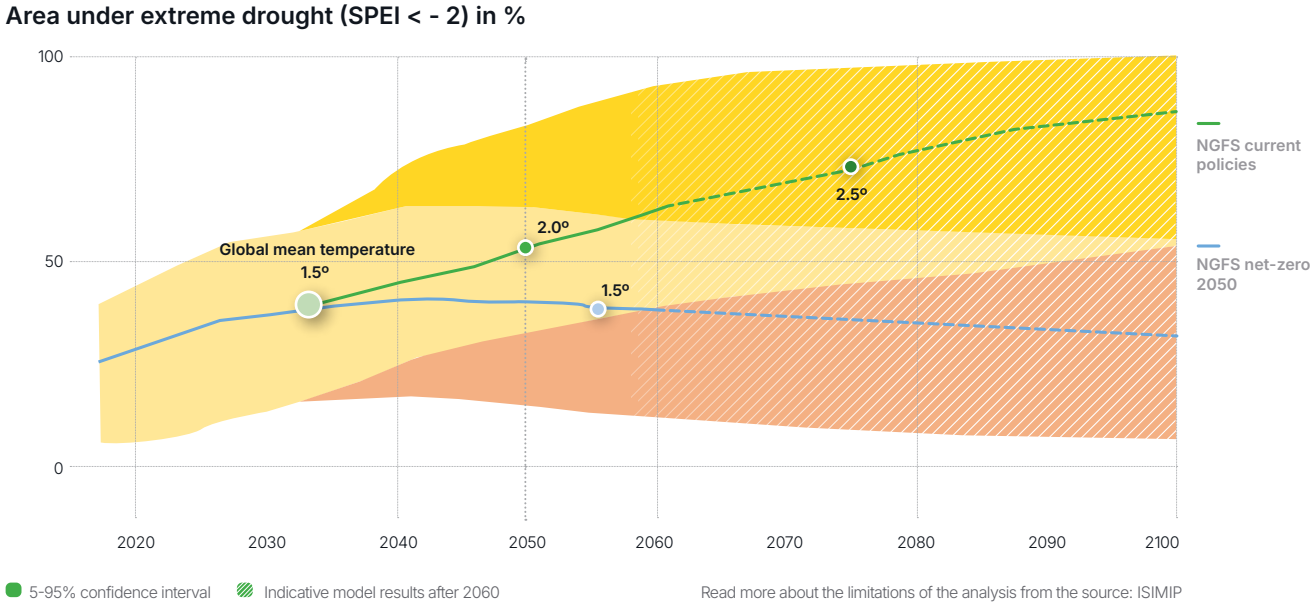


Figure 2. Change in the proportion of areas exposed to severe drought in Türkiye under different scenarios (SPEI < -2)

Acute Physical Risks: Exposure to Wildfires and Heat Waves

Scenario based projections indicate that acute physical risks in Türkiye, such as wildfires and extreme heat waves, diverge significantly depending on the level of warming. Under the Net Zero 2050 scenario, the number of days exposed to fire risk and extreme heat waves remains relatively limited over the long term.

In the Current Policies scenario, where temperature increases reach 2.5–3°C, a notable rise is observed both in the number of days with conditions conducive to wildfires and in the number of days exposed to dangerous heat waves. This increase may translate into credit risk through operational disruptions and higher costs for customers operating in certain sectors. At the same time, these indicators are also considered in the Bank's assessments of business continuity and technical infrastructure resilience for branch and head office operations.

Days per year with dangerous heat risk (HI > 40 °C) in days

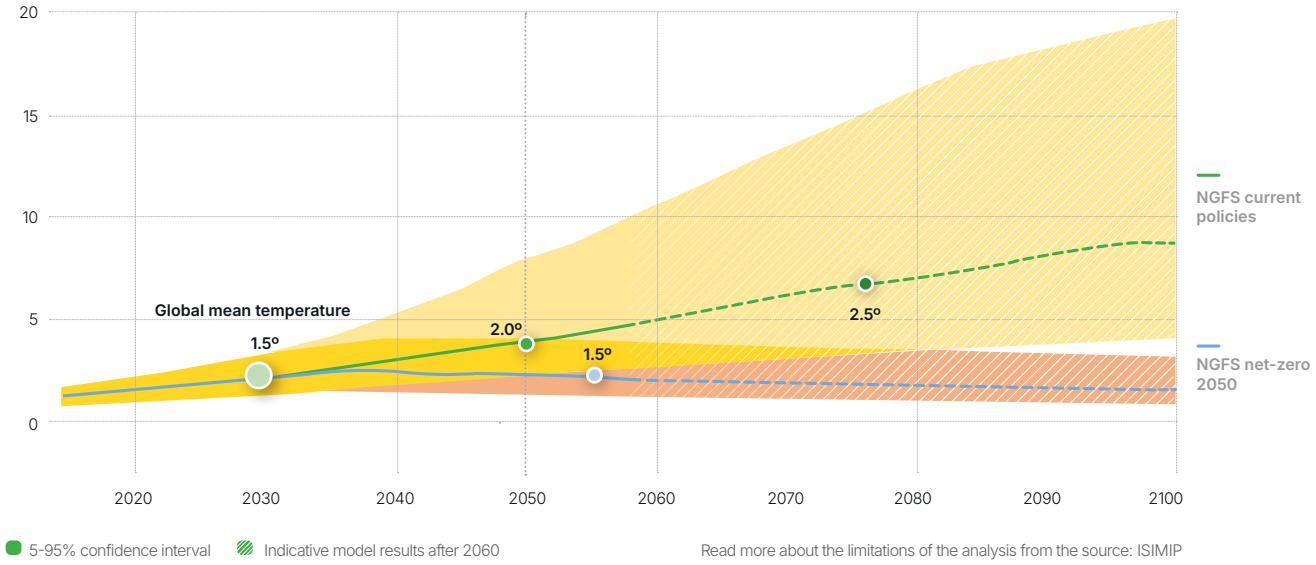


Figure 3. Number of days exposed to extreme heatwaves in Türkiye under different scenarios (HI > 40°C)

