

ALBARAKA TÜRK 2025
TÜRKİYE SUSTAINABILITY REPORTING STANDARDS (TSRS)
COMPLIANT SUSTAINABILITY REPORT



Table of Contents



ABOUT THE TSRS REPORT

2

2	ABOUT THE TSRS REPORT
2	About Albaraka Türk Participation Bank
3	General Information on the Bank and the Structure of the Value Chain
4	Report Scope
6	Transitional Provisions
7	Reporting Entity Boundaries and Measurement Approach



SUSTAINABILITY GOVERNANCE

8

8	SUSTAINABILITY GOVERNANCE
10	Board-Level Experience
12	Corporate Sustainability Organizational Structure and Responsibilities
14	Sub-Working Groups
15	Our Policies
15	Sustainability Policy
16	Environmental Policy
16	Climate Risk Policy
17	Relationship Between Performance and Remuneration



OUR SUSTAINABILITY STRATEGY

18

18	OUR SUSTAINABILITY STRATEGY
19	Financial Materiality
19	Time Horizon Definitions for Climate-Related Risks and Opportunities
20	Climate-Related Risks and Opportunities
30	Climate-Related Strategy and Decision-Making Processes
31	Climate Resilience and Scenario Analyses
34	Responsible Banking and Environment-Focused Transformation
35	Sustainable Finance Strategy and Product Portfolio
36	Environmental and Social Risk Framework



SUSTAINABLE RISK MANAGEMENT

38

38	SUSTAINABLE RISK MANAGEMENT
39	Climate Change Risk Management and Audit Mechanism
40	Approach to Monitoring Climate-Related Risks
42	Heat Map
44	Prioritization of Climate-Related Risks and Opportunities
46	Climate-Related Risk and Opportunity Assessment Matrices



CLIMATE-RELATED METRICS AND TARGETS

48

48	CLIMATE-RELATED METRICS AND TARGETS
48	Our Emissions
50	Energy Consumption and Use of Renewable Energy
51	Remuneration Approach
51	Assets and Activities Vulnerable to Climate-Related Transition Risks
51	Assets and Activities Vulnerable to Climate-Related Physical Risks
52	Assets and Activities Aligned with Climate-Related Opportunities
52	Financial Resource Management for Climate-Related Risks and Opportunities
53	Targets



APPENDICES

64

56	EVENTS AFTER THE REPORTING PERIOD
57	CALCULATION PRINCIPLES FOR METRICS
64	APPENDICES
64	Sector-Based Metrics
66	Glossary of Technical Terms and Abbreviations
68	TSRS INDEX
70	INDEPENDENT ASSURANCE REPORT
73	STATEMENT OF RESPONSIBILITY REGARDING COMPLIANCE REPORT FOR TURKISH SUSTAINABILITY REPORTING STANDARDS (TSRS) FOR THE PERIOD OF 1 JANUARY 2025 – 31 DECEMBER 2025

About Albaraka Türk Participation Bank

Albaraka Türk Katılım Bankası Anonim Şirketi ("The Parent Bank") was incorporated on November 5, 1984 with the name of Albaraka Türk Özel Finans Kurumu A.Ş., based on the decision of the Council of Ministers numbered 83/7506 and dated December 16, 1983 regarding establishments of Special Finance Institutions and obtained the operating permission from the Central Bank of Türkiye with the letter numbered 10912 and dated January 21, 1985. The decision regarding the change in the title of the Parent Bank, in relation with the provisions of the Banking Law numbered 5411, was agreed in the Extraordinary General Meeting dated December 21, 2005 and the title of the Parent Bank was changed as "Albaraka Türk Katılım Bankası A.Ş.". The change in the title was registered in İstanbul Trade Registry on December 22, 2005 and published in the Trade Registry Gazette dated December 27, 2005, numbered 6461. The Parent Bank together with its consolidated subsidiaries is referred to as the "Group" in the accompanying consolidated financial statements. The Parent Company Bank, headquartered in İstanbul, had consolidated assets of TL 471 billion as of December 31, 2025, and operates with 223 branches in Türkiye, 2 branches abroad, and 2,858 employees.

As of March 31, 2026, 53.39% of the Bank's shares (December 31, 2025: 45.09%) are owned by Albaraka Group, while 42.03% (December 31, 2025: 42.02%) consist of publicly traded shares quoted at Borsa İstanbul. Rest belongs to different real persons and corporate entities.

The Parent Bank operates in accordance with the principles of interest-free banking as a participation bank. The Parent Bank mainly collects funds through current accounts and participation accounts based on profit and loss sharing agreements and investment agency agreements, which are only for legal entities. The Parent Bank lends such funds through corporate finance support, retail finance support,

profit/loss sharing investment, finance lease, financing commodity against document and joint investments.

In addition to its ordinary banking activities, the Parent Bank operates as an insurance agency, as a private pension insurance agency as a brokerage agency, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services. Moreover, the Parent Bank is involved in providing non-cash credits that mainly comprise letters of guarantee, letters of credit and acceptances.

Details of the Bank's subsidiaries and joint ventures are presented in the table below:

Table 1. Information on Subsidiaries

Title	Operation Center (City/Country)	Main Activities	Direct and Indirect Rates (%)
Albaraka Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Establishment and Management of Investment Funds	100.00
Katılım Emeklilik ve Hayat A.Ş.	İstanbul/Türkiye	Private Pension and Insurance	50.00
Bereket Varlık Kiralama A.Ş.	İstanbul/Türkiye	Lease Certificate (Sukuk) Issuance	100.00
Değer Varlık Kiralama A.Ş.	İstanbul/Türkiye	Lease Certificate (Sukuk) Issuance	100.00

General Information on the Bank and the Structure of the Value Chain

The sustainability-related financial disclosures cover the same reporting entity as the relevant consolidated financial statements. The reporting entity includes the parent bank, Albaraka Türk Participation Bank A.Ş., and its subsidiaries. In preparing the sustainability-related financial disclosures, Albaraka Türk has assessed both its own operations and its value chain. This value chain includes, among other elements, the group's joint ventures and affiliates.

Table 2. Structure of the Bank's Business Operations

Line of Business	Explanations	Geographical Regions	Share of Total Income (%)
Banking	As of year-end 2025, with 223 domestic branches and 2 branches abroad, the Bank operates in retail banking, private banking, corporate banking, and commercial banking.	Türkiye and Iraq	100

Table 3. Bank Value Chain Structure

Upstream Value Chain	Technology and Infrastructure Providers	Own Operations	Strategic Planning and Corporate Governance
	Suppliers		Human Resources Management
	Training and Consulting Services		Management of Subsidiaries and Associates
	Regulators and Legal Authorities		Payment Systems and Financial Services
	Financial Resource and Service Providers		Automation
	ESG Policies and Practices		Banking Services Management
	Shareholders		Information Security
	Rating Agencies		Innovation and Product Development
Downstream Value Chain	Financial Advisory		Operational Activities
	Banking Services		Communication Process Management
	Financial Inclusion		Credit Processes
	Green Products		Fundraising
	Customer Lending		Environmental, Social, and Governance (ESG)
	Business Partners		Asset Management
	Investor Relations		Risk Management
	Investment Management		Internal Management and Policies
	Brokerage Services		Operational Efficiency
	Marketing and Sales		
	Customer Relationship Management		

Report Scope

Albaraka Türk Participation Bank A.Ş. (“Albaraka” or “the Bank”) is a publicly traded company established in Türkiye and listed on the Borsa İstanbul (BIST). This report contains the consolidated climate-related financial disclosures of the Bank and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2025.

Explanations of the technical terms and abbreviations used in the report are provided in the “Glossary of Technical Terms and Abbreviations” section.

Financial Reporting Standards and Consolidation Principles

The consolidated sustainability- and climate-related disclosures in this report have been prepared to cover the financial subsidiaries consolidated in the Bank’s financial statements as of December 31, 2025, which were prepared in accordance with the Regulation on Accounting Practices and Document Retention Procedures for Banks, other regulations, communiqués, statements, and circulars issued by the Banking Regulation and Supervision Agency (“BRSA”) regarding the accounting and financial reporting principles of banks, and, for matters not regulated therein, the provisions of the Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) (collectively referred to as the “BRSA Accounting and Financial Reporting Legislation”).

TSRS 1 and TSRS 2 Declaration of Compliance

The report covers the financial reporting period from January 1 to December 31, 2025, and has been prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS 1 and TSRS 2) published by the KGK in the Official Gazette dated December 29, 2023, and numbered 32414(M). The scope of the report fully corresponds with the 12-month reporting period of the relevant consolidated financial statements. The TSRS constitute the national reporting framework published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) and fully aligned with the global standards (IFRS S1 and S2) developed by the International Sustainability Standards Board (ISSB). The TSRS enable companies to disclose their sustainability-related risks and opportunities from a financial perspective in a transparent, comparable, and consistent manner. The report is structured under the four core sections of the TSRS: Governance, Strategy, Risk Management, and Metrics and Targets. Within this scope, the integration of climate-related risks into our corporate risk management system and the potential effects of these risks on the financial statements are presented through technical analyses.

In this context, pursuant to TSRS 1, “General Requirements for Disclosure of Sustainability-related Financial Information,” infrastructure-related work concerning risks and opportunities that may affect our Bank’s access to finance, cost of capital, and cash flows over the short, medium, or long term is ongoing, and disclosures regarding these risks and opportunities have not been included in this reporting period.

Under TSRS 2, “Climate-related Disclosures,” which completes the framework, the operational and financial implications of climate change have been analyzed from the perspective of both acute and chronic physical risks and transition risks involving policy, legal processes, and market dynamics, and presented for the information of our stakeholders.

Sustainability Journey and Materiality Analysis

Within the scope of the assessment conducted by the Bank, climate-related risks and opportunities that are of critical importance to the Bank have been detailed in the report. Nevertheless, to ensure that primary users, such as investors and regulators, have access to complete, transparent, and accurate information, risks and opportunities that were included in the assessment but whose financial impact is not yet foreseeable or that remain below the defined materiality threshold have also been included in the report.

Sector-Based Application and SASB Integration

As Albaraka Türk, the disclosure topics and questions within the Sustainability Accounting Standards Board (SASB) framework have been comprehensively evaluated. During this process, while planning the integration of environmental, social, and governance (ESG) criteria into credit assessment processes, the sector-based application guidelines defined in the TSRS 2 Guidance were also taken into consideration. In line with the Bank's activities, TSRS 2 Appendix Volume 16 – Commercial Banking was used as a guide.

Report Boundaries

The terms “the Bank” “our Bank” and “the Parent Bank” used in this report refer to Albaraka Türk Participation Bank A.Ş. Unless otherwise stated, all data and disclosures presented cover the activities conducted by our Bank in Türkiye. Assessments regarding climate-related risks and opportunities, reflect the entirety of our Bank's operations and value chain. This value chain includes various components, particularly the Group's joint ventures and associates. Through this report, Albaraka Türk aims to provide its stakeholders with measurable data and transparently share its forward-looking sustainability commitments.

The scope of sustainability-related information included in the reporting entity and the consolidated sustainability report is summarized below:

Table 4. Entities and Assets Included in the Reporting Scope, and Related Information

Entities and assets included in the reporting entity	Additional Information	Considered and included information
Parent Bank and Subsidiaries	-	Greenhouse Gas Emissions
Leased assets (in cases where the group is the lessor)	Branches and Regional Directorates	All information related to sustainability Activities

The sustainability- and climate-related financial disclosures included in the report are consistent with the Bank's 2025 consolidated financial statements, and Turkish Lira (TL) has been used as the currency.



Transitional Provisions

Albaraka Türk conducted its first reporting under the Türkiye Sustainability Reporting Standards (TSRS) for the 2024 reporting period. Pursuant to the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority (KGK) dated December 29, 2023, and numbered 21632, certain transitional exemptions are available to entities complying with the TSRS for the first time. In accordance with this decision, the application period of certain transitional exemptions relating to the first application period has been extended by one year.

In this context, the duration of the transitional exemptions relating to the first annual reporting period set out in paragraphs E4, E5, and E6(b) of TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information has been extended by one year pursuant to the relevant Board Decision. Accordingly, our Bank continues to benefit from the following exemptions during the 2025 reporting period:

- This report focuses solely on the disclosure of information related to climate-related risks and opportunities in accordance with the relevant transitional provisions of TSRS 2. By benefiting from this transitional exemption, our Bank has applied the provisions of TSRS 2 during this period only to the extent of the provisions relating to the disclosure of climate-related risks and opportunities. The use of this exemption is transparently disclosed to the public and our stakeholders.
- Calculations relating to Scope 3 greenhouse gas emissions have not been presented in this reporting period within the scope of the transitional exemptions.
- Comparative information is provided only for climate-related risks and opportunities.
- In this context, the transitional exemption set out in paragraph E4(b) of TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information has been applied.

Reporting Entity Boundaries and Measurement Approach

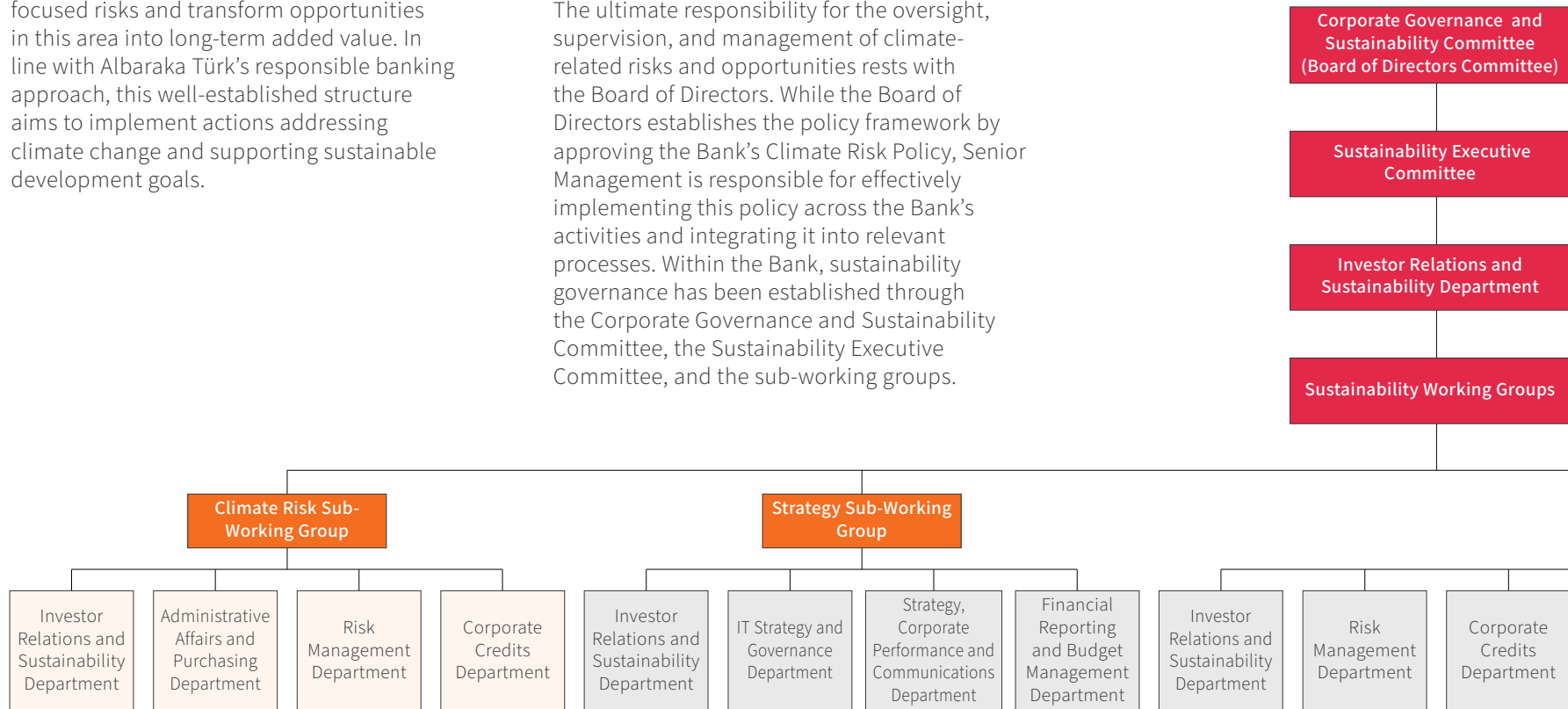
In determining and reporting the greenhouse gas inventory, the financial control approach was applied in 2025. While the operational control approach was used as the basis for determining organizational boundaries in the 2024 reporting, the Bank transitioned to the financial control approach for the 2025 reporting period in order to strengthen methodological alignment with the scope of financial reporting. This change aimed to ensure that greenhouse gas emission data are prepared in accordance with control and consolidation principles aligned with the financial statements and to strengthen the connectivity and consistency between sustainability disclosures and financial information. The Bank continues to measure, monitor, and report its sustainability performance in line with national and international best practices and aims to provide reliable, comparable, and transparent information to all stakeholders, particularly investors, through independently assured sustainability data.

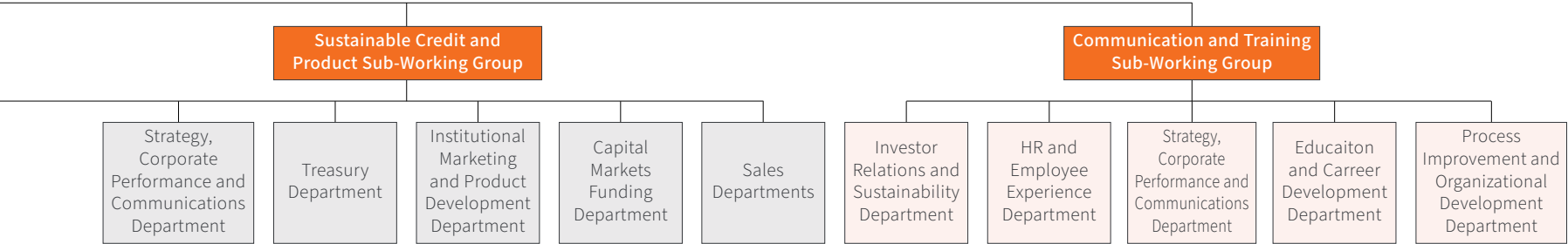


SUSTAINABILITY GOVERNANCE

Albaraka Türk has established a transparent and accountable sustainability governance structure extending from the Board of Directors to all operational units in order to manage Environmental, Social and Governance (ESG) focused risks and transform opportunities in this area into long-term added value. In line with Albaraka Türk's responsible banking approach, this well-established structure aims to implement actions addressing climate change and supporting sustainable development goals.

Albaraka Türk manages its sustainability activities and climate-related risks through a holistic approach within an organizational structure comprising committees reporting to the Board of Directors at the highest level. The ultimate responsibility for the oversight, supervision, and management of climate-related risks and opportunities rests with the Board of Directors. While the Board of Directors establishes the policy framework by approving the Bank's Climate Risk Policy, Senior Management is responsible for effectively implementing this policy across the Bank's activities and integrating it into relevant processes. Within the Bank, sustainability governance has been established through the Corporate Governance and Sustainability Committee, the Sustainability Executive Committee, and the sub-working groups.





Board-Level Experience

Table 5. Corporate Governance and Sustainability Committee

Committee	Committee Members	Position	Committee Role	Banking and Professional Experience
Corporate Governance and Sustainability Committee	Dr. Bekir PAKDEMİRLİ	Board Member	Committee Chairman	29 Years
	Akram YASSIN	Board Member	Committee Member	39 Years
	Turgut SİMİTCİOĞLU	Board Member	Committee Member	36 Years
	Seyfullah DEMİRLEK	Investor Relations and Sustainability Manager	Committee Member	18 Years



Table 6. Committee-Based Competencies of the Board Members

Board Member	Banking / Finance	Risk Management	Audit and Internal Control	Sustainability / ESG	Corporate Governance	Strategy and Leadership
Houssem BEN HAJ AMOR	*	*			*	*
Dr. Bekir PAKDEMİRLİ	*		*	*	*	*
Turgut SİMİTÇİOĞLU	*			*	*	*
Ömer ÇEKİÇ	*				*	*
Dalia Hazem G. KHORSHID	*				*	*
Azhar Aziz DOGAR	*	*			*	*
Akram YASSIN	*			*	*	*
Khaled Abdulla Mohamed ATEEQ	*	*	*		*	*
Malek Khodr TEMSAH	*			*	*	*

In November 2025, a comprehensive four-hour awareness workshop titled “Sustainability and Sustainable Finance” was held for the members of the Board of Directors. Accordingly, it was planned to raise awareness through relevant training support to enable topics such as

sustainable finance, TSRS compliance, and financed emissions to be assessed at Board level. Led by Seyfullah Demirlek, who has experience in the field of sustainability since 2017 and was appointed as Manager in 2022, the Sustainability Unit consists of one manager

and two specialists. Through its technical expertise and data analysis capabilities, the Unit ensures the coordination and corporate structuring of sustainability activities and the effective management of the relevant processes.

Corporate Sustainability Organizational Structure and Responsibilities

At Albaraka Türk, the governance of sustainability activities, their integration into strategic decision-making processes, and coordination across the organization are ensured through defined management and working groups.

Our Committees Supporting Sustainability

Corporate Governance and Sustainability

Committee: The Corporate Governance and Sustainability Committee is established and authorized by the Board of Directors in accordance with the Bank's Articles of Association and the regulations of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board of Türkiye (CMB). The Committee consists of at least two members selected by the Board of Directors. The Chair of the Committee is selected from among the independent members of the Board of Directors.

The Committee is responsible for overseeing the Bank's sustainability efforts and carries out its activities through regular meetings. The Committee holds four regular meetings a year. The monitoring of sustainability efforts, coordination of the sub-working groups, and reporting of sustainability-related matters to the Committee fall within the main responsibilities of the Investor Relations and Sustainability Department.

Committee Responsibilities:

- Provides recommendations for the implementation of sustainability and corporate responsibility projects that can convey the Bank's vision, mission, and corporate values to the broader public, stakeholders, and business partners.
- Establishes sustainability strategies and policies; ensures the integration of these policies into the Bank's operations, regularly monitors sustainability performance, and develops action recommendations where necessary based on the outcomes of such monitoring.
- Ensures the establishment of an Environmental, Social, and Governance (ESG) system; structures this system to function in integration with credit risk assessment processes.
- Identifies climate change-related risks, opportunities, and targets; prepares the necessary reports within this scope and submits them to senior management.
- Ensures compliance with national and international standards in the fields of sustainability and corporate responsibility; monitors the conformity of ongoing projects with relevant practices.
- Evaluates proposed corporate social responsibility projects in terms of budget, scope, and stakeholder impact; submits opinions and forwards approved projects to the Sustainability Executive Committee.

The committee met four times in both 2024 and 2025, with 100% member participation each year.

Sustainability Executive Committee:

The Sustainability Executive Committee is a body chaired by the General Manager and composed of the relevant Deputy General Managers and unit heads. It is responsible for the implementation, monitoring, and coordination of the Bank's sustainability strategies. The Committee carries out the implementation and monitoring of sustainability strategies within the framework of its own regulation. The activities to be carried out within the scope of the Bank's sustainability efforts and the actions required to be taken in accordance with the relevant legislation are evaluated by the sub-working groups and submitted to the Committee for its opinion and decision.

The Sustainability Executive Committee meets at least once a year, and additional meetings may be held at the request of the committee members where deemed necessary. The Committee agenda is prepared by the Sustainability Service within the Investor Relations and Sustainability Department. Decisions taken at the meetings are determined by a majority vote, recorded in writing, and signed by the members attending the meeting.

The Albaraka Türk Sustainability Executive Committee convened once in 2024 and twice in 2025 and adopted decisions aimed at ensuring the effective implementation of sustainability strategies.

Responsibilities of the Sustainability Executive Committee:

- As part of sustainability initiatives, it makes recommendations to the Sustainability Committee for the implementation of sustainability and corporate responsibility projects that can convey the Bank's vision, mission, and corporate values to the broader community, stakeholders, and business partners.
- Develops sustainability strategies and policies, integrates them into corporate operations, and monitors sustainability performance.
- Works to establish environmental, social, and governance (ESG) systems and integrate them

with the credit risk assessment system.

- Identifies climate change risks, opportunities, and targets, and carries out the necessary reporting.
- Monitors national and international practices and standards in the areas of sustainability and corporate responsibility, and ensures that projects and initiatives comply with these practices and standards.
- Evaluates the budget, scope, and stakeholders of requested corporate responsibility projects, submits them to the Sustainability Committee for approval, and reviews implemented projects at Sustainability Executive Committee meetings.
- Evaluations are conducted in accordance with the approval authorities and spending limits specified in the Bank's Donations and Aid Procedure.

2025 Sustainability Executive Committee Agenda Items:

- Integration of TSRS processes into the organization
- Green Asset Ratio (GAR) manual and digital reporting infrastructure
- Social impact projects and waste management practices
- Revision of the Sustainability, Environmental, Procurement, and Climate Risk Policies
- Processes related to portfolio emissions
- Environmental and Social Risk Assessment processes

Sub-Working Groups

At Albaraka Türk, various sub-working groups have been established to address sustainability activities in a comprehensive and multifaceted manner. Within their respective areas of expertise, these groups play an active role in common sustainability-related activities, such as identifying climate-related risks and opportunities and effectively managing sustainability communications. In this context, the relevant business units convene at regular intervals in meetings chaired by the sustainability team and carry out activities aimed at achieving sustainability targets.

Table 7. Number of Sub-Working Group Meetings and Meeting Agendas in 2025

Sub-Working Group	Number of Meetings		Agenda	
	2024	2025	2024	2025
Strategy Sub-Working Group	2	13	Green Asset Ratio (GAR) Analysis Study	Green Asset Ratio calculation methodology Process for identifying Taxonomy-aligned assets Data collection and verification mechanisms Relevant business units and responsibility matrix TSRS compliance roadmap Assessment of the current emissions management approach Identification of areas for improvement
Climate Risk Sub-Working Group	2	5	- Zero Waste Management Processes - Identification of Climate Risks and Opportunities - Data Infrastructure Analysis Study for Portfolio Emissions Calculation	Climate risk management framework and governance structure Integration of climate risks into enterprise risk management processes Current-state assessment of portfolio emissions calculation processes Identification of data gaps and areas for improvement
Communication and Training Sub-Working Group	3	1	- Development of the Sustainability Logo - Communication of CSR activities - Planning of internal and external stakeholder communications on sustainability	Sustainability communication planning

Our Policies

The Bank shapes its sustainable banking approach not only around financial performance, but also in line with environmental impacts, social contribution, and strong governance principles, and develops its policies within this framework. At Albaraka Türk, procedure and policy documents have been prepared and implemented to support the oversight of sustainability-related risks and opportunities.

These documents are reviewed at regular intervals to ensure that they remain up to date. During the update processes, approval from the Board of Directors is obtained.

The classification provided includes the key policy headings that reflect the Bank's operational approach and forward-looking strategic vision.



Sustainability Policy

Albaraka Türk considers sustainability an integral part of its core corporate values and participation banking principles. The Bank's Sustainability Policy is shaped within the framework of environmental impact, social contribution, and strong corporate governance principles, in line with its approach to balancing economic growth, social welfare, and environmental protection.

Within the scope of its sustainability strategy, the Bank carries out activities in areas such as the environment, human rights, occupational health and safety, business continuity, energy management, donation and aid processes, and banking activities. Acting in cooperation with its stakeholders, the Bank considers environmental

and social impacts in its lending activities and aims to contribute to a sustainable future through sustainable finance products and services.

Albaraka Türk carries out activities aimed at contributing to the United Nations Sustainable Development Goals in the areas highlighted through its materiality analysis and targets the reduction of direct and indirect greenhouse gas emissions in line with its net-zero carbon emissions target. The Bank assesses the impacts of climate-related risks and opportunities on its strategy and decision-making processes and carries out its environmental and climate change-related reporting in accordance with the TSRS and international standards.

Detailed information on the Sustainability Policy is available via the relevant [link](#).

Our Policies

Environmental Policy

In line with its sustainable banking vision, Albaraka Türk considers the management of its environmental impacts and the fight against climate change an integral part of its corporate governance structure. The Bank's environmental approach is shaped in accordance with the principles of transparency, accountability, regulatory compliance, resource efficiency, and proactive risk management.

In alignment with the United Nations 2030 Sustainable Development Goals and Türkiye's 2053 Net-Zero vision, the Bank carries out activities aimed at reducing natural resource consumption, enhancing energy efficiency, managing waste, promoting recovery, and continuously improving environmental performance.

Albaraka Türk regularly calculates greenhouse gas emissions arising from its operational activities and lending processes; identifies and monitors climate-related risks and opportunities; and continues its efforts to decarbonize its operations and credit portfolio in line with its 2053 net-zero target.

Detailed information on the Environmental Policy is available via the relevant [link](#).

Climate Risk Policy

The Policy aims to ensure the effective identification, measurement, monitoring, management, and reporting of climate-related financial risks to which Albaraka Türk Participation Bank A.Ş. is or may be exposed, within the scope of physical and transition risks. The Policy is implemented in line with the Bank's participation banking principles and responsible banking approach, and in alignment with its objectives of maintaining financial resilience, supporting sustainability, and creating long-term value.

The Policy is implemented in accordance with the principle of proportionality, adopting an approach aligned with the Bank's size, scope of activities, and operational complexity, while climate risks are assessed together with other types of financial risk within the framework of an integrated risk management approach. In cases where data uncertainties exist, conservative assumptions and a phased development approach are adopted in line with the prudence principle.

Detailed information on the Climate Risk Policy is available via the relevant link.

Our Policies:

- [Remuneration Policy](#)
- [Quality Policy](#)
- [Environmental Policy](#)
- [Sustainability Policy](#)
- Environmental and Social Risk Framework
- [Energy Policy](#)
- Climate Risk Policy
- [Personal Data Protection and Processing Policy](#)
- Customer Satisfaction Policy
- [Employee and Human Rights Policy](#)
- [Donation and Aid Policy](#)
- [Banking Ethical Principles](#)
- [Responsible Supplier Policy](#)
- [Occupational Health and Safety Policy](#)
- Information Security Policy and Information Security Organization Policy
- Cybersecurity Incident Management and Response Policy
- Business Continuity Policy
- Fraud Management Policy
- [Policy on the Prevention of Money Laundering and Financing](#)
- Information Classification and Clean Desk/Screen Policy

Detailed information on our policies is available in the [Albaraka Türk 2025 Integrated Annual Report](#).

Relationship Between Performance and Remuneration

As of 2025, climate-related matters and sustainability performance metrics have been integrated into remuneration policies. Within this scope, the Bank has added sustainability-related KPIs to senior management performance metrics and included the following provision in its Remuneration Policy: “The remuneration framework for responsible roles shall be determined by taking into account performance in relation to sustainability principles and guidelines.” Accordingly, a link has been established between climate and sustainability targets and senior executive performance and remuneration processes, and the practice is implemented within the framework of a model that supports sustainability governance.



OUR SUSTAINABILITY STRATEGY

At Albaraka Türk, sustainability is not limited solely to the management of environmental impacts; it represents a comprehensive transformation approach shaped in alignment with our participation banking values.

Our sustainability approach integrates environmental, social, and governance dimensions into our Bank's strategic decision-making processes, while considering climate change, resource efficiency, and sustainable development among its priority focus areas. Within this scope, climate-related risks and opportunities are addressed within our risk management processes.

Within the scope of its objective to contribute to sustainable development, the Bank plans to develop the necessary policies, processes, and practices to effectively manage and reduce the environmental impacts arising from its operations and financing activities.



Financial Materiality

In assessing climate-related risks and opportunities, the nature of the impacts, likelihood of occurrence, and potential magnitude were taken into account. Within this scope, the assessment was not limited to qualitative evaluations; quantitative materiality thresholds were also applied based on analyses conducted on the consolidated financial statements.

Table 8. Financial Impact Levels

Level of Financial Impact	Financial Impact
Low	0-1%
Medium	1-5%
High	>5%

This threshold amounts to 761,615 thousand TL, which corresponds to 5% of the pre-tax profit of 15,232,303 thousand TL as of December 31, 2025.

Time Horizon Definitions for Climate-Related Risks and Opportunities

Table 9. Climate Risk Maturity Definitions

Time Horizon	Year Range	Description
Short-Term	<1 Year	The Bank defines the short-term as a period of up to 1 year. During this period, progress toward strategic goals is monitored monthly, and steps to enhance operational efficiency and agility are prioritized to adapt to short-term market developments.
Medium-Term	1-5 Years	The medium-term covers a period of 1 to 5 years. During this timeframe, strategic action plans are developed and implemented to ensure compliance with national and international climate change and sustainability regulations. Within this framework, the Bank takes concrete steps to integrate Environmental, Social, and Governance (ESG) criteria into its business strategies.
Long-Term	>5 Years	The Bank defines the long-term as a period of 5 years or more. The primary objective during this period is to minimize climate and sustainability risks, with the goal of achieving a portfolio structure aligned with net-zero emissions. In this context, opportunities contributing to the transition to a low-carbon economy are evaluated.

Climate-Related Risks and Opportunities

At Albaraka Türk, the impacts of climate change on the banking sector are classified under two main categories: climate-related physical risks and transition risks. Physical risks cover the impacts of extreme weather events, floods, storms, and similar acute climate events on the Bank's operations and credit portfolio, while transition risks are assessed within the framework of regulatory changes and carbon costs that may affect customers operating in carbon-intensive sectors. Climate-related risks that can reasonably be expected to affect cash flows, access to finance, and financial performance in the short, medium, and long term are analyzed.

Due to the nature of banking activities, the financial resilience of customers in our credit portfolio may be exposed to the impacts of climate change. In particular, physical damage to financed real estate caused by floods, storms, droughts, and similar extreme weather events may lead to disruptions in customer activities, additional costs, and income losses. This may weaken customers' repayment capacity, increase credit risk, and result in a decline in collateral values.

Within the scope of transition risks, the financial performance of customers operating in carbon-intensive sectors may be adversely affected by international carbon regulations and increasing cost pressures. In particular, regulations such as the Carbon Border Adjustment

Mechanism implemented by the European Union create risks of higher costs and reduced competitiveness for customers operating in certain sectors. This may affect customers' capacity to meet their financial obligations and create default risk within the credit portfolio.

Furthermore, floods, storms, and similar extreme weather events arising from climate change are assessed as potentially causing physical damage to branches, operation centers, and critical infrastructure, leading to disruptions in operational processes and additional costs. The continuity of critical IT infrastructure is also exposed to the risk of being affected by such events.

The report also covers climate-related risks classified as low level. Although some of these risks have the potential to create limited impacts in the short term, they are monitored in line with the Bank's scale of operations, position in the sector, long-term sustainability targets, and the strategic importance it attaches to this matter.

In addition, within the framework of our corporate risk management approach, all identifiable risks, even those classified as low level, are planned to be monitored, their impacts assessed, and preventive actions taken where deemed necessary. In this context, low-level risks are also taken into consideration in terms of our sustainability performance

and decision-making processes and are assessed as having the potential to create proportionally significant impacts considering the scale of our institution.

Reputational risk, which was assessed among climate-related risks in the previous reporting period, was removed from the climate-related risks prioritized in the current reporting period following the assessments conducted, due to its limited financial impact and the absence of data of sufficient quality and scope to enable the relevant impact to be measured on a comparable basis.

Three product-related opportunities that were assessed separately in the previous reporting period have been consolidated under a single opportunity in the current reporting period. As these opportunities are similar in nature and their definitions are aligned with the Bank's ESG-focused product and service approach, a common opportunity definition has been established to enable a more holistic assessment. Within the scope of the opportunity's current impact, the total financing amount relating to environmentally friendly vehicle and housing financing has been presented on a combined basis. The financialization of renewable energy within the scope of the opportunity's current impact was addressed in the previous year's report. As a result of the analysis conducted, it was determined that the relevant matter did not qualify for assessment as an opportunity area; therefore, it was not included under the financialization heading within the current impact assessment.



Climate-Related Risks and Opportunities

Table 10. Extreme Weather Events Risk

	Risk Category	Risk Subcategory	Risk Definition	
	Physical - Acute	Extreme Weather Events Risk	Albaraka Türk anticipates that the direct physical impacts of climate change, especially through acute climate events such as severe weather incidents, may adversely affect the Bank's daily operational activities. Extreme weather conditions like severe storms, floods, or excessive temperatures can cause physical damage to branch buildings, data centers, or service infrastructure, leading to operational interruptions and disruptions in service continuity. This situation poses risks to customer service, business continuity, and operational reliability, while also necessitating strengthening physical security, infrastructure resilience, and crisis management capacity.	
	Impacts on the Business Strategy and Decision-Making Mechanism	Predicted Impacts on Business Model and Value Chain	Climate Risk Focus Areas	
Direct Risks	Damages that extreme weather events may cause to bank assets directly affect decision-making processes in strategic planning, including geographic risk analysis, infrastructure prioritization, and business continuity. This situation requires the reevaluation of long-term investment and risk management strategies to incorporate climate risks.	Physical damages that may occur in branches, operation centers, or critical infrastructure due to severe weather events linked to climate change can lead to interruptions in the bank's service delivery, putting operational continuity at risk. This situation may cause disruptions in customer access, a decrease in transaction volume, and short-term revenue losses. Additionally, the repair or reconstruction costs of the damaged physical assets may require the reallocation of financial resources, affecting the Bank's financial plans. These risks also test the resilience of the business model and necessitate strengthening the crisis management capacity within the value chain.	Climate-related physical risks, particularly due to extreme weather events, are concentrated in certain geographic areas where Albaraka Türk's branches, data centers, and operational facilities are located. These risks can directly impact physical assets in regions with low service continuity and infrastructure resilience. Additionally, they may have indirect effects on operational relationships with external service providers.	

*Extreme Weather Events Risk: The significance level was assessed using a 5x5 risk matrix. The probability of occurrence was scored as 2, the impact magnitude as 3, and the total risk score was calculated as 6.

As this value is below the threshold set by Albaraka Türk, the financial materiality level of the risk has been classified as low. Nevertheless, due to its potential impacts, it has been assessed as a risk but excluded from the scope of the prioritization process for identifying financially material risks.

**Quantitative calculations relating to the identified measurement metrics could not be performed in the current reporting period due to excessive cost and effort.

Location/Sector		Time Interval	Materiality Level		Measurement Metric
	Türkiye, Iraq	Medium	Low		1.Metric: Total Climate-Related Downtime (Hours): The total number of hours during which branches or digital channels (mobile/ internet banking) were unavailable due to storms, floods, extreme temperatures, or related regional electricity/internet outages is recorded. 2.Metric: Direct Physical Damage and Repair Cost (TL): The total cost of damage to branch buildings or equipment caused by extreme weather events, as derived directly from accounting/invoice records. 3.Metric: Insurance Coverage Ratio of Critical Assets (%): The percentage of all buildings/data centers owned or leased by the Bank that are insured at current value against natural disasters and climate crises (floods, storms, etc.).
Actions to Be Taken Against the Risk		Risk in the Value Chain	Current Financial Impact		Scenario Analysis
	To address the risk that the Bank's backup data centers may be affected by events such as extreme temperatures or floods, the scenarios between the backup data centers and the primary data center will be updated to include climate risks.	There is an impact on our own operations.	2024 The total insurance premium for our bank's fire insurance policy, which also covers climate risks such as storms, floods, and flash floods, is 6 million TL, eliminating the risk.	2025 The total premium for the Bank's fire insurance policy, which covers climate-related risks such as storms, floods, and flash floods across all branches, amounts to TL 11.3 million. Although the gross financial impact of the risk is high, it is netted under the existing insurance policy, thereby eliminating the risk.	The real estate infrastructure, insurance policy coverage, and budgeted reconstruction costs of a total of 60 branches located in 15 provinces classified as high-risk and very high-risk geographic regions within our Bank's operational network were analyzed under the RCP 8.5 scenario. Based on the underlying data set, the average construction cost per branch was determined as 11 million TL, while the average insurance policy premium per branch was determined as TL 68,122. The total premium cost amounted to TL 4,087,347, while the total value of assets at risk, in other words, the reconstruction cost, amounted to 660 million TL. Short-Term: Increasing climate risk events at the global and local levels are projected to trigger hardening in reinsurance market pricing and lead to a 45% increase in insurance costs. Medium-Term: Damages arising from chronic climate impacts are projected to fall outside the scope of insurance policy coverage. Insurance coverage is expected to continue in other cases. It is projected that 20% of locations classified as very high risk and 10% of locations classified as high risk will be exposed to major physical damage. Long-Term: As the climate crisis deepens, high-risk geographic areas are projected to be completely excluded from coverage by insurance companies. In addition, reconstruction costs are expected to result in an additional cost of 30%.
			Projected Financial Impact		
			2024 Quantitative measurement is not possible under current conditions because historical climate data, regional intensity analyses, and asset-based exposure levels for these events are insufficient. Furthermore, scenario-based modeling of the probability of occurrence and potential impacts of these events could not be calculated in the current period due to the excessive cost and effort involved. Therefore, the plan is to develop these models, calculate their financial impacts, and report them in the next reporting period.	2025 (Thousand TL) Short-Term: 1,839 Medium-Term: 73,700 Long-Term: 198,000	

Climate-Related Risks and Opportunities

Table 11. Impact of Floods and Extreme Weather Conditions on the Credit Portfolio

Direct Risks	Risk Category	Risk Subcategory	Risk Definition	
	Physical - Acute	Impact of Floods and Extreme Weather Conditions on the Credit Portfolio	Severe floods, storms, droughts, and similar extreme weather events can cause physical damage to real estate financed by Albaraka Türk, resulting in disruptions to customer activities. This situation forces customers to bear additional repair costs and suffer income losses, weakening their repayment capacity; therefore, it constitutes a significant external factor that increases credit risk for the Bank.	
	Impacts on the Business Strategy and Decision-Making Mechanism	Predicted Impacts on Business Model and Value Chain	Climate Risk Focus Areas	
	Interruptions in customer activities caused by physical damages to financed assets due to climate change-related extreme weather events may lead to an increase in default risk. This situation requires the Bank to systematically consider climate risks in its credit assessment processes. Additionally, at the strategic level, it necessitates the reassessment of portfolio diversification, collateral structures, geographic risk distribution, and insurance conditions, potentially leading to the revision of credit policies to be sensitive to climate risks.	Damage to financed properties due to extreme weather events may lead to a decline in the market value of assets taken as collateral. This situation negatively affects customers' repayment ability, increasing the risk of credit losses for the Bank. Consequently, the quality of the credit portfolio may deteriorate, and financial sustainability risks may arise within the value chain, especially in relationships with customers operating in regions with high physical risk. It has an impact on our downstream value chain.	This risk is particularly concentrated on properties financed by the Bank located in geographic regions with a high likelihood of exposure to climate change-related extreme weather events (e.g., floods, landslides). The impact of physical risks is more pronounced in collateralized assets located in rural and infrastructure-vulnerable areas, as well as in physical asset types such as residential and commercial real estate. This risk is focused within the Bank's value chain, especially in areas related to credit portfolio and collateral management processes, transforming into credit risk through the effect of climate-induced damages on repayment capacity.	

*Impact of Floods and Extreme Weather Conditions on the Credit Portfolio: The severity level was assessed using a 5x5 risk matrix. The probability of occurrence was scored as 3, the impact magnitude as 4, and the total risk score was calculated as 12. This value has been classified as a significant impact level.

**Quantitative calculations relating to the identified measurement metrics could not be performed in the current reporting period due to excessive cost and effort.

Location/Sector		Time Interval	Materiality Level		Measurement Metric
	Türkiye, Iraq	Long	High		Current Insurance Policy Ratio of Real Estate Used as Credit Collateral: Monitoring the percentage of real estate held by the Bank as collateral for commercial or housing credits that has a current insurance policy covering disasters such as floods, earthquakes, and storms.
Actions to Be Taken Against the Risk		Risk in the Value Chain	Current Financial Impact		Scenario Analysis
	To mitigate the impact of climate change-related physical risks on credit risk, climate-related risks (e.g., flood- and landslide-prone areas) will be considered in the processes of taking real estate mortgage collateral. The climatic risk profiles of the geographic areas where the collateral assets are located will be evaluated; in high-risk regions, factors such as collateral structure, insurance coverage, and credit maturity will be reviewed. Thus, the potential effects of climate-induced damages on the customer’s repayment capacity will be minimized, thereby enhancing the resilience of the credit portfolio.	It has an impact on our downstream value chain.	2024 Due to disruptions and delays in the insurance or renewal processes, as of the end of 2024, 15% of the real estate properties (residential and commercial) in the current collateral pool are uninsured or in the process of renewal. No financial impact was observed in this regard as of the relevant period.	2025 (Thousand TL) 359,398	The scenario analysis aims to measure the financial vulnerability under RCP 8.5 (High Emissions Scenario), which represents an uncontrolled global warming scenario, of a collateral portfolio comprising 175 uninsured real estate assets (residential and commercial properties) located in high-risk and very high-risk geographic regions. The critical point here is the absence of insurance coverage. The entire collateral amounting to TL 710.2 million subject to the assessment is uninsured. There is no possibility of compensation through an insurance company for damages arising from climate events. This will result in any damage incurred being directly recognized as a financial loss on a one-to-one basis.
			Projected Financial Impact		
			2024 Due to the uncertainty surrounding uninsured risks and the excessive cost and effort involved, the projected financial impact could not be calculated in the current period.	2025 (Thousand TL) Short-Term: 413,307 Medium-Term: 521,126 Long-Term: 682,855	

Climate-Related Risks and Opportunities

Table 12. Credit Risk Arising from Carbon Regulations

Risks in the Value Chain	Risk Category	Risk Subcategory	Risk Definition
	Transition - Policy and Legal	Credit Risk Arising from Carbon Regulations	Customers operating in carbon-intensive sectors such as iron and steel, aluminum, automotive, energy, and mining face the risk of increased costs and reduced competitiveness due to international regulations based on carbon emissions, particularly the Carbon Border Adjustment Mechanism (CBAM) implemented by the European Union. This situation could weaken the operational sustainability and revenue structure of these customers, thereby reducing their ability to meet their financial obligations and creating default risk and financial value loss for Albaraka Türk's credit portfolio. Regulations such as CBAM make the financial impacts of carbon emissions more visible, requiring the Bank to review its sector-based credit policies and apply financial assessment criteria that take carbon risk into account in order to manage transition risks.
	Impacts on the Business Strategy and Decision-Making Mechanism	Predicted Impacts on Business Model and Value Chain	Climate Risk Focus Areas
	The increased costs faced by customers operating in carbon-intensive sectors due to regulations like CBAM may raise default risk, negatively impacting the quality of Albaraka Türk's credit portfolio. This situation necessitates the Bank to reassess credit allocation criteria at a strategic level; review risk appetite toward high carbon risk sectors; and prioritize sustainability-focused sector diversification. Additionally, strengthening risk assessment and portfolio management approaches that consider the impacts of environmental regulations in decision-making processes becomes increasingly important.	The European Union's Carbon Border Adjustment Mechanism (CBAM) and similar international carbon regulations may negatively impact the cost structure and competitiveness of customers operating in carbon-intensive sectors. This situation poses risks of contraction in business models, revenue loss, and weakening operational sustainability for customers in these sectors. Difficulties in meeting financial obligations by these customers can lead to default risk, reduced credit repayment rates, and a decrease in the value of financed assets within Albaraka Türk's credit portfolio. This risk may require the Bank to reassess its credit allocation processes, sectoral risk analyses, and collateral structures within the framework of compliance with carbon regulations. It has an impact on our downstream value chain.	This risk is concentrated on customers operating in carbon-intensive sectors (such as automotive, energy, and mining) within Albaraka Türk's credit portfolio. These customers face increased cost pressures due to international carbon policies like the European Union's Carbon Border Adjustment Mechanism (CBAM). This situation is particularly pronounced among customers in geographic areas focused on exports and with commercial ties to the European market. The risk impacts the Bank's business model in credit allocation processes, collateral structures, and sectoral portfolio management, while within the value chain, it concentrates on financing relationships with these sectors.

*Credit Risk from Carbon Regulations: The significance level was assessed using a 5x5 risk matrix. The likelihood of occurrence was scored as 4, the impact magnitude as 3, and the total risk score was calculated as 12. Since this value is below the threshold value set by Albaraka Türk, it is classified as a significant impact level.

**Quantitative calculations relating to the identified measurement metrics could not be performed in the current reporting period due to excessive cost and effort.

Location/Sector		Time Interval	Materiality Level		Measurement Metric
	Türkiye, Iraq	Long	High		Share of Carbon-Intensive Customers Exporting to the EU in the Total Portfolio (%): The volume of exports made by customers operating in carbon-intensive sectors to EU countries as a ratio of the total amount of credit they use from the Bank.
Actions to Be Taken Against the Risk		Risk in the Value Chain	Current Financial Impact		Scenario Analysis
	To reduce transition risks arising from carbon regulations, the carbon emission levels of the sectors in which customers operate will be considered in credit allocation processes. Specifically, the emission performance, compliance with environmental regulations, and transformation capacity of firms operating in carbon-intensive sectors will be integrated into the credit evaluation process, shaping factors such as risk premium, credit terms, and collateral structure accordingly. Thus, Albaraka Türk aims to make its credit portfolio more resilient and sustainable against carbon transition risks.	It has an impact on our downstream value chain.	2024 In particular, the financial impact of climate risk relating to the credit portfolio could not be calculated, as no data has yet been generated regarding the potential risk in this area due to the ongoing work on emissions calculations.	2025 (Thousand TL) 0	As of December 31, 2025, a risk analysis was conducted within our Bank's cash and non-cash credit portfolio for sectors of critical importance under the Carbon Border Adjustment Mechanism (CBAM). The concentration ratio of total CBAM risk exposure within the portfolio was measured at 3.67%. The scenario analysis was based on the NGFS Disorderly Transition scenario, which simulates the delayed and abrupt implementation of climate policies, sharp increases in carbon prices, and high transition costs. Under the disorderly transition scenario, increases in firms' probability of default (PD) and expected credit losses (ECL) are projected due to sudden carbon taxes, regulatory compliance costs, and mandatory technological transformation. The initial risk weight of the CBAM portfolio was assumed to be 100%, while the 150% risk weight applied following NPL classification in line with BRSA regulations was reflected in total risk-weighted assets. The analysis assumed that the Stage 3 weighted average provisioning ratio of 80.67%, as presented in our Bank's year-end 2025 financial reports, was applied uniformly across the portfolio. In this unsecured structure, our Bank's existing provisioning appetite was reflected in the analysis without adjustment.
			Projected Financial Impact		
			2024 The current financial impact cannot be predicted as it cannot be quantified.	2025 (Thousand TL) Short Term: CAR: 18.42% / TL 669 million increase in RWA – TL 1.1 billion increase in provisions Medium Term: CAR: 18.16% / TL 1 billion increase in RWA – TL 1.6 billion increase in provisions Long Term: CAR: 18.60% / TL 446 million increase in RWA – TL 719 million increase in provisions	

Climate-Related Risks and Opportunities

Table 13. Development of Sustainable Financing Products and Services

Opportunities in the Value Chain	Opportunity Category		Opportunity Subcategory		Opportunity Definition	
	Product and Service Opportunity		Development of Sustainable Financing Products and Services		Net zero emission targets, climate and ESG regulations, sustainability expectations, and increasing customer demand for environmentally friendly financing solutions present an opportunity for Albaraka Türk to comprehensively develop and diversify its sustainable financing product and service portfolio. This opportunity covers the financing of businesses' investments in energy efficiency, renewable energy, low-carbon technologies, and sustainable production; financing for energy-efficient/green housing and electric, hybrid, or low-emission vehicles for individual customers; as well as interest-free financial products compatible with participation banking principles and aligned with ESG criteria. Developing these solutions as separate product groups under a common sustainable financing portfolio has the potential to increase the Bank's access to different customer segments, customer loyalty, and market share; diversify its revenue base; and strengthen its position in the sustainable finance ecosystem. Thus, financial growth can be pursued together with environmental and social benefits.	
	Impacts on the Business Strategy and Decision-Making Mechanism		Predicted Impacts on the Business Model and Value Chain		Climate Opportunity Focus Areas	
	The increasing financing needs of businesses in line with net zero emission targets, together with growing customer demand for low-carbon housing, vehicles, and financial products that comply with ESG criteria and are compatible with participation banking principles, contribute to Albaraka Türk's prioritization of its sustainable financing and sustainable personal finance strategies, reshaping its strategic priorities, and accelerating product development decisions. This trend encourages the diversification of products with high environmental and social impact and environmental benefits, the alignment of marketing strategies accordingly, the allocation of resources to sustainable product groups, increasing the share of these products in the portfolio, and considering ESG compliance in new product development decisions. These products contribute to expanding the revenue base by increasing access to new customer segments and strengthening the loyalty of existing customers, while creating growth potential in profit share, fee, commission, and service income. Accordingly, sustainable financing is becoming a strategic focus that strengthens the Bank's long-term revenue structure and growth targets in alignment with environmental sustainability.		Increasing regulatory pressures toward net zero targets, businesses' need to transition to low-carbon technologies, and growing customer demand for low-carbon housing, vehicles, and participation banking products aligned with ESG criteria encourage the expansion and diversification of sustainable financing products and services and sustainable personal finance products within Albaraka Türk's business model. The introduction of new credit products for financing green projects, renewable energy investments, environmentally friendly technologies, energy-efficient housing, low-emission vehicles, and ESG-compliant interest-free financing products creates the potential for growth in credit volume, assets under management, profit share, financing income, and other income items; access to new customer segments; and stronger sustainability-based customer loyalty. Within the value chain, relationships and long-term partnerships with firms aiming to transition to a low-carbon economy, contractors developing energy-efficient housing projects, suppliers of low-emission vehicles, and customers supporting investments that consider environmental and social impacts are strengthened. Thus, the Bank's position and role within the sustainable ecosystem and sustainable finance ecosystem are reinforced, the financial system becomes more integrated with environmental objectives, and value creation that integrates financial growth and environmental responsibility is supported.		The financing need for energy efficiency, renewable energy investments, green buildings, sustainable production technologies, environmentally friendly technology investments, and carbon reduction projects during the transition to a low-carbon economy is concentrated in areas where the Bank develops sustainable finance products, green sukuk, environmentally themed financial instruments, public-private sector collaborations, and products and services for climate solutions. The opportunity becomes evident in customer segments where financing is provided to SMEs, industrial facilities, and energy transition projects aiming to reduce carbon emissions, as well as environmentally friendly technology investments and carbon reduction projects. Demand for participation banking-compliant, interest-free financial products aligned with ESG criteria is concentrated particularly in major cities, among environmentally conscious individual customer segments, in industrialized regions, in sectors subject to environmental transformation regulations, and in geographic regions where regulatory incentive mechanisms are implemented. Within the value chain, green housing developers, environmentally friendly vehicle suppliers, sustainable businesses, institutions with which the Bank develops climate-focused partnerships, regulatory authorities, and customers aligned with sustainability-based public policies stand out; in these areas, the Bank's new product design processes and units developing sustainable financing solutions gain importance and lay the groundwork for stronger partnerships in environmentally focused business relationships. Increasing demand for financing areas stands out as points where growth opportunities aligned with environmental responsibility become more evident.	

*Three product-related opportunities that were assessed separately in the previous reporting period have been consolidated under a single opportunity in the current reporting period.

As these opportunities are similar in nature and their definitions are aligned with the Bank's ESG-focused product and service approach, a common opportunity definition has been established to enable a more holistic assessment. Within the scope of the opportunity's current impact, the total financing amount relating to environmentally friendly vehicles, energy-efficient housing, and renewable energy financing has been presented on a combined basis.

*Quantitative calculations relating to the identified measurement metrics could not be performed in the current reporting period due to excessive cost and effort.

Location/Sector		Time Interval	Materiality Level		Measurement Metric
Türkiye, Iraq		Long	Medium		Total Sustainable Credits / Bank's Total Credits
Actions to Be Taken Against the Opportunity		Opportunity in the Value Chain	Current Financial Impact		Scenario Analysis
Albaraka Türk will prioritize activities to develop, diversify, and increase the accessibility of sustainable financing and sustainable personal finance products in order to meet the financing needs arising from the transition to a low-carbon economy and the increasing demand for energy-efficient housing, low-emission vehicles, and financial products aligned with ESG criteria and compatible with participation banking principles. Within this scope, green sukuk issuances, special credit packages for renewable energy investments, financing support for energy efficiency projects, credit and financing solutions developed for environmentally friendly buildings and housing projects, and interest-free financing solutions specifically designed for electric/hybrid vehicle purchases and environmentally friendly transportation investments will be developed. Environmental impact, environmental performance, and ESG criteria will be integrated.		It has an impact on our downstream value chain.	2024 The Participation Banking-Compliant ESG Financing Products, Energy-Efficient Housing and Low-Emission Vehicle Financing, and Sustainable Financing and Product Development opportunities presented in the 2024 report were combined this year under a single overarching opportunity. Therefore, the current and projected financial impacts for 2024 have changed.	2025 (Thousand TL) 798,640	Due to the absence, as of the current date, of sufficient market data that could form the basis of a reliable and comparable assessment for conducting the scenario analysis relating to the opportunity, no scenario analysis could be performed for the relevant opportunity.
			Projected Financial Impact 2024 (Thousand TL) The Participation Banking-Compliant ESG Financing Products, Energy-Efficient Housing and Low-Emission Vehicle Financing, and Sustainable Financing and Product Development opportunities presented in the 2024 report were combined this year under a single overarching opportunity. Therefore, the current and projected financial figures for 2024 have changed.	2025 (Thousand TL) Short Term: 1,110,880 Medium Term: 1,721,339 Long Term: 2,401,140	

Climate-Related Strategy and Decision-Making Processes

Albaraka Türk considers climate change not only as an environmental factor but also as a holistic risk category with financial impacts. Within this scope, the Bank integrates processes for identifying, assessing, and managing climate-related risks and opportunities into its corporate structure. This integration is carried out in line with the Bank's sustainability targets, as well as relevant national and international regulations and reporting requirements.

Actions related to sustainability and climate risks are monitored by the Corporate Governance and Sustainability Committee. In addition, the Bank plans studies aimed at measuring climate performance and integrating assessment processes into decision-making mechanisms.

Structural transformations are being undertaken in our main areas of activity within the scope of managing climate-related risks, including physical and transition risks:

- Within the scope of the Environmental and Social Risk Framework, which was approved by the Board of Directors and publicly disclosed, it is planned to initiate ESG risk assessments of customers through a questionnaire prepared without sector differentiation for credits of USD 10 million and above.
- Infrastructure efforts are ongoing to identify customers requiring green transformation

through ESG assessments in credit processes and to develop incentives for sustainable finance.

- Infrastructure studies are planned for the allocation of resources to sectors with a low carbon footprint, such as renewable energy, energy efficiency, wastewater recovery, environmentally friendly infrastructure, and building projects.

The steps taken regarding the initiatives that began to be implemented as of the reporting period are as follows:

- In line with the 2050 Net-Zero target, a gradual reduction in greenhouse gas emissions is targeted by 2030.
 - Scope 2: All electricity consumed in 2025 was certified through YEK-G (Renewable Energy Source Guarantee System), thereby offsetting Scope 2 emissions.
 - Methodology: Scope 1 and Scope 2 emissions are measured in accordance with the GHG Protocol.
- The transition to LED lighting, automated climate control systems, and low-consumption devices continues at the Head Office and branches. Within the scope of the Paperless Banking Project, 33 process-related documents were digitalized. Cost savings of approximately TL 1,373,886 were achieved, and 4,737,537 sheets of paper were saved, contributing to the protection of 571 trees by eliminating paper use.

- The “Responsible Supplier Policy” has been updated to include the assessment of suppliers based on ESG criteria.
- Our infrastructure studies for the development of a climate-related transition plan are ongoing. During the reporting period, infrastructure studies are planned with the relevant units regarding the establishment of the data infrastructure, methodological framework, and assessment processes that will form the basis for developing the transition plan.



Climate Resilience and Scenario Analyses

At Albaraka Türk, scenario analysis is conducted to assess the resilience of the Bank's credit portfolio, own operations, branch network, financing products and customer ecosystem against physical and transition risks.

In line with its own assessments, the Bank identified extreme weather events among physical risks and legal risks among transition risks as significant and conducted scenario analyses for these two types of risk.

When conducting scenario analyses and assessing climate-related risks and opportunities, various assumptions were developed by taking into account the policy environment, economic structure, physical conditions and technological transformation potential of the geography in which Albaraka Türk operates.

Türkiye's ratification of the Paris Agreement and announcement of its 2053 Net-Zero Emissions target have reinforced expectations that climate policies will introduce stricter regulations in the medium and long term. In particular, international regulations such as the Carbon Border Adjustment Mechanism (CBAM) introduced by the European Union have been considered a significant transition risk factor, as they may result in regulatory cost increases for customers operating in carbon-intensive sectors.

The analyses assumed that macroeconomic trends at global and national levels could affect carbon costs and the financial sustainability of sectors through indicators such as growth rates, inflation, exchange rates and investment trends. In this context, it was considered that carbon-intensive sectors could experience pressure on their revenue and profitability levels due to the increasing cost burden.

In the assessment of physical risks, the geographical and climatic characteristics of the cities where the assets and customers financed by Albaraka Türk are located were considered. Exposure to local floods, droughts, storms and similar extreme weather events was analysed using the heat map method in light of information obtained from international data platforms. Regional variables such as demographic structure, infrastructure resilience and the availability of natural resources were also considered significant factors determining the severity of physical risks.

In terms of energy use, the fact that Türkiye's energy generation structure is still largely dependent on fossil fuels, while renewable energy investments have increased significantly, was a determining factor in assumptions regarding the pace and scope of the energy transition process. It was assessed that energy costs could have different impacts at the sectoral level. In addition, technological developments were assumed to play a decisive role in the transition to a low-carbon economy. Although developments in energy efficiency solutions, carbon capture technologies, green hydrogen and sustainable production techniques vary by sector, they were projected to have long-term emission reduction potential.

Climate Resilience and Scenario Analyses

In its climate risk and opportunity assessments, the Bank used recognized global scenarios to evaluate its medium- and long-term resilience to uncertainties arising from climate change. RCP scenarios were used for physical risk scenarios. RCP (Representative Concentration Pathways) scenarios are sets of scenarios describing the possible future development of global greenhouse gas concentrations. Developed by the IPCC, these scenarios indicate the levels that greenhouse gas concentrations in the atmosphere may reach by 2100 under different socio-economic and policy developments, expressed as radiative forcing in W/m² in terms of CO₂ equivalent. The potential impacts of factors such as temperature increases, changes in precipitation patterns and extreme weather events were analyzed under different climate scenarios. Climate scenarios published by the Network for Greening the Financial System (NGFS) were used as the basis for assessing transition risks. NGFS scenarios model the potential consequences for financial and economic systems based on different rates of climate policy implementation, market transformation and technological adaptation.

Through scenario analyses, the sensitivity of the Bank's credit portfolio to climate change on a sectoral basis, the exposure of its branches and operations to climate-related physical risks and the potential impacts of transition risks arising from policy changes were assessed qualitatively.

The RCP and NGFS scenarios used in the analysis cover long-term time horizons extending to 2100, and short-term (2030), medium-term (2050) and long-term (2100) climate impacts were considered separately. In this way, the risks and impacts that climate change may create across different time horizons were assessed holistically. In terms of the availability and flexibility of the entity's existing financial resources, the Bank currently maintains its financial resilience against climate-related risks, and plans are being developed to use these resources more effectively in the future to capitalize on climate-related opportunities.

In terms of the ability to reposition existing assets, repurpose them or retire them from service, strategic targets are planned to be established to reduce carbon-intensive assets and increase green investments, while restructuring the portfolio against climate risks will be considered in future periods.

The analyses used in assessing climate risks cover Albaraka Türk's operations within the borders of Türkiye. Within this scope, the climate exposure and vulnerability of domestic operational locations, including the Head Office building, regional directorates and all branches, were taken into account.

Table 14. RCP Scenarios

Scenarios	RCP Description	Scenario Definition
RCP 8.5	A high-emissions scenario in which strong emission reduction policies are not implemented globally, and greenhouse gas concentrations and radiative forcing increase rapidly throughout the century. Temperature Increase: 2.6°C–4.8°C by 2100. Reference: IPCC AR6 (Sixth Assessment Report), 2021.	A high-risk climate scenario in which the severity and frequency of physical climate risks such as extreme weather events, heatwaves, droughts, heavy precipitation, and sea level rise increase significantly, making climate-related impacts more difficult to manage.

Table 15. NGFS Scenarios

Scenarios	NGFS Description	Scenario Definition
Disorderly (Disorderly Transition Scenario)	The delayed and sudden tightening of climate policies and the rapid increase in carbon prices result in higher transition costs. Reference: NGFS Climate Scenarios Technical Documentation V5, 2024	Customers operating in carbon-intensive sectors face unexpected high carbon costs and compliance obligations; sudden increases in costs lead to a rapid decline in competitiveness.

Responsible Banking and Environment-Focused Transformation

Albaraka Türk's approach within the scope of the ESG Management System encompasses reducing its carbon footprint, increasing energy efficiency, expanding the use of environmentally friendly technologies and addressing climate-related risks in a holistic manner.

Operational Transformation and Environmental Performance Management

The Bank continues its efforts to integrate practices aimed at reducing its environmental impacts into its operational processes. Within this scope:

- **Emission Management:** Scope 1 and Scope 2 emissions are regularly measured, and efficiency strategies are implemented. Data collection and calculation efforts for Scope 3 emissions are ongoing and are not disclosed in this reporting period under the relevant transitional exemption.
- **Energy Efficiency:** Energy consumption at the Head Office and branches is monitored, and efforts are carried out to reduce resource consumption through the use of efficient equipment and energy-saving practices.
- **Environmentally Friendly Practices:** Environmental performance is supported through LEED Gold certification, our green product portfolio and zero waste practices.



Sustainable Finance Strategy and Product Portfolio

Albaraka Türk positions the development of financial products and services that contribute to sustainable development as an area of development aligned with its business model. The Bank has established an Environmental and Social Risk Framework to systematically assess, manage and monitor environmental and social impacts in its credit and investment processes. These assessments, particularly those related to climate change, are integrated into short-, medium- and long-term strategic planning processes.

In line with its sustainable growth targets, the Bank continues infrastructure studies related to the marketing of sustainable financing products available within its infrastructure that contribute to reducing environmental impacts, increasing energy efficiency and using resources more effectively, and carries out forward-looking planning.

Within this framework, the main sustainable financing products available within the Bank's infrastructure are listed below:

- Grey Water / Environmental Financing
- Environmentally Friendly Vehicle Financing
- Renewable Energy Source Credits
- Green Sukuk

Within the scope of sustainable financing products for retail customers, grey water/ environmental financing, grey water recovery systems, solar energy systems, transition to central heating systems, building thermal insulation, pollution-preventing filtration systems, household natural gas conversion financing and environmentally friendly vehicle financing products are available within the Bank's infrastructure.

Within the scope of sustainable financing products for corporate customers, rooftop solar power plant credits, renewable energy source credits and green vehicle financing products are available within the infrastructure for customers' green transformation investments.

Through this holistic approach, Albaraka Türk addresses sustainable finance within an integrated structure encompassing product development, risk management and customer solutions.

Up-to-date information regarding the Bank's sustainable financing products is shared with the public through corporate communication channels and the [website](#).

Environmental and Social Risk Framework

Albaraka Türk Participation Bank aims to manage the environmental and social impacts that may arise from its financing activities and to mitigate the risks arising from these impacts within the scope of its sustainable and responsible banking approach. Accordingly, the Environmental and Social Risk Framework (ESRF) sets out the fundamental principles for assessing, managing and monitoring environmental and social impacts in credit and investment processes.

Within the scope of the ESRF, initial steps have been taken to assess credit and investment transactions with financing amounts of USD 10 million and above within the framework of environmental and social risk assessment. As part of its environmental and social risk management approach, the Bank plans to contribute to sustainable development and identify potential risks at an early stage. In addition, by obtaining commitments from financed companies to comply with the ESRF, the Bank aims to ensure that credit processes are conducted in accordance with the established principles and criteria.

In line with sustainability principles and the responsible banking approach, no financing is provided, irrespective of the amount, for activities included in the Non-Financed Activities List. These activities are excluded from the scope of financing without being subject to an environmental and social impact assessment.

Projects to be financed will be classified under the following risk categories, taking into account the scale of the project, the sector in which it operates, its geographical location and the nature of its environmental and social impacts:

Table 16. Risk Categories

Risk Category Description	Description
Category A – High Risk	Projects with potentially irreversible, significant and diverse adverse environmental and/or social impacts.
Category B – Medium Risk	Projects with limited, local, largely reversible and mitigable impacts.
Category C – Low Risk	Projects with minimal or no environmental and social impacts.



SUSTAINABLE RISK MANAGEMENT

The management of climate change-related risks and opportunities within Albaraka Türk is carried out within the Bank's overall risk management structure under the coordinated oversight of the Risk Committee and the Corporate Governance and Sustainability Committee. Within this process, climate risks are classified by the Risk Management Department using short-, medium- and long-term projections, and the impacts of these risks are analyzed. In parallel with the institution's regular internal planning cycle, the management process is reviewed by the relevant units at least once a year; current situation analyses are reported to Senior Management and the Board of Directors, thereby ensuring awareness and oversight at the highest level.

The provisions of the TSRS are applied as the basis for financial disclosures and strategic reporting processes, while the SASB Banking Standards related to the banking sector are considered as a supporting reference. In identifying climate-related risks, the Bank applies national and international regulations, as well as the guidelines of the CBRT (Central Bank of the Republic of Türkiye) and BRSA (Banking Regulation and Supervision Agency),

and globally recognized methodologies such as the GHG Protocol and PCAF (Partnership for Carbon Accounting Financials). Greenhouse gas emissions are classified as Scope 1 (direct) and Scope 2 (energy indirect) in accordance with the GHG Protocol. Within this scope, emissions data arising from electricity, natural gas, water and paper consumption and transportation are used as key parameters providing input to risk models.

Within the Bank's risk methodology, transition risks and physical risks are prioritized in terms of their impacts on creditworthiness and asset quality. While regulatory compliance costs play a critical role in the analysis of transition risks, the impacts of extreme weather events, water stress and temperature anomalies on particularly vulnerable sectors such as agriculture, energy and logistics are measured within the scope of physical risks.



Climate Change Risk Management and Audit Mechanism

Albaraka Türk has established a Climate Risk Policy to identify, measure, monitor, manage and report climate-related financial risks. The Policy aims to address the impacts of physical and transition risks on the Bank's credit, investment and operational processes, financial reporting and risk management practices in an integrated manner.

Activities related to climate-related risks and opportunities are carried out by the relevant business units and sub-working groups and submitted to the Sustainability Executive Committee. Matters assessed by the Sustainability Executive Committee are reported to the Corporate Governance and Sustainability Committee according to their level of strategic importance; policy approvals, significant risk assessments, strategic decisions and required actions are brought under the oversight of the Board of Directors.

All processes related to the Bank's sustainability activities are audited by the Internal Audit Department. Reports prepared as a result of audit activities are submitted to the Audit Committee and the Bank's Senior Management. Action plans submitted and measures taken in response to findings are regularly monitored and assessed by the Internal Audit Department. Through the periodic activity reports submitted by the Audit Committee, the Board of Directors closely monitors the activities of the Internal Audit Department and provides the necessary guidance.

Climate-related developments are regularly monitored through the Corporate Governance and Sustainability Committee and the relevant working groups and are reported to the Board of Directors and Senior Management at least once a year. Significant developments are submitted to the agenda of the Board of Directors periodically, when necessary.

Approach to Monitoring Climate-Related Risks

As Albaraka Türk develops its processes for monitoring climate-related risks, it plans to structure and monitor climate risks under two main categories.

Physical risks encompass environmental impacts arising from extreme weather events such as floods, droughts and storms, as well as long-term climate changes. These risks are expected to affect, in particular, branch infrastructure and the continuity of operational activities, and these impacts are planned to be monitored systematically in future periods.

Transition risks include risks arising from external variables such as carbon taxes, new environmental regulations, market expectations regarding green finance and technological transformation. The Bank plans to analyze these risks more comprehensively in the upcoming period and assess the level of exposure of financing provided to certain customer groups, particularly those operating in carbon-intensive sectors, to such risks.

Within this scope, preparations are ongoing to monitor credits extended to carbon-intensive sectors, gradually integrate customers' environmental impacts into credit assessment processes and incorporate climate risks into the overall risk management framework. Infrastructure studies for monitoring climate risks are also ongoing. In addition, assessing the potential impacts of environmental risks on the Bank's long-term capital structure, asset quality and balance sheet resilience is planned as a key component of the monitoring system.

In determining sectoral metrics, the assessment approach applied by the Bank within the scope of Environmental and Social Risk Management is taken as the basis. Under this framework, transactions amounting to USD 10 million and above are taken into consideration for sectors subject to environmental and social risk assessment in credit allocation and monitoring processes; credit exposure, risk concentration and monitoring scope relating to the relevant sectors are planned to be assessed in line with this threshold. This approach will enable sectoral metrics to be monitored and reported in a traceable and comparable manner aligned with the Bank's environmental and social risk management processes.



Heat Map

The Bank has conducted a comprehensive study to assess the risk exposures arising from climate change of the sectors in its portfolio. Within this scope;

In the sector-based rating of transition risks within the framework of factors such as policy changes, carbon regulations, market dynamics and technological transformation, the potential levels at which sectors may be affected during the transition to a low-carbon economy were taken into consideration. In this context, risk levels were classified by evaluating sectoral emission intensities and policy sensitivities.

In the analysis of physical risks (drought, floods, heatwaves, etc.) and acute risks, location-based climate risk scores were used by taking into account the regional distribution of the sectors in the Bank's credit portfolio. Accordingly, the level of exposure of the sectors financed on a provincial and regional basis to different physical hazards (for example, meteorological drought, heavy precipitation and floods) was quantitatively measured, and a risk rating was established.

As a result of this analysis, transition and physical risk-based heat maps were created for the sectors in the Bank's portfolio; the potential climate change-related risks of the portfolio were visualized, and a foundational data set was obtained for forward-looking sustainable finance strategies.

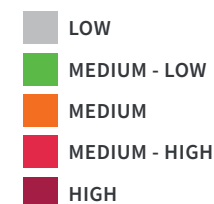


Table 17. Sector-Specific Heat Map

Acute Physical Risk Sector	Risk Distribution (%)	Transition Risk	Acute Physical Risk	Chronic Physical Risk
Wholesale Trade and Commission Activities	14.87%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Construction	8.48%	MEDIUM	MEDIUM - LOW	MEDIUM - HIGH
Food and Beverage Industry	6.60%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Real Estate Brokerage	5.48%	LOW	LOW	MEDIUM - HIGH
Textile Industry	5.40%	MEDIUM - HIGH	LOW	MEDIUM - HIGH
Refined Petroleum Products	4.72%	HIGH	LOW	MEDIUM - HIGH
Retail Trade and Repair of Personal and Household Goods	3.86%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Sale of Motor Vehicles	2.61%	HIGH	MEDIUM - LOW	MEDIUM - HIGH
Road Freight Transport	2.22%	MEDIUM - HIGH	LOW	MEDIUM - HIGH
Renting and Leasing	2.04%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Electricity, Gas and Water Supply	1.74%	HIGH	MEDIUM - LOW	MEDIUM - HIGH
Other Services	1.66%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Fabricated Metal Products Industry (Except Machinery and Equipment)	1.60%	MEDIUM - HIGH	MEDIUM - LOW	MEDIUM - HIGH
Crop Production	1.49%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Machinery and Equipment	1.47%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Road Passenger Transport	1.44%	MEDIUM - HIGH	MEDIUM - LOW	MEDIUM - HIGH
Basic Metal Industry	1.28%	HIGH	MEDIUM - LOW	MEDIUM - HIGH
Maritime Transport	1.23%	MEDIUM	LOW	MEDIUM - HIGH
Chemicals and Chemical Products Industry	1.21%	HIGH	MEDIUM - LOW	MEDIUM - HIGH
Real Estate Investment Trust	1.18%	LOW	LOW	HIGH
Health and Social Services	1.18%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Other Manufacturing Industries	1.18%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Manufacture of Plastic Products	1.09%	LOW	MEDIUM - LOW	MEDIUM - HIGH
Banks	1.05%	LOW	LOW	HIGH
Wood and Wood Products Industry	0.99%	LOW	LOW	MEDIUM - HIGH
Maintenance, Repair and Other Services of Motor Vehicles	0.96%	MEDIUM - HIGH	MEDIUM - LOW	MEDIUM - HIGH

Acute Physical Risk Sector	Risk Distribution (%)	Transition Risk	Acute Physical Risk	Chronic Physical Risk
Sale of Motor Vehicle Spare Parts and Accessories	0.78%			
Research, Consultancy, Advertising and Other Activities	0.78%			
Mining of Non-Energy-Producing Minerals	0.76%			
Electrical Machinery and Apparatus Not Elsewhere Classified	0.71%			
Mining of Energy-Producing Minerals	0.69%			
Leather and Leather Products Industry	0.55%			
Manufacture of Pulp, Paper and Paper Products	0.50%			
Other Transport Activities and Storage	0.50%			
Motor Vehicles	0.45%			
Defense and Public Administration, Compulsory Social Security Institutions	0.41%			
Pharmaceuticals	0.40%			
Computer and Related Activities	0.38%			
Building and Repair of Ships and Boats	0.38%			
Communications	0.37%			
Other Non-Metallic Minerals	0.34%			
Fishing	0.31%			
Mixed Farming (Crop and Animal Production)	0.31%			
Forestry, Logging and Related Activities	0.31%			
Furniture Industry	0.30%			
Ceramics, Fire Bricks, Refractory Materials and Magnesite-Based Bricks	0.29%			
Manufacture of Cement, Lime and Plaster	0.26%			
Animal Products	0.25%			
Parts and Accessories for Motor Vehicles	0.25%			
Financial Leasing Companies	0.20%			
Hotels	0.19%			
Restaurants	0.19%			
Other Transport Equipment Industry	0.19%			
Manufacture of Rubber Products	0.18%			
Electrical and Non-Electrical Household Appliances	0.18%			
Paints, Varnishes, Writing and Printing Inks, and Others	0.15%			

Acute Physical Risk Sector	Risk Distribution (%)	Transition Risk	Acute Physical Risk	Chronic Physical Risk
Roof Tiles, Tiles, Marble and Flat Stones	0.13%			
Sewage and Waste Disposal, Sanitation and Similar Activities	0.12%			
Other Tourism Activities	0.11%			
Private Households Employing Domestic Personnel	0.10%			
Printing Industry	0.09%			
Glass and Glass Products	0.08%			
Education	0.08%			
Man-Made and Synthetic Fibres	0.06%			
Air Transport	0.06%			
Medical Devices, Precision Instruments, Optical Equipment and Watch Industry	0.05%			
MKYÖ – Securities Investment Trust	0.05%			
Radio, TV, Tape Recorder, Record Player, Video Equipment and Devices Industry	0.04%			
Leather Apparel and Fur Processing Industry	0.04%			
Cultural, Entertainment and Sports Activities	0.04%			
Other Financial Intermediation	0.02%			
Insurance and Pension Funding, Except Compulsory Social Security	0.01%			
Livestock Farming (Excluding Veterinary Services)	0.01%			
Office, Accounting and Computing Machinery	0.01%			
Manufacture of Coke	0.00%			
Other Monetary Institutions	0.00%			
Brokerage Firms	0.00%			
Activities of Membership Organizations	0.00%			
Hunting	0.00%			
Retail Credits, Cards and Credits Not Subject to Sectoral Classification	10.15%			

Within the customer portfolio exposed to transition risk, customers classified as “high risk” account for 12.66% of the total portfolio, while customers at the “medium-high risk” level account for 13.25%. This distribution indicates the levels of risk to which the portfolio may be exposed during the transition to a low-carbon economy and is closely monitored within the scope of the Bank’s sustainability strategies.

Prioritization of Climate-Related Risks and Opportunities

When assessing climate-related risks, Albaraka Türk adopts a scoring-based holistic approach that considers both qualitative and quantitative factors. Each risk is scored from 1 to 5 in terms of likelihood of occurrence and impact level, where 1 represents the lowest value and 5 the highest. The likelihood of occurrence is assessed based on how probable a risk is, while the impact level is assessed based on the potential impact of the risk on the Bank's operations, financial position and strategic objectives. The risk score is calculated by multiplying these two scores, and risks are classified as low, medium, high or critical based on this score. The materiality threshold covers risks with a total risk score of 10 or above. Risks exceeding this threshold are included on the agenda of the Corporate Governance and Sustainability Committee and managed through the necessary action plans.

In the prioritization of risks, the likelihood-impact scoring used in the common risk management process is taken as the basis, while climate-related risks are assessed separately by considering the distinction between physical and transition risks.

Table 18. Risk Score Classification Table

Likelihood of Occurrence	Impact Level (1-5)	Risk Score (Likelihood × Impact)	Risk Level
1*	1*	1-4	Low Risk
2-3	2-3	5-9	Medium Risk
4-5	3-5	10-25	High Risk

* Very low

Within the scope of the qualitative assessment, climate risks are defined separately as physical risks (for example, weather events such as floods, droughts and extreme temperatures) and transition risks (for example, carbon regulations, market transformations and technological changes). Factors such as customer sectors, types of activities and regional climate impacts are also taken into consideration in assessing these risks. Within this scope, RCP 2.6 and RCP 4.5 scenarios are referenced in the assessment of physical risks, while the NGFS Orderly, Disorderly and Hot House World scenarios are referenced in the assessment of transition risks. Findings obtained from scenario analyses are used as supporting inputs in assessing the likelihood and impact levels of risks and in the prioritization process.

Within the scope of the quantitative assessment, measurable environmental indicators such as energy consumption, carbon emissions and water use are regularly monitored, while efforts are also made to integrate financial indicators, such as the size of credit portfolios exposed to climate risks, into the risk analysis. Through this method, the Bank plans to ensure effective risk management by interpreting the likelihood and impact levels of climate-related risks in both a data-driven and sectoral context.

Within the scope of the TSRS, Albaraka Türk assesses climate-related risks together with other types of risk within a holistic enterprise risk management framework, while ensuring that these risks are included among the priority areas of analysis due to their nature and impacts.

Three main criteria are taken as the basis in the prioritization of climate-related risks:

Risk frequency (frequency of occurrence): The likelihood and frequency of a specific risk occurring are assessed by taking into account historical data and regional climate projections.

Magnitude of financial impact: The potential impact of the relevant risk on the credit portfolio, collateral structure, customer activities and overall financial performance is analyzed.

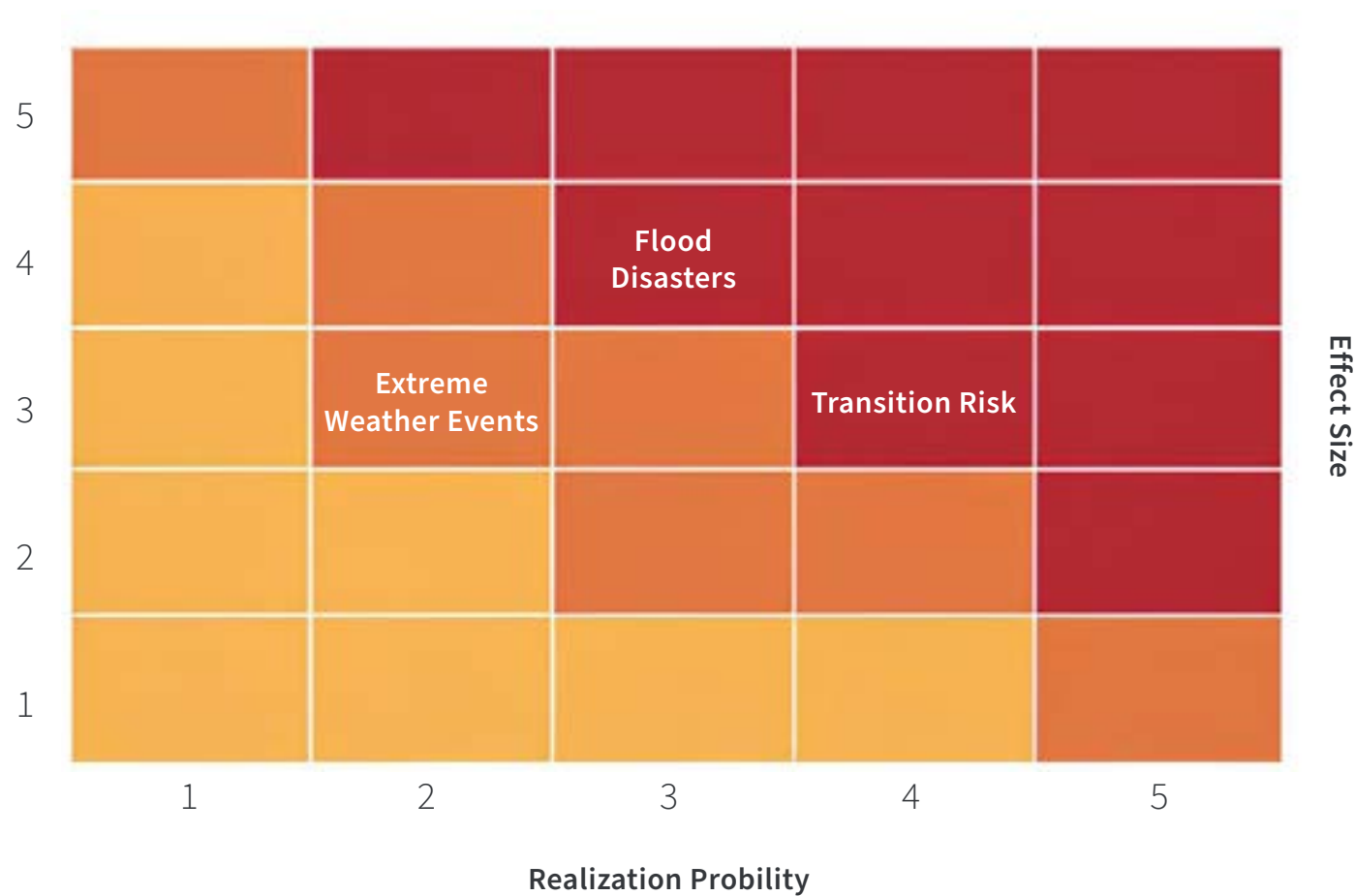
Level of regulatory compliance: The degree of compliance with national and international sustainability regulations, such as the European Green Deal, TCFD and BRSA sustainability guidelines, is taken as an assessment criterion.

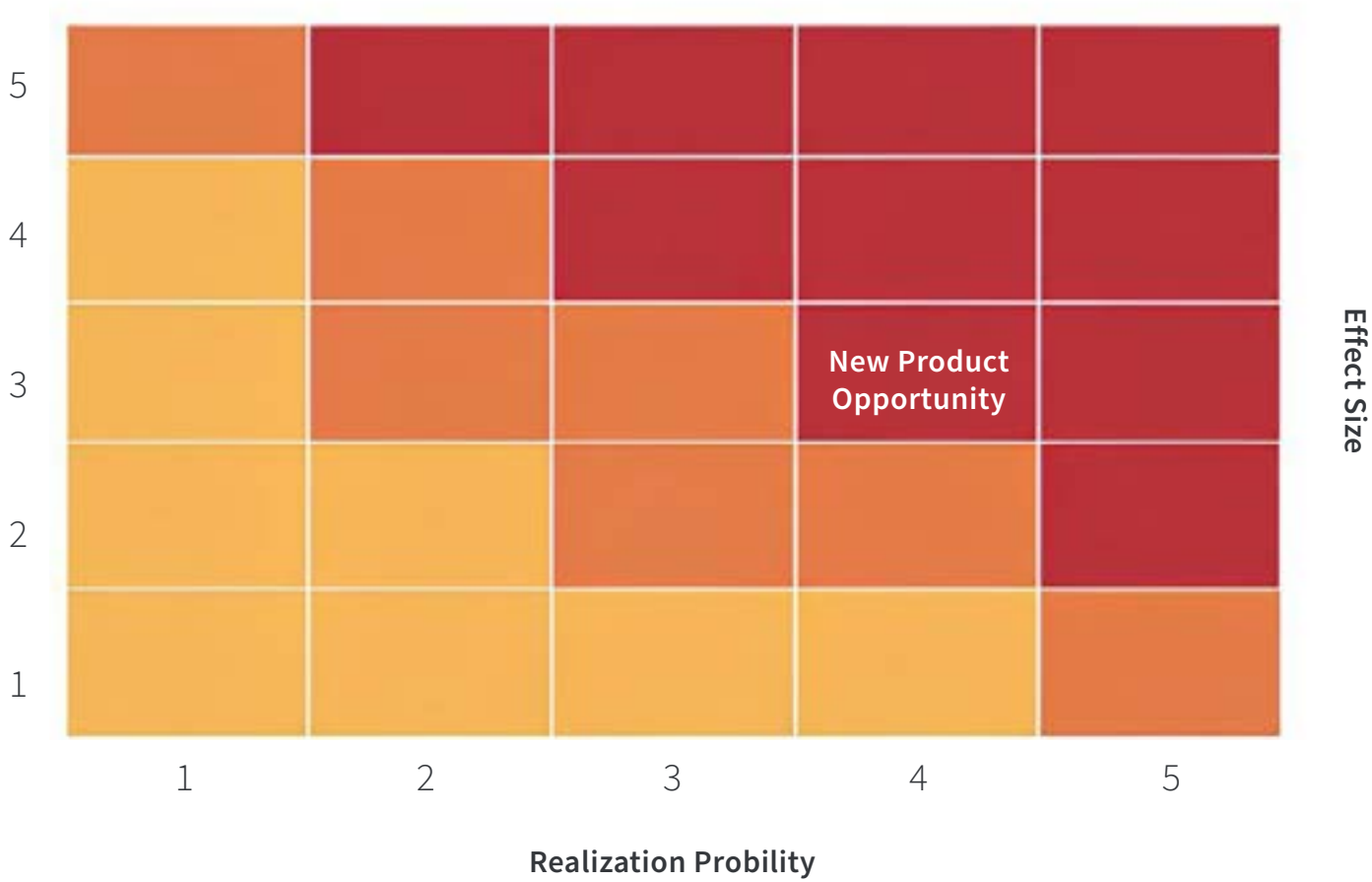
In line with this approach, environmental and climate-related impacts are planned to be analyzed in credit allocation and restructuring processes. Through the prioritization of climate-related risks, Albaraka Türk is able to manage sustainability-based climate risks more effectively in its strategic decision-making processes, enhance its long-term resilience capacity and provide reliable information to its stakeholders in line with the TSRS principles of transparency and comparability.

The materiality assessment process was carried out by the risk unit within Albaraka Türk and supported by contributions from managers of other relevant units within the Bank and external consultants. The outputs of the process were validated and approved by the Board of Directors.



Climate-Related Risk and Opportunity Assessment Matrices





CLIMATE-RELATED METRICS AND TARGETS

Our Emissions

Our Bank's energy and greenhouse gas management approach is based on the regular monitoring, measurement, and reporting of environmental impacts arising from operational activities. Within this framework, data relating to energy consumption are consolidated, and greenhouse gas emissions arising from our activities are calculated using methodologies aligned with national and international standards. Climate-related performance indicators are addressed in an integrated manner with our Bank's sustainability strategy and risk management framework.

Processes related to the collection, assessment, and reporting of environmental data are carried out within the framework of defined responsibilities across our Bank's corporate structure. Energy consumption and greenhouse gas emissions arising from operational activities are monitored by the relevant units, and the data obtained are recorded in a manner that ensures comparability across years. Through this structure, the continuity of environmental performance and consistency in reporting are ensured.

Our Bank first began calculating its greenhouse gas emissions in 2021 and conducts its greenhouse gas measurement and reporting activities in alignment with the Türkiye Sustainability Reporting Standards (TSRS). Within this scope, Scope 1 and Scope 2 emissions within the reporting boundaries are disclosed, while Scope 3 emissions are excluded from the scope of disclosure in accordance with the relevant transitional exemptions.

Greenhouse gas calculations are performed using an activity data-based methodology in alignment with the GHG Protocol Corporate Accounting and Reporting Standard (2004). Our Bank applies the financial control approach in determining organizational boundaries, and calculations are carried out based on gross Scope 1 and gross Scope 2 emissions. This approach enables a more holistic assessment of the environmental impacts of activities.

Scope 1 emissions include direct emissions arising from natural gas and fuel consumption and refrigerant gases used within the scope of the Bank's activities. Scope 2 emissions comprise location-based indirect emissions arising from electricity consumed at the Head Office and across the branch network. As no process-related or biomass-based emissions arise from the Bank's activities, these items have not been included in the greenhouse gas inventory.

Activity data relating to electricity and natural gas consumption are obtained from invoice records, and up-to-date and generally accepted national and international emission factors applicable to the reporting period are used in emission calculations. Within this scope, emission factors published by the Republic of Türkiye Ministry of Energy and Natural Resources (MENR), the IPCC, DEFRA, and the EPA are referenced. Emissions relating to refrigerant gases are determined by taking into account the equipment inventory and maintenance records. The use of direct consumption data aims to obtain results that most closely reflect operational reality.

During the reporting period, a YEK-G certificate corresponding to 14,500 MWh was obtained for the market-based calculation of Scope 2 emissions arising from electricity consumption. Within this scope, all electricity consumption within the reporting boundaries was certified as renewable electricity consumption, and market-based Scope 2 electricity emissions were offset.

The GHG Protocol methodology is preferred as it provides a transparent and auditable framework that is aligned with the TSRS and enables international comparability. This approach is prioritized over alternative methods, as it produces comparable results across different institutions and sectors and provides a framework aligned with reporting standards.

In order to enhance energy efficiency and reduce operational environmental impacts, practices that support digitalization and resource efficiency are prioritized across our Bank. Through paperless banking practices and digital processes, operational resource consumption is reduced, creating a positive impact on the environmental footprint.

Scope 1 and Scope 2 emissions are calculated annually, and carbon emissions are monitored and reported. As part of its efforts to combat climate change, our Bank adopts a transformation vision aligned with the Net-Zero target and regularly monitors its climate-related performance. Scope 3 emissions have not been included in the target performance calculation for the current reporting period within the scope of the transitional exemption and are planned to be included in the reporting scope in future periods in parallel with the development of the TSRS-compliant reporting infrastructure.

Our Bank does not have a formal internal carbon pricing practice used in its decision-making mechanisms, investment decisions, scenario analyses, or transfer pricing processes. In the current reporting period, there is no carbon price determined per metric ton for the costing of greenhouse gas emissions or any mechanism based on such a price.

Table 19. Carbon Footprint Data

Year	Scope 1 (tCO ₂ e)	Scope 2 – Location- Based (tCO ₂ e)	Scope 2 – Market-Based (tCO ₂ e)	Total Emissions – Location- Based (tCO ₂ e)	Total Emissions – Market-Based (tCO ₂ e)
2024	4,034.66	6,109.25	6,109.25	10,143.91	10,143.91
2025	4,236.33	5,946.45	1.114*	10,182.79	5,350.33

*During the 2025 reporting period, YEK-G certificates totaling 14,500 MWh were obtained, and market-based Scope 2 emissions arising from electricity consumption were offset through renewable electricity contractual instruments.

Table 20. Bank and Consolidated Subsidiaries Scope 1 & 2 Data

	2024		2025	
	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)
The Bank and Consolidated Subsidiaries	4,034.66	6,109.26	4,236.33	5,946.45
Associates and Unconsolidated Subsidiaries	288.04	208.20	410.14	290.42
Albaraka Kültür, Sanat ve Yayıncılık A.Ş.	5.78	8.75	6.07	8.52
Albaraka Tech Global	37.62	166.36	36.29	157.83
Katılım Emeklilik ve Hayat A.Ş.*	122.32	16.55	183.89	62.04

*While the operational control approach was applied in determining organizational boundaries for the 2024 reporting period, the financial control approach was adopted in 2025, and the greenhouse gas emissions of the relevant entity were included in the carbon footprint calculations in proportion to the 50% ownership interest.

Energy Consumption and Use of Renewable Energy

The Bank regularly monitors energy consumption arising from its activities and carries out efforts to enhance energy efficiency. Within the scope of its energy management approach, performance is assessed by monitoring total energy consumption, electricity consumption, and renewable energy use.

In order to reduce the environmental impacts arising from electricity consumption, importance is attached to the use of electricity generated from renewable energy sources. Within this scope, all electricity consumption is offset through renewable energy certificates, and the renewable energy usage rate is maintained at 100%.



Remuneration Approach

At Albaraka Türk, climate-related matters are taken into account in senior management remuneration assessments within the scope of sustainability performance. In this context, the relevant performance indicators have been linked to the Bank's remuneration approach.

During the current reporting period, the amount attributable to climate-related performance indicators within senior executive remuneration recognized in the financial statements was not separately disaggregated. Therefore, the percentage of this amount within total senior executive remuneration was not calculated.

Assets and Activities Vulnerable to Climate-Related Transition Risks

Our Bank monitors the potential impacts of regulatory changes, technological transformation, and market changes arising from the transition to a low-carbon economy on its credit portfolio within the framework of the TSRS. In this context, the iron and steel, cement, fertilizer, aluminum, and electricity sectors, which are highly sensitive to transition risks and have high carbon intensity, have been classified as "vulnerable assets." As of year-end 2025, our Bank's total performing cash and non-cash exposure in these high-risk sectors amounted to 3.67% (TL 11.1 billion). This portfolio is closely monitored through climate-related scenario analyses.

Assets and Activities Vulnerable to Climate-Related Physical Risks

Within the scope of the Bank's assets vulnerable to climate-related physical risks, real estate collateral that may be exposed to physical risks is assessed. As of December 2025, the total net real estate mortgage collateral of our Bank amounted to TL 67,937,395,170. According to the assessment conducted within the scope of the heat map, the net value of uninsured real estate mortgage collateral located in provinces classified as very high risk or high risk amounted to TL 710,246,650. Land, agricultural land, orchards, and gardens were excluded from the assessment, while residential and commercial properties were taken into account. As of December 31, 2025, the cash risk associated with these collateral assets amounted to TL 359,397,545.

Assets and Activities Aligned with Climate- Related Opportunities

Within the scope of the report, assets aligned with climate-related opportunities refer to assets associated with the financing of projects that support the transition to a low-carbon economy and adaptation to climate change in accordance with participation finance principles. The Bank plans to increase the capacity of such assets by developing sustainability-focused financial instruments and green instruments, and to align its asset structure and operational activities with climate-related opportunities.

Financial Resource Management for Climate-Related Risks and Opportunities

As of the reporting period, capital expenditures, financing activities, or investments related to climate-related risks and opportunities are not monitored under a separate heading. Therefore, no quantitative measurement has yet been carried out regarding the amounts of capital expenditure, financing, or investment allocated to climate-related risks and opportunities.

Efforts to develop the data collection and assessment infrastructure for monitoring the relevant indicators are ongoing, and it is planned to include such information in reporting in future periods.

Targets

Albaraka Türk considers combating climate change a core component of its corporate sustainability strategy and, in this regard, has adopted achieving net-zero emissions by 2053 as its long-term environmental target. In line with this target, the Bank carries out efforts to reduce greenhouse gas emissions arising from its operational activities and to manage financed emissions.

The table below presents the quantitative and qualitative targets monitored by the Bank within the scope of its climate and environmental strategy.

Table 21. Targets

Target Type	Target Category	Description	Metric	Unit of Metric	Purpose of the Target	Base Year	Interim Target	Target Year	Target Status
Climate	Quantitative/ Absolute	Achieving net-zero emissions in alignment with the Republic of Türkiye's 2053 Net Zero target	Scope 1, Scope 2 and Scope 3 Emissions	tCO ₂ e	Reduction	2024	-	2053	It is planned to reduce greenhouse gas emissions corresponding to 85,000 liters of fuel by replacing 10% of the corporate vehicle fleet with hybrid or electric vehicles.
Climate	Quantitative/ Absolute	Offsetting Electricity Consumption	Offsetting electricity consumption under Scope 2 emissions	MWh	Neutralization	2023	-	2030	Scope 2 emissions are offset annually.

Targets

Climate-related targets are planned to be reviewed at least annually under the coordination of the Corporate Governance and Sustