

General Policy on Sustainability

Garanti BBVA

Sustainability

Istanbul, February 2025

No.: Version no.: Version date:

Estimated date of next review:

Issuing Area:

Scope of application:

Responsible party:

Tag(s):

General Policy on Sustainability

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1. Introduction

1.1 Sustainability as a Strategic Priority

In 2019, Garanti BBVA (hereinafter referred to as “Garanti BBVA” or “the Bank”) identified six strategic priorities, one of which is "helping our customers transition to a sustainable future."

Climate change represents one of the most significant transformation processes in history, with profound economic implications requiring adaptation by all stakeholders in our environment, including governments, regulators, businesses, consumers, and society as a whole.

The fight against climate change and the transition to a low-carbon economy, along with the preservation and restoration of biodiversity, have significant impacts on the value chains of most productive sectors and demand substantial investments across various industries. Moreover, technological advancements in energy efficiency, renewable energy, efficient mobility, and the circular economy serve as a source of new opportunities for all.

On the other hand, customers, markets, and society as a whole increasingly expect major companies not only to create value but also to contribute positively to society. Notably, these companies are expected to ensure that their support for economic development is inclusive.

Through this policy, Garanti BBVA aims to fulfill its role as demanded by society and to assist its customers in transitioning to a sustainable future. In this context, the Bank has declared its contribution to the United Nations' 2030 Sustainable Development Agenda and has become a signatory to the Principles for Responsible Banking and the Net-Zero Banking Alliance supported by the United Nations.

To shape this goal clearly and definitively, this Policy aims to outline Garanti BBVA's vision and general principles regarding its sustainability approach at the Bank ("Policy").

1.2 Regulatory Framework

This Policy was approved by the Board of Directors of Garanti BBVA on February 6, 2025, as detailed in the following provisions:

The Capital Markets Board ("CMB") made amendments to the Corporate Governance Communiqué No. II-17.1 within the framework of compliance with sustainability principles, as introduced by the Amendment Communiqué No. II-17.1.a. These amendments aim to fully fill the obligation to inform stakeholders.

2. Purpose and scope of application

Purpose

- 2.1 To implement the points mentioned in the previous section and ultimately align with the objectives of our Bank's sustainability efforts, this Policy defines and establishes the necessary principles and objectives.

Inspired by the Sustainable Development Goals (SDGs) adopted by the United Nations, as well as other supranational organizations focused on promoting sustainable development, combating climate change, and fostering inclusive and sustainable social development on a global scale, Garanti BBVA has prioritized "helping our customers transition to a sustainable future."

This Policy identifies and sets forth the general principles, key management, and control objectives that the Bank will follow in sustainable development. In line with the United Nations' definition, Garanti BBVA understands sustainable development as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. Sustainable development has emerged as a guiding principle for long-term global development that seeks to balance economic growth, social progress, and environmental protection. Garanti BBVA acknowledges the challenges of achieving sustainable development from a holistic perspective. Consistent with its goal of "bringing the opportunities of this era to everyone," the Bank aims to create a positive impact through the activities of its customers, its own operations, its relationships with society, and its commitments.

Scope of application

2.2 This Policy serves as a reference framework for creating and enhancing local or sectoral corporate governance policies and systems that will be consistent and aligned within the Bank.

In any case, the implementation of this Policy will take into account the nature, scale, and complexity of the risks inherent in the business model and the activities carried out by each Bank entity, as well as compliance with applicable local and sectoral regulations.

Finally, references made in this Policy to different areas, units, and committees of the Bank encompass those responsible for fulfilling their functions at any given time, and their naming may be subject to change.

3. General Principles

3.1 In conducting its activities, Garanti BBVA considers the following principles:

- Integrity
- Prudent risk management
- Transparency
- Achieving a profitable and sustainable long-term business
- Creating long-term value for all stakeholders
- Compliance with applicable laws at all times

3.2 In this context, the following principles have been established in this Policy for the area of sustainability:

- Acting as a lever for behaviours and actions developed **to support customers in transitioning to more sustainable business models.**
- Gradually **incorporating sustainability opportunities and risks** into strategies, activities, processes, and risk management.
- Paying attention to the **direct and indirect environmental and social impacts** of all activities, including those of subsidiaries, promoting positive impacts and reducing negative ones.

- **Respecting human rights** in line with national and internationally recognized commitments to which the Bank is a signatory.
- **Developing community investment programs and activities** to address the most important challenges facing society with a view to creating opportunities for all.
- With the aim of creating opportunities for all, collaborating with other stakeholders (employees, shareholders, suppliers, or society in general) **to participate as an agent of social change**, and while doing so, sharing skills, business experiences and resources.

4. Policy Provisions/Guidelines

4.1 Sustainability Action Focus Areas

The Bank's main focus areas for sustainability actions are as follows:

- **Combatting climate change and protecting natural capital:** Acting as a catalyst for global efforts aimed at transitioning to a net-zero emission economy by 2050 and accelerating the protection of natural capital.
- **Inclusive growth:** The Bank acts as a catalyst for change, society's well-being and economic growth, leaving no one behind and making the opportunities of this new era accessible to all.

4.2 The Bank's Sustainability Objectives

Based on the two main focus areas of sustainability actions outlined in the previous section, the specific sustainability objectives of the Garanti BBVA Group (hereinafter referred to as "Group Sustainability Objectives") at the time this Policy was prepared are as follows:

- 1. Promoting new business through sustainability:** Identifying new opportunities, innovating by developing sustainable products, and integrating sustainability risks into the Group's management processes to offer advice to individual and corporate clients.
- 2. Achieving carbon neutrality in greenhouse gas emissions:** Reducing the Group's direct and indirect emissions through its clients, aiming for net-zero carbon by 2050 in line with the Paris Agreement targets.

3. Promoting integrity in stakeholder relations: Ensuring responsible relationships with clients and suppliers, encouraging diversity and inclusion within the team, enhancing transparency, and promoting investments in society.

4.3 Promoting Sustainability Across the Garanti BBVA Group

The Bank's commitment to sustainability in all companies that are part of the Garanti BBVA Group means that sustainability principles and targets are integrated into the daily activities of the Group, both as part of its internal processes and in its relations with customers and other stakeholders (employees, shareholders, suppliers or society in general).

To this end, a **Sustainability Unit** within the Bank is responsible for designing and promoting the Group's strategic sustainability agenda, advancing business development in this area, setting sustainability objectives for the Group, and coordinating various work areas related to sustainability.

The implementation of the sustainability strategy covers the entire Garanti BBVA Group, with relevant areas responsible for progressively incorporating this strategy into their strategic agendas and operational dynamics. The Garanti BBVA Sustainability Unit is tasked with publishing the Bank's sustainability principles and objectives, offering guidance for their implementation, and integrating them into the Group's operations and internal regulations.

For this purpose, the principles, commitments, communication, participation and dialogue channels applied to each stakeholder and specific action areas in the Bank's different areas in the field of sustainability are listed below:

Stakeholders and other groups

■ **Clients:** The Bank places its clients at the center of its activities, aiming to assist them in transitioning to a more sustainable future, accompany them on their decarbonization journeys, provide innovative solutions to finance investments with positive environmental and social impacts, and address challenges related to sustainability. Client relationships are based on transparency, openness, and accountability. The Bank adheres to various internal regulations, including the Code of Conduct, to fulfill this purpose.

■ **Employees:** The Bank is fundamentally committed to respecting human rights, promoting diversity, ensuring equal opportunities, and preventing discrimination based on gender, race, ethnicity, disability, religion, sexual orientation, or political opinion. Furthermore, it fosters a culture of social and environmental responsibility that facilitates professional development, awareness of environmental and social challenges, training (including on sustainability), work-life balance practices, and participation in volunteer activities. Garanti BBVA has different internal regulations and Code of Conduct Principles within the framework of the Talent and Culture Area.

■ **Shareholders and Investors:** The Bank engages in a regular dialogue with its shareholders and investors, facilitating their information on issues that may be of interest to them in order to enable them to exercise their voting rights and investment decisions appropriately. To this end, the Bank publishes information in a continuous, regular and timely manner, and its regulations include a Garanti BBVA Disclosure Policy, which, among other things, promotes transparency and accuracy in the distribution of information to its shareholders and investors, equal treatment among shareholders, and takes into account channels of communication, participation and dialogue with shareholders and investors. Within this framework of dialogue and transparency, Garanti BBVA communicates its commitment to combating climate change, decarbonization and preserving natural capital, and informs the public about advanced sustainability standards, among other issues. In addition, the Bank publishes their annual Integrated Report in line with the **Turkish Sustainability Reporting Standards (TSRS)**, which aims companies to inform their investors about climate change-related risks and how they are managed.

■ **Suppliers:** The Bank incorporates this Policy's principles into its supplier relationships, providing comprehensive and transparent information during procurement processes, ensuring compliance with legal requirements related to labor and environmental issues, respecting human rights, and promoting the demand for socially responsible products and services. These commitments are included in the Bank's different internal regulations, which define Garanti BBVA's general procurement principles and the ethical rules of suppliers.

■ **Regulators and Supervisors:** The Bank complies with all applicable regulatory frameworks in the jurisdictions where it operates. It maintains constructive and regular dialogue with

regulatory and supervisory authorities to collaborate on public policies that promote responsible banking practices and create more opportunities for society.

■ **Social Investment:** The Bank prioritizes the development of the communities it serves by encouraging investment and participation in community development activities. In this context, the Bank prioritizes the following areas, but may also focus on other areas in the future:

- Combating climate change
- Protecting natural capital
- Education
- Financial literacy
- Entrepreneurship
- Supporting vulnerable groups
- Science, knowledge, and culture
- Corporate social responsibility
- Emergency response
- Gender equality

Action Areas

■ **Tax Responsibility**

Garanti BBVA conducts its activities in compliance with its tax obligations and avoids any unlawful non-payment of taxes or any practices that involve harming the public treasury. To this end, BBVA's Internal Tax Regulation contains corporate principles for all tax matters and strategy, including the promotion of honesty, transparency and prudence in Garanti BBVA Group's taxation.

■ **Prevention of Illegal Conduct and Corruption**

The Code of Conduct states that Garanti BBVA promotes compliance with legal obligations and avoids behaviors that are contrary to internal rules and policies or that may harm Garanti BBVA's assets, image or reputation.

Garanti BBVA also has a broad internal regulatory framework for the prevention of unlawful behaviors, including an Anti-corruption Policy and other specific policies addressing the main

activities that are likely to create risks of this nature, as well as a Crime Prevention Program that is part of the general internal control model for the legal entity.

■ **Commitment to Human Rights**

Garanti BBVA guarantees compliance with all applicable laws and respect for internationally recognized human rights in all its relations with its employees, customers, shareholders, suppliers and, in general, the communities in which it conducts its business and activities. Garanti BBVA has a commitment to human rights, which is an indispensable requirement of its action and aims to guarantee respect for the dignity and inherent rights of all people. This commitment is coordinated around the stakeholders with whom it interacts, in line with the UN Guiding Principles on Business and Human Rights. In order to ensure compliance with these UN Guiding Principles on Business and Human Rights, Garanti BBVA includes due diligence processes to identify and assess risks from a human rights perspective, resulting in the development of relevant actions and improvement plans. Garanti BBVA also references the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the Core Conventions of the International Labor Organization.

■ **Participation in International Initiatives**

Garanti BBVA supports and participates in initiatives that it deems to be in line with the bank's strategy and priority action areas; these initiatives support the necessary change to ensure a better future by promoting the positive contribution of the financial sector in our society and to create opportunities for everyone, both today and for future generations. For this reason, Garanti BBVA actively participates in different global initiatives that aim to decarbonize the planet, protect the environment and natural capital, promote inclusive growth and diversity, and promote responsible conduct of business. The bank aims to play a leading role in the international agenda in these areas. To this end, Garanti BBVA's role in international initiatives such as the United Nations Net Zero Banking Alliance, the United Nations Global Compact, the United Nations Principles for Responsible Banking or the United Nations Principles for the Empowerment of Women is particularly noteworthy.

5. Governance and Monitoring Model

5.1 Policy Approval, Responsible Parties, and Governance Model

■ This Policy was approved by the Board of Directors on February 6, 2025, and came into effect on the same date.

■ The Policy was prepared by the Sustainability Unit in collaboration with the **Internal Control Center, Compliance Department, Legal Advisory - Enterprise, Talent and Culture, Tax Operations Management, Corporate Brand Management and Marketing Communication Department, and Procurement Department**, each within their areas of responsibility.

■ The execution of this Policy on a local basis is the responsibility of the **Deputy General Manager of Commercial Banking** at the executive level, with the **Sustainability Unit reporting to this position**. The Sustainability Unit is tasked with presenting the Policy for approval, disseminating it, raising awareness among those subject to the Policy, and ensuring its implementation across Garanti BBVA subsidiaries and affiliates as needed.

■ The "Responsible Person" is obligated to be aware of the implementation level of the General Policy, Standard, or Procedure based on information provided by the senior executives of the relevant units and to take and report necessary corrective actions when the policy is not adequately implemented.

5.2. Oversight and Control

■ Senior Executives responsible for areas affected by the Policy will ensure that adequate tools, systems, and structures are provided for compliance with the Policy, within their respective areas of responsibility and as applicable.

■ The degree of compliance with and progress of this Policy will be monitored according to the current control model. Various control functions and units within Garanti BBVA will actively and regularly collaborate to monitor the implementation of General Policies under their respective authorities and responsibilities.

■ In alignment with the defined governance model, the implementation of General Policies will be monitored by the Board of Directors as the ultimate supervisory and management body of Garanti BBVA, either directly or indirectly through the Sustainability and Responsible Banking Committee. This will involve periodic or ad hoc reports submitted by the Sustainability team, the Responsible Banking team, or managers integrating sustainability into their daily operations and activities, or by Bank executives overseeing control functions. Internal Audit and control functions at the Bank will also periodically monitor and track implementation.

■ At least once a year or as required by emerging developments, the Sustainability Unit will conduct reviews of the Policy for potential revisions. Any necessary or desired changes will be submitted to the governing bodies of Garanti BBVA for approval.

■ Oversight of compliance with this Policy and its progress will be conducted in alignment with the Bank's internal control model, designed to manage risks effectively. This model is structured around three independent lines of defense.

Non-financial risk specialists will analyze the provisions of this Policy to identify potential risks, particularly focusing on legal, process, behavioural, and compliance risks. These risks will be integrated into mitigation and control frameworks and actively monitored for implementation.

All areas will incorporate the Principles outlined in this Policy and the actions required to achieve Garanti BBVA Group's Sustainability Objectives into their operations and procedures. Processes will be adjusted to include necessary controls, ensuring appropriate management in accordance with the Group's control model.

Monitoring and reporting of risk and control aspects will be carried out in line with the governance system established within the framework of Garanti BBVA Group's General Risk Management and Control Model and applicable specific risk policies.

■ Even if it is not within their area of responsibility, individuals who have information, indications or suspicions about an action or situation that may be contrary to this Policy or the relevant Internal Regulations, values and principles are required to report it in accordance with the steps specified in the Code of Conducts, including the Whistleblowing Channel.

Glossary

Paris Agreement: An international agreement signed by over 190 countries in November 2016, aimed at significantly reducing greenhouse gas emissions to limit global temperature rise within this century to 2°C, with efforts to further limit the increase to 1.5°C. It sets long-term goals for reviewing commitments every five years and providing financial support to developing countries to mitigate climate change, strengthen resilience, and adapt to its impacts.

United Nations 2030 Agenda for Sustainable Development: A resolution adopted by UN member states in the General Assembly that includes the 2030 Sustainable Development Agenda. It serves as an action plan for people, the planet, and prosperity while aiming to strengthen universal peace and access to justice. The agenda outlines 17 Goals and 169 integrated and indivisible targets encompassing economic, social, and environmental dimensions.

Natural Capital: The Earth's natural assets (soil, air, water, vegetation, and animal communities) and the ecosystems formed by these assets that enable human life.

Universal Declaration of Human Rights: A comprehensive set of human rights documents proclaimed by the United Nations.

Sustainable Development or Sustainability: Meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

Governing Bodies: Refers to the Garanti BBVA Board of Directors or relevant committees.

Subsidiaries: All companies that constitute the Garanti BBVA Group and are under the management control of Garanti BBVA.

Stakeholders: Includes customers, employees, shareholders and investors, suppliers, regulators, supervisors, and society at large.

OECD Guidelines for Multinational Enterprises: Recommendations from governments to multinational enterprises operating in or from member countries. These guidelines aim to encourage positive contributions to economic, environmental, and social progress globally.

UN Global Compact: A UN initiative calling on businesses and organizations to align their strategies and operations with Ten Universal Principles in areas such as human rights, labor standards, the environment, anti-corruption, and the support of Sustainable Development Goals (SDGs).

UN Principles for Responsible Banking: Principles designed to guide banks in aligning their operations strategically with global, regional, and national development and sustainability goals.

UN Women's Empowerment Principles: A set of principles aimed at helping the private sector focus on key elements for promoting gender equality in the workplace, marketplace, and community.

UN Guiding Principles on Business and Human Rights: Principles that emphasize the responsibility to respect, protect, and fulfill human rights and fundamental freedoms, with an acknowledgment of corporate obligations to comply with laws and respect human rights, accompanied by effective remedies for rights violations.

Senior Executive: Includes Deputy General Managers, managers of units within the Internal Systems framework, and other managers who, regardless of title, hold roles equivalent to or above that of a Deputy General Manager.

Responsible Person: Individuals authorized by Senior Executives to oversee the implementation of General Policies or Standards and report to Senior Executives for Procedures.

General Governance and Control Framework: A set of key governance and control guidelines approved by the Governing Bodies under the Internal Regulations Framework. These include strategic forward-looking decisions such as the Strategic Plan, Risk Appetite Framework, Capital and Liquidity Plan (ISEDES), and Liquidity Contingency Plan.

Standards: Under the Internal Regulations Framework, Standards are designed to enhance General Governance and Control Framework aspects by defining governance and control models applicable to General Policies or management responsibilities of involved parties.

Procedures: Procedures, developed under the Internal Regulations Framework, aim to operationalize Standards and General Policies by defining governance and control models and

responsibilities specific to each procedure. They may address multiple areas while remaining consistent with the Internal Regulations, Standards, and the General Governance Framework.

General Policies: Established under the Internal Regulations Framework, General Policies set forth principles, objectives, and foundational management and control guidelines for Garanti BBVA's various activity areas. They are part of the General Governance and Control Framework, enhancing or detailing certain aspects of it.

Internal Regulations: Binding provisions within the Internal Regulations Framework that define the operational framework for individuals, business areas, and activities within Garanti BBVA. These regulations aim to ensure compliance with legal requirements, support the General Governance and Control Framework, and regulate the structure and functioning of specific activity areas.

Change Log

Date	Description of the change	Author
09/09/2021	■ First publication	Investment Banking and Finance Department
03/11/2022	■ Within the scope of compliance with the Internal Regulation Standard and in line with the organizational changes in the Bank, an update process was carried out.	Sustainability Unit
06/02/2025	■ This is an update made within the scope of compliance with BBVA Sustainability Policy.	Sustainability Unit