Number of days with extreme fire weather in days

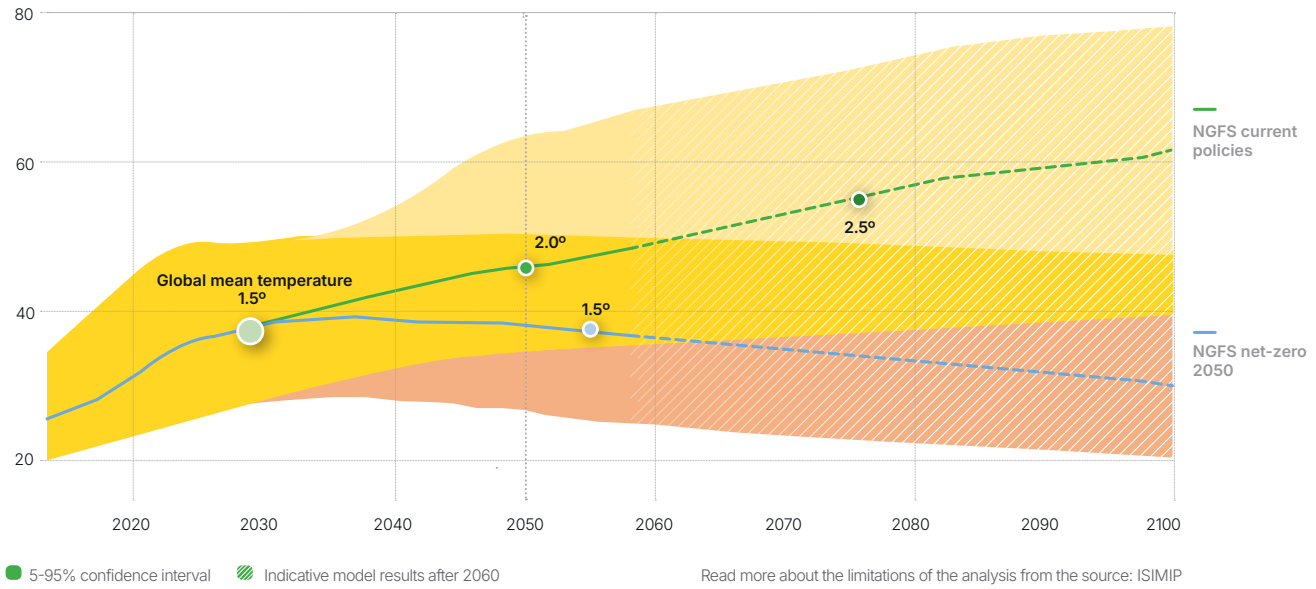


Figure 4. Number of days with weather conditions conducive to forest fires in Türkiye under different scenarios

Key Determinant of Physical Risks: Average Temperature Increase

Average temperature increase is a key indicator that determines the overall trajectory of both chronic and acute physical risks. The scenario-based projections presented in Figure 5 illustrate that the path of average temperature increase is a determining factor for the intensity and prevalence of physical risks.

Under the NGFS Net Zero 2050 scenario, limiting the global temperature increase to approximately 1.5°C results in a relatively stable long-term trajectory of average temperature increase in Türkiye. In contrast, in the Current Policies scenario, where temperature rises toward 2.5–3°C, conditions emerge that facilitate more widespread and persistent physical risks. This divergence provides a structural framework explaining why physical risks differ markedly under different climate scenarios and serves as a complementary reference point in the assessment of chronic and acute physical risks.

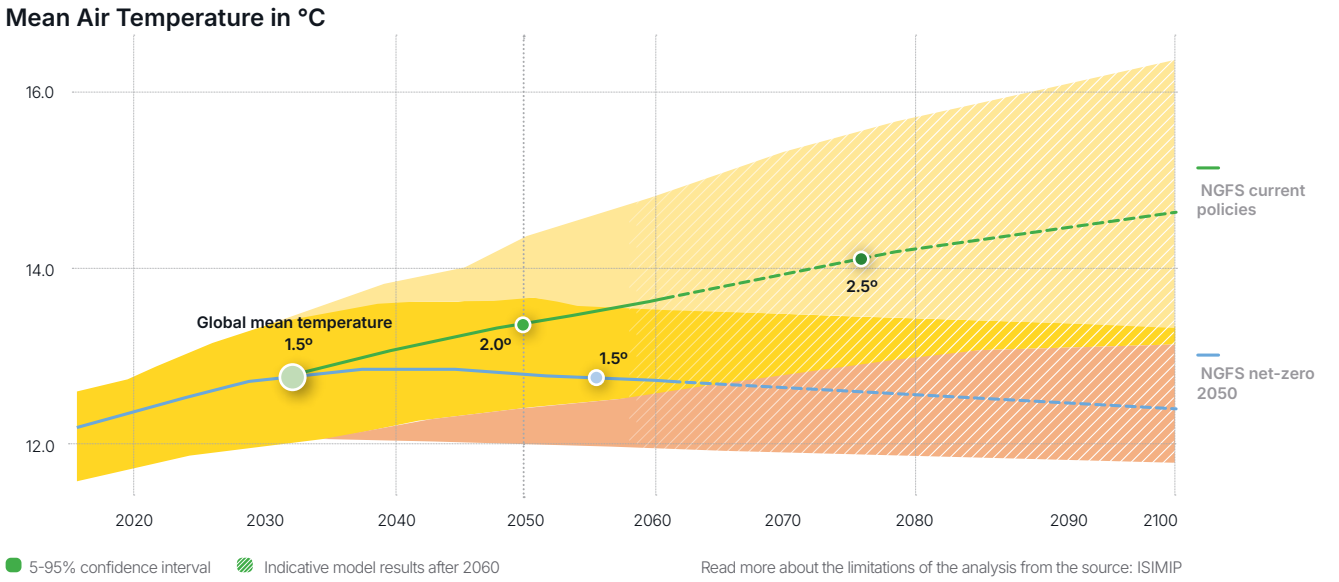


Figure 5. Long-term change in average air temperature in Türkiye under different scenarios

Scenario	Short Term (2030)	Medium Term (2040)	Long Term (2050)
Orderly Transition (1.1–1.8°C)	Water stress and temperature increase remain limited. Short term impacts of physical risks on the Bank's credit portfolio and collateral structures are low. No systematic operational disruption is anticipated.	Physical risks remain moderate under controlled climate policies. No significant Climate-Related depreciation is observed in the Bank's credit collaterals or physical assets.	Physical impacts remain largely limited. No significant increase in default risk from Climate-Related disasters is expected, and the Bank's portfolio performance is not subject to additional pressure.
Disorderly Transition (1.7–1.8°C)	Physical impacts such as heat waves and drought begin to appear. This may create limited operational pressures, particularly for clients in agriculture, tourism, and infrastructure sectors.	Ineffective or delayed transition policies fail to mitigate extreme weather events and water scarcity. Physical impacts may reduce the value of credit collaterals in energy, industrial, and infrastructure sectors.	Physical impacts are concentrated in specific regions, requiring potential reassessment of regional credit strategies, branch locations, and collateral structures.
Hot House World (2.3–3.0°C)	Physical impacts become pronounced. Heat waves, droughts, and extreme events may adversely affect operations and cash flows of clients in agriculture, energy, logistics, and infrastructure sectors.	Extreme weather events become more frequent and severe. Asset damage in agriculture and real estate sectors, higher insurance costs, and potential collateral depreciation emerge, indicating an increasing physical risk profile for the Bank's credit portfolio.	Exceeding the 2°C global temperature threshold, chronic and acute physical risks become structural across Türkiye. Operational sustainability risks rise for clients in agriculture, energy, tourism, and real estate sectors, resulting in the highest physical risk exposure for the Bank's credit portfolio and collateral structures.

Table 8. Scenario Analysis Results for Physical Risks

4.2.2 Heat Map of Transition and Physical Risks

The heat map for transition and physical risks has been prepared to assess the relative exposure of sectors within the Bank's credit portfolio to Climate-Related risks.

The sectoral heat map study was developed based on the Guideline for the Preparation of Sectoral Heat Maps for Climate-Related Risks published by the TBB, using the sector breakdowns defined in the Guideline. In this context, NACE codes specified in the Guideline were matched with Odeabank's economic activity classifications, and the analysis was conducted in accordance with the sectoral breakdowns provided in the Guideline.

During the assessment, sectors were analyzed based on the following criteria:

- Carbon intensity and sensitivity to the transition process
- Exposure to national and international regulatory developments
- Geographic and operational sensitivity to physical risks

Sector exposures to transition and physical risks were classified according to the risk categories defined in the Guideline (Low – Low Medium – Medium – Medium High – High). Accordingly, within Odeabank's total credit portfolio for 2025, the share of sectors classified under Medium High- and High-risk categories based on NACE codes was calculated, revealing the Bank's relative risk profile for Climate-Related exposures.

The heat map results do not provide a direct projection of financial loss, but rather indicate which sectors in the portfolio may be more exposed to climate risks. The findings are considered together with scenario analyses to provide input for strategic risk management and capital planning processes.

Transition Risks

According to the analysis results, **13%** of Odeabank's total credit portfolio for 2025 consists of sectors classified under Medium High- and High-risk categories for Climate-Related transition risks. Within transition risks, the **iron and steel sector**, classified in the high risk category, represents **2.5%** of the total credit portfolio, while the **glass manufacturing** and **cement** production sectors have no share in the portfolio.

Sectors	Risk Categorization	Portfolio Share
Energy	Medium–High	8.4%
Iron and Steel	High	2.5%
Cement Manufacturing	High	0.0%
Aluminum	Medium–High	0.0%
Fertilizer Production	Medium–High	0.0%
Construction	Medium	0.0%
Agriculture	Medium–High	0.0%
Logistics	Medium–High	0.1%
Automotive	Medium–High	2.0%
Glass Manufacturing	High	0.0%

Physical Risks

According to the analysis results, 43% of Odeabank's total credit portfolio for 2025 consists of sectors classified under Medium High- and High-risk categories for acute physical risks, while 29.68% is classified under the same categories for chronic physical risks.

Sectors	Risk Categorization		Portfolio Share
	Acute	Chronic	
Energy	High	Medium–High	8.4%
Construction-Infrastructure	Medium	Medium	10.0%
Agriculture-Food	High	Medium–High	6.9%
Tourism	Medium–High	Medium	12.0%
Services	Medium–High	Medium	1.2%
Manufacturing	Medium–High	Medium–High	14.4%
Logistics	Medium–High	Medium	0.1%

5 METRICS AND TARGETS

5.1 CLIMATE-RELATED METRICS

TSRS 1 45, TSRS 1 46(a), 46(b)(i)(ii), TSRS 2 27, TSRS 2 28 (a)(b), TSRS 2 29 (a)(i), a(ii), a(iii), a(iv), a(v), TSRS 2 29 (b)(c), TSRS 2 29 (d), TSRS 2 29 (e), TSRS 2 29 (f)(i), TSRS 2 32, TSRS 2 37

Odeabank regularly monitors and calculates greenhouse gas emissions arising from its operations in order to assess climate-related risks and opportunities.

In line with its business model and value chain, the Bank tracks sector-specific metrics identified in **Volume 16 – Commercial Banks under the Guidance on the Sector-Based Application of TSRS 2**, which are designed to monitor climate-related performance. Detailed explanations regarding these metrics are presented in the Sectoral Metrics section.

5.1.1 Greenhouse Gas Emissions and Calculation Methodology

TSRS 2 29 (a)(i), (a)(ii), (a)(iii), (a)(iv), (a)(v)

Odeabank uses the **Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)** as the basis for calculating greenhouse gas emissions. The organizational boundaries for emissions calculations have been determined in accordance with the **operational control approach** defined under the GHG Protocol, taking into account the characteristics of activities in the banking and financial services sector.

The operational control approach was preferred because activities are largely carried out under operational management responsibility rather than direct ownership, and it allows for the calculation of emissions based on activities where the Bank has actual operational decision-making authority.

In accordance with this approach, Odeabank's greenhouse gas emission inventory covers all branches, ATMs, Head Office units, and Odeatech activities. Scope 1 and Scope 2 emissions are monitored on a monthly basis; calculations are based on actual activity data, and the inputs used are derived from activity data obtained from the Bank's operations.

Odeabank and Odeatech's greenhouse gas emission data for 2024 and 2025; To ensure comparability, the data is broken down into Scope 1, Scope 2 (location-based), and Scope 2 (market-based), and the emission data are presented in the Table below.

Scope 2 – Market-based greenhouse gas emissions are calculated using I-REC (International Renewable Energy Certificate) certificates matched with electricity consumption for the reporting period. In 2025, Odeabank's total electricity consumption is **3,884.43 MWh**, and Odeatech's electricity consumption is **147.84 MWh**.

All electricity consumption during the reporting period is documented as renewable energy supply with I-REC certificates matched with consumption.

Details regarding the emission factors and calculations used in calculating greenhouse gas emissions are presented in the Appendices.

Greenhouse Gas Emissions (Gross tonCO_2e)	Year	Scope 1	Scope 2 (Location Based)	Scope 2 (Market Based)	Total Scope 1 + 2 (Location Based)	Total Scope 1 + 2 (Market Based)
Odeabank(*)	2024	1,692.41	1,939.51	198.33	3,631.92	1,890.74
	2025	**1,122.69**	**1,685.84**	**-**	**2,808.53**	**1,122.69**
Odeatech(**)	2024	12.03	1.31	1.31	13.34	13.34
	2025	**17.71**	**64.16**	**-**	**81.87**	**17.71**
Total(***)	2024	1,704.44	1,940.82	199.64	3,645.26	1,904.08
	2025	**1,140.40**	**1,750.01**	**-**	**2,890.40**	**1,140.40**

Table 10. Consolidated Greenhouse Gas Emissions (Scope 1 and Scope 2)

(*) In Odeabank operations, Scope 1 consists of natural gas consumption from stationary combustion, diesel fuel used in generators, gasoline and diesel consumption of company vehicles, and leaks from fire extinguishing systems and coolants. Energy-related Scope 2 stems from electricity consumption.

(**) Within the scope of Odeatech operations, greenhouse gas emissions are calculated based on Scope 1 emissions from natural gas consumption from stationary combustion and diesel fuel used in generators, and Scope 2 emissions from electricity consumption.

(***) In 2024, I-REC certificates were utilized to cover 90% of total electricity consumption. Accordingly, market-based emissions for this portion were calculated as zero (0), while grid emission factors were applied to the remaining 10%. Scope 2 emissions have been reported under both methodologies. In 2025, I-REC certificates were used to cover 100% of electricity consumption, with the entire consumption matched through certificates. In this context, Scope 2 emissions were calculated as zero (0) under the market-based method. Emissions were also calculated and reported under the location-based method using the relevant grid emission factors. The I-REC certificates were allocated to electricity consumption within the relevant reporting period and were retired in the respective registry systems for compliance purposes.

5.1.2 Sectoral Metrics

TSRS 2 28 (a)(b), TSRS 2 32, TSRS 2 37

Subject	Metric	Category	Description	Code
Inclusion of ESG Factors in Credit Analysis	Description of the approach to including ESG factors in credit analysis.	Discussion and Analysis	The Bank considers ESG factors as one of the fundamental assessment elements in its lending processes and adopts an approach that integrates the identification and assessment of ESG risks into credit processes. Details on this topic can be found in the "2.4 Integration into Strategy and Risk Management Processes" section of the report's Strategy chapter.	FN-CB-410a.2

Table 11. Annex Volume 16 – Commercial Banks Guide Explanation

Activity Metrics

The explanations for the activity metrics coded **FN-CB-000.A and FN-CB-000.B** are presented below in Table 12 – Commercial Banks Guide Activity Metrics Explanation Table for the current reporting period.

These metrics are addressed in accordance with TSRS 2 – Commercial Banks sectoral practice guidance and enable the consistent and comparable disclosure of quantitative indicators relating to the Bank's volume of operations and business model.

Customer Segment	Product	Amount (TL thousand)	Number
Retail	Total Number and Value of Time Deposit Accounts	39,375,343	37,029
	Total Number and Value of Demand Deposit Accounts	19,152,304	615,016
	Total Number and Value of Loans	631,675	82,270
SME	Total Number and Value of Time Deposit Accounts	4,277,234	213
	Total Number and Value of Demand Deposit Accounts	1,722,519	9,002
	Total Number and Value of Loans	18,704,292	2,709
Corporate	Total Number and Value of Time Deposit Accounts	3,083,680	40
	Total Number and Value of Demand Deposit Accounts	2,944,207	1,291
	Total Number and Value of Loans	33,579,014	307

Table 12. Commercial Banks Guide Activity Metrics – Explanation Table

5.1.3 Internal Carbon Pricing

TSRS 2 29 (f)(i)

Due to the nature of its operational activities, Odeabank is currently not subject to a mandatory carbon pricing mechanism. As of the reporting period, the Bank does not apply an internal carbon price in the assessment of climate-related risks and opportunities or within its decision-making processes.

Internal carbon pricing is monitored as a potential tool for evaluating carbon impacts in long-term decision-making processes. In this regard, the Bank follows international practices, sectoral trends and regulatory developments related to internal carbon pricing.

5.1.4 Assets Vulnerable to Climate-Related Risks (*)

TSRS 2 29 (b)(c)

Odeabank analyzes its assets that are vulnerable to transition and physical risks arising from climate change by considering sector-based exposures within the Bank's cash and non-cash loan portfolio. In these analyses, the methodological framework set out in the "Heatmap Creation Guide" published by the TBB is used to determine the sensitivity of sectors to climate-related risks.

Assets Vulnerable to Transition Risks

Within the scope of the transition risk assessment, sectors with high carbon intensity and a greater potential to be affected by climate policies, regulatory changes, carbon pricing, and technological transformation were prioritized. In this context, the energy, iron and steel, logistics, and automotive sectors were assessed as sectors that are vulnerable to transition risks.

The share of the Bank's total credit exposure to these sectors within the overall loan portfolio was calculated at **13%.** This exposure corresponds to approximately **6.84 billion TL** in credit risk.

(*) The assesssment was conducted based on the total cash credit exposure to non-retail borrowers within the Bank's loan portfolio.

Assets Vulnerable to Physical Risks

In the analyses related to physical risks, sectoral exposures to both acute risks, such as extreme weather events, floods, and fires, and chronic risks, such as drought, temperature increase, water stress, and sea level rise, were assessed together.

As a result of this assessment, the energy, agriculture and food and manufacturing sectors were identified as having higher vulnerability to physical risks. The total share of these sectors within the Bank's loan portfolio is 29.68%. This ratio corresponds to approximately 15.5 billion TL in credit risk.

5.1.5 Assets Aligned with Climate-Related Opportunities

TSRS 2 29(d)

Odeabank's assets aligned with climate-related opportunities primarily consist of loan products aimed at financing investments that reduce environmental impacts. In this context, the **Green Transformation Loan** developed by the Bank is used to finance projects related to renewable energy, energy efficiency, green building applications and other initiatives aimed at reducing environmental impacts.

As of the reporting period, loans disbursed under the Green Transformation Loan constitute the main component of Odeabank's loan portfolio supporting climate-related opportunities. As of 2025, the share of these loans within the Bank's total loan portfolio has been calculated as **0.8%**.

Green Transformation Loans (TL million)	447
Total Loan Portfolio (TL million)	52,915
Ratio (Green Loans / Total Loans)	0.844%

5.1.6 Capital Allocation

TSRS 2 29(e)

Odeabank's capital allocation approach with respect to climate-related risks and opportunities is, as of the current reporting period, primarily shaped by investments focused on efficiency improvements, emission reduction and the strengthening of measurement and monitoring infrastructure.

Within the Bank, there is currently no separate capital expenditure classification that directly and quantitatively links capital expenditures to climate-related risks and opportunities.

In this context, increasing the use of renewable energy, expanding energy efficiency practices, implementing LED lighting conversions and improving measurement and monitoring infrastructure for tracking energy consumption and emission performance are among the Bank's priority investment areas. In addition, efforts to strengthen ESG data management processes and develop infrastructure for sustainability reporting are also considered key elements supporting the Bank's climate-related governance capacity.

Within the scope of these activities, a total of **TL 4,103,150** in capital expenditure was made in 2025 to support the mitigation of climate-related risks and the advancement of climate-related opportunities. In line with the development of technical infrastructure and data management capabilities, the Bank plans to provide more detailed reporting on the relationship between climate-related risks and opportunities and capital allocation in future reporting periods.

5.2 CLIMATE-RELATED TARGETS

Partially corresponds to TSRS 1 51 and TSRS 2 33, 34 and 35.

As of the reporting period, Odeabank does not have a quantitative target related to climate change risks and opportunities approved by the Board of Directors.

The Bank has not defined medium- or long-term greenhouse gas emission reduction targets, either in absolute or intensity-based terms. Accordingly, no verified emission reduction roadmap or targets based on third-party approved methodologies, such as the Science Based Targets initiative (SBTi), have been established. Therefore, as of the current reporting period, there are no climate-related targets defined that are reportable under TSRS.

Low-carbon practices implemented in the Bank's operations-such as renewable energy use, energy efficiency applications and LED lighting conversions-are not treated as performance commitments tied to specific targets but rather as operational practices that support efficiency improvements and emissions management. These practices are implemented across all operational units of the Bank and are carried out under a standardized corporate approach.

The Bank plans to evaluate the definition of climate-related targets in the future by further developing its climate strategy, standardizing operational data, strengthening measurement and monitoring infrastructure and following sectoral best practices. In line with the maturity of these elements, the Bank's approach to climate-related targets will be reassessed in future reporting periods.

The approach regarding the reflection of OKRs in remuneration practices is addressed in the Remuneration section of the report.

6 APPENDICES

6.1 BOARD OF DIRECTORS COMPETENCY MATRIX: EVALUATION CRITERIA AND METHODOLOGY

The evaluation criteria used in the Board of Directors Competency Matrix have been defined to demonstrate the Board's capacity to fulfill its oversight, guidance and decision-making responsibilities in relation to climate and ESG matters within the scope of TSRS.

In determining these criteria, the following references and principles have been taken into consideration:

- Governance, independent oversight and accountability principles expected from the Board of Directors within the TSRS framework (IFC Corporate Governance Progression Matrix),
- Core and sector-specific competency areas defined for financial institutions in the Glass Lewis – Board Skills Appendix (Europe),
- The financial, strategic and transition risks to which the banking sector is exposed in the context of climate change,
- The non-executive, high-level oversight and strategic guidance role of the Board of Directors

In line with this approach, the evaluation criteria have been limited to competency areas considered significant in the context of climate and ESG matters and capable of providing meaningful contributions at the Board level, rather than covering all possible areas of expertise.

Competency Areas and Rationale for Selection

The Board of Directors Competency Matrix covers the following competency areas:

Independent Director: The presence of independent members on the Board is a fundamental governance element in terms of ensuring effective oversight, objective evaluation and the management of conflicts of interest within the TSRS framework. This competency area aims to demonstrate that an independent perspective is ensured in the assessment of climate and ESG risks.

Financial Management / Audit: Due to the potential financial impacts of climate and ESG risks, the Board's oversight capacity over financial reporting, internal control and audit processes is considered critical under TSRS. This competency supports the Board's ability to understand how climate-related risks may be reflected in financial statements and disclosures.

Risk Management (Financial and Operational): Climate change affects banking activities in multiple dimensions, particularly credit, market, operational and reputational risks. This competency area reflects the Board's capacity to oversee the integration of climate and ESG risks into the Bank's enterprise risk management framework.

Climate Risk and ESG Integration: This competency area represents the Board's responsibility, as expected under TSRS, to ensure the integration of climate-related risks and opportunities into strategy, decision-making and portfolio management processes.

Sustainable Finance / Green Financing: For banks, climate change represents not only a risk but also an opportunity through sustainable financing products. This competency demonstrates the Board's ability to evaluate, at a strategic level, initiatives such as green loans and social and sustainable financing instruments.

Public Policy and Regulation: Regulatory developments in the fields of climate and sustainability are becoming increasingly influential for the banking sector. This competency area reflects the Board's ability to monitor public policies, regulatory frameworks and international developments from a strategic perspective.

Banking Sector Experience: As also highlighted in the Glass Lewis guidance, members of the Board are expected to possess core knowledge and experience specific to the sector in which the institution operates. Experience in the banking sector is considered a fundamental competency for properly assessing the impacts of climate and ESG risks on the financial system.

International Markets and Multi-Sector Experience: Climate change and sustainability risks are inherently global in nature. This competency area demonstrates that the Board possesses a long-term and holistic perspective, supported by experience gained across different geographies and sectors.

6.2 PRINCIPLES FOR THE CALCULATION OF GREENHOUSE GAS EMISSIONS

The emission factors used in the calculation of greenhouse gas emissions have been determined based on internationally recognized and up-to-date sources.

Calculation Method: Emission Amount (tCO_2e) = Activity Data (kWh, liter, kg) × Emission Factor

Emission Source - Scope 1	Emission Factor (kg CO_2e/unit)	Reference
Stationary Combustion – Natural Gas (kWh)	0.20	IPCC 2006, Volume2, Chapter 2, Table TABLE 2.3 - Natural Gas
Stationary Combustion – Natural Gas (m^3)(*)	1.94	IPCC 2006, Volume2, Chapter 2, Table TABLE 2.3 - Natural Gas
Stationary Combustion – Diesel (liter)	2.64	IPCC 2006, Volume2, Chapter 2, Table TABLE 2.3 -Diesel
Vehicle Fuels – Gasoline (liter)	2.31	IPCC 2006, Volume2, Chapter 3, Table TABLE 3.2.1 & TABLE 3.2.2 - Motor Gasoline - Oxidation Catalyst
Vehicle Fuels – Diesel (liter)	2.67	IPCC 2006, Volume2, Chapter 3, Table TABLE 3.2.1 & TABLE 3.2.2 - Diesel
Fugitive Emissions – Fire Extinguishers (CO_2)	1.00	AR6 (IPCC Sixth Assessment Report) Global Warming Potentials
Fugitive Emissions – FM200 (kg)	3,600.00	AR6 (IPCC Sixth Assessment Report) Global Warming Potentials
Fugitive Emissions – R-32 (kg)	771.00	AR6 (IPCC Sixth Assessment Report) Global Warming Potentials
Fugitive Emissions – R-410A (kg)	2,256.00	AR6 (IPCC Sixth Assessment Report) Global Warming Potentials

Table 13. Scope 1 Greenhouse Gas Emission Factors

(*) Since the unit of natural gas activity data provided by Odeatech differs from that of Odeabank, separate emission factors have been applied for the two calculations. This approach has been consistently maintained to ensure alignment with the methodology used in the previous year.

Scope 2 greenhouse gas emissions originate from electricity consumption, and the calculations use the 2022 electricity emission factor published by the Ministry of Energy and Natural Resources of the Republic of Türkiye in 2024.

Emission Source – Scope 2	Emission Factor (kg CO_2e/unit)	Reference
Electricity – Grid (kWh)	0.434	Türkiye National Inventory

Table 14. Scope 2 Greenhouse Gas Emission Factors

6.3 DEFINITIONS AND EXPLANATIONS

POA (Public Oversight, Accounting and Auditing Standards Authority): The regulatory authority in Türkiye responsible for establishing financial reporting, auditing and sustainability standards.

TSRS (Türkiye Sustainability Reporting Standards): The sustainability reporting framework published by the Public Oversight Authority (POA) and compliant with IFRS S1 and IFRS S2 standards.

CMB (Capital Markets Board of Türkiye): The regulatory and supervisory authority responsible for ensuring that capital markets in Türkiye operate in a fair, transparent and stable manner, protecting investors and regulating and supervising market activities.

CBRT (Central Bank of the Republic of Türkiye): The Central Bank responsible for determining and implementing monetary policy, ensuring price stability and contributing to the stability of the financial system in Türkiye.

SMEs (Small and Medium-Sized Enterprises): Enterprises whose number of employees, annual net sales revenue or financial balance sheet size fall below certain thresholds and which constitute a significant portion of economic activity.

EFT (Electronic Funds Transfer): A money transfer method that enables Turkish lira transfers between banks through the electronic payment system operated by the Central Bank of the Republic of Türkiye.

ATM (Automated Teller Machine): An electronic banking device that enables bank customers to perform transactions such as cash withdrawals and deposits, balance inquiries and other banking services without visiting a branch.

GDS 3000 – Limited Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000): A standard that defines the general principles for limited or reasonable assurance engagements related to non-financial information.

GDS 3410 – Assurance Engagements on Greenhouse Gas Statements (ISAE 3410): A specific standard governing assurance engagements related to organizations' greenhouse gas emission statements. It provides limited or reasonable assurance regarding the accuracy and methodological appropriateness of emission data.

ESG (Environmental, Social and Governance): The three sustainability dimensions reflecting an organization's performance in creating long-term value through environmental impact management, social responsibility and governance practices.

OKR (Objectives and Key Results): A goal management framework that enables organizations to define strategic priorities and measurable outcomes to achieve those priorities.

IFC (International Finance Corporation): An international development institution that promotes sustainable development by providing financing and technical support to the private sector.

CRM (Credit Risk Management): The risk management discipline that encompasses the processes of identifying, measuring, monitoring and controlling the risk that counterparties may fail to fulfill their financial obligations.

TDI (Türkiye Institute of Corporate Directors): A non-governmental organization that operates to enhance the effectiveness of board members, strengthen corporate governance and promote best practices.

Value Chain: The full range of activities and relationships through which an organization sources inputs, conducts its operations and delivers products or services to customers, including suppliers, distributors and customers.

Upstream: Refers to the flow of raw materials, products or services from suppliers to the organization within the value chain. Supply chain processes fall within this scope.

Downstream: Refers to the processes through which the organization's products or services are delivered to customers and end users, including distribution, sales and use phases.

CBAM (Carbon Border Adjustment Mechanism): A climate policy instrument developed by the European Union that aims to price the carbon footprint of imported products at the border.

ICAAP (Internal Capital Adequacy Assessment Process): The internal process through which banks evaluate their capital adequacy by considering all material risks they are exposed to.

RWA (Risk-Weighted Assets): A measure calculated by weighting banks' balance sheet assets and off-balance-sheet items according to their credit risk. This indicator forms the basis for capital adequacy ratios, whereby higher-risk assets are assigned higher weights and lower-risk assets lower weights.

Scenario Analyses: Methodological analyses used to assess the potential impacts of climate-related risks and opportunities on an organization under different future conditions. These analyses are developed based on assumptions to better understand financial impacts under uncertainty.

NGFS (Network for Greening the Financial System): A global collaboration network of central banks and financial regulators that publishes guidance, scenario sets and technical studies aimed at strengthening the financial system's resilience to climate risks.

IPCC (Intergovernmental Panel on Climate Change): An international body of experts operating under the United Nations to assess scientific findings related to climate change. The IPCC provides science-based summaries and scenario projections to inform decision-makers about climate systems, impacts, risks and mitigation/adaptation strategies.

RCP (Representative Concentration Pathways): Climate change projection scenarios based on greenhouse gas emission trajectories and radiative forcing levels developed by the IPCC.

- **RCP 2.6:** An optimistic scenario where emissions decline rapidly and global warming is limited to below 2°C by 2100.
- **RCP 4.5:** A moderate mitigation scenario where emissions peak in the medium term and gradually decline.
- **RCP 6.0:** A scenario where emissions continue to increase but stabilize in the second half of the century.
- **RCP 8.5:** A pessimistic scenario where emissions continue to increase significantly, leading to severe climate impacts.

Greenwashing: The practice whereby an organization misleads stakeholders by presenting itself as more environmentally friendly or sustainable than it actually is.

Scope 1 Emissions: Direct greenhouse gas emissions from sources owned or controlled by the organization (e.g., fuel used in facilities or company vehicles).

Scope 2 Emissions: Indirect greenhouse gas emissions resulting from the generation of purchased electricity, heat or steam consumed by the organization.

Scope 2 Location-Based: A method of calculating Scope 2 emissions using the average grid emission factors of the geographic region where electricity is consumed.

Scope 2 Market-Based: A method of calculating Scope 2 emissions based on specific electricity sources purchased by the organization or market instruments such as renewable energy certificates.

Transition Risk: Risks arising from policy, legal, technological and market changes associated with the transition to a low-carbon economy.

Physical Risk: Risks arising from the direct physical impacts of climate change, such as droughts, floods and storms, which may affect operations, financial performance or supply chains.

BRSA (Banking Regulation and Supervision Agency): The public authority responsible for regulating and supervising the banking sector in Türkiye.

IEA (International Energy Agency): An international organization that conducts global studies on energy security, economic development and environmental sustainability.

Trade-off: A situation in which achieving a positive outcome in one area may result in negative impacts or reduced outcomes in another. In climate-related decision-making processes, trade-offs may arise when balancing environmental objectives with financial or other sustainability considerations.

WMO (World Meteorological Organization): A United Nations agency that coordinates international cooperation in meteorology, climate, water and related environmental fields.

Equator Principles (EP) and EP Categories (Equator Principles – EP III): A voluntary risk management framework used to assess environmental and social risks in project finance. Under EP III, projects are classified according to their impact level as Category A (high risk), Category B (medium risk) or Category C (low risk).

ESRM (Environmental and Social Risk Management): An approach that enables organizations to systematically identify, assess and manage environmental and social risks arising from their activities.

DEFRA (Department for Environment, Food and Rural Affairs): The UK government department that publishes environmental datasets and emission factors.

Emission Factor: A coefficient that quantifies the amount of greenhouse gases emitted into the atmosphere per unit of activity.

GHG Protocol Transportation Tool: An international tool used to calculate transportation-related emissions under the Greenhouse Gas Protocol.

IPCC 2006 Guidelines: The methodological guidelines published by the IPCC in 2006 for calculating greenhouse gas emissions.

Operational Control Approach: An approach under which an organization reports greenhouse gas emissions from operations over which it has operational control.

GHG Protocol: An internationally recognized framework developed for measuring and managing corporate greenhouse gas emissions.

Impact Assessment: The process of evaluating the environmental, social and economic impacts of an activity or decision in advance, commonly used in project finance and sustainability strategies.

SBTi (Science Based Targets initiative): An international initiative that enables financial and non-financial organizations to set greenhouse gas emission reduction targets aligned with climate science and verifies these targets. It encourages organizations to align their strategies with the 1.5°C scenario under the Paris Agreement, including emissions associated with financial portfolios.

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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY INFORMATION OF ODEA BANK A.Ş. PRESENTED IN ACCORDANCE WITH THE TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Odea Bank A.Ş.

We were engaged by Odea Bank Anonim Şirketi ("the Bank") and its subsidiary (together will be referred to as "the Group") to provide limited assurance on information ("Sustainability Information") for the year ended 31 December 2025 has been prepared in accordance with TSRS 1 General Requirements for Disclosure of Sustainability Related Financial Information, TSRS 2 Climate-related Disclosures (collectively referred to as "TSRS"), as published by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Our limited assurance engagement does not cover information relating to previous periods other than climate-related risks and opportunities, nor other information linked to the Sustainability Information (including any images, audio files, website links, or embedded videos).

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, as summarized under the heading *"Summary of Work Performed as a Basis for the Assurance Conclusion,"* nothing has come to our attention that causes us to believe that the Group's Sustainability Information for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the TSRS.

We do not express any assurance conclusion regarding information pertaining to the previous period, other than climate-related risks and opportunities, or other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Emphasis of Matters

As explained in the 'About the Report' section of the TSRS-Compliant Sustainability Report, in the TSRS-Compliant Sustainability Report prepared by the Bank for the year 2025, the Bank has disclosed only information related to climate-related risks and opportunities in the second annual reporting period, taking into account the exemption provided by the POA Board Decision dated 25 December 2025, published in the Official Gazette No. 33123 dated 30 December 2025. However, our conclusion is not modified in respect of this matter.

As explained in the 'About the Report' section of the TSRS-Compliant Sustainability Report, the Bank has benefited from the exemption from disclosing Scope 3 greenhouse gas emissions, which is applicable for the first two years, pursuant to Provisional Article 3 of the Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS), published in the Official Gazette No. 32414 dated 29 December 2023. Accordingly, the Bank has not disclosed Scope 3 greenhouse gas emissions. However, our conclusion is not modified in respect of this matter.

Inherent limitations in the preparation of the Sustainability Information

Sustainability Information contains climate-related scenario-based information that is subject to inherent uncertainty due to incomplete scientific and economic knowledge regarding the likelihood, timing, or effects of possible future physical and transitional climate-related events.

In addition, the quantification of greenhouse gases is also subject to inherent uncertainty due to the lack of sufficient scientific knowledge required to determine the values used for emission factors and to combine different gas emissions.

Responsibilities of Management and Those Charged with Governance for Sustainability Information

The Group's management is responsible for the following:

- The preparation of the Sustainability Information in accordance with the TSRS;
- The design, implementation, and maintenance of internal control as deemed necessary to ensure that the Sustainability Information is prepared free from material misstatement, whether due to fraud or error;
- Additionally, the Group's management is also responsible for selecting and applying appropriate sustainability reporting methods, as well as making reasonable assumptions and estimates that are appropriate to the circumstances.

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

Auditor's Responsibilities for the Limited Assurance Engagement on Sustainability Information

We are responsible for the following:

- To plan and perform the engagement to obtain limited assurance about whether the Sustainability Information contains material misstatements, whether due to fraud or error.
- To reach an independent conclusion based on the evidence obtained and the procedures performed; and
- To communicate our conclusion to the management of Group.

As we are responsible for expressing an independent conclusion on the Sustainability Information prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information, as such involvement could compromise our independence.

Professional Standards Applied

Our limited assurance engagement was conducted in accordance with Assurance Engagement Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and Assurance Engagement Standard 3410 "Assurance Engagements on Greenhouse Gas Statements" as issued by the POA. Our responsibilities under these assurance standards are described in detail in *the "Auditor's Responsibilities for the Limited Assurance Engagement on the Sustainability Information"* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and Quality Management

We have complied with the independence requirements and other ethical provisions of the Code of Ethics for Independent Auditors (including Independence Standards) issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

KPMG is responsible for implementing the provisions of Quality Management Standard 1 ("QMS 1") *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, for maintaining a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Work Performed as a Basis for the Limited Assurance Conclusion

We are required to plan and perform our work to address areas where we have identified a higher risk of material misstatement in the Sustainability Information. The procedures we apply are based on our professional judgment. In conducting our limited assurance engagement on the Sustainability Information:

- Interviews were conducted with key senior personnel of the Group to understand the processes in place for the preparation of the Sustainability Information for the reporting period;
- The Group's internal documentation was used to evaluate and review the sustainability-related information;
- An evaluation of the disclosure and presentation of the sustainability-related information has been performed
- Through inquiries, an understanding was obtained regarding the Group's control environment and information systems related to the preparation of the Sustainability Information. However, the design of specific control activities was not evaluated, no evidence was obtained regarding their implementation, and their operating effectiveness was not tested.
- The appropriateness of the Group's estimation methodologies and their consistent application have been evaluated. However, our procedures did not include testing the data on which the estimates are based or developing our own estimates to assess those made by the Group.
- The selection of quantification methodologies and reporting policies for greenhouse gases has been evaluated.
- The processes for identifying risks and opportunities deemed financially significant in conjunction with the Group's sustainability reporting processes have been understood.
- We performed analytical assurance procedures and related inquiries on a sample basis, recalculated figures, reviewed documentation, and tested data collection processes to assess the accuracy of the Group sustainability statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Erdal Tıkmak, SMMM

Partner

26 March 2026

İstanbul, Türkiye

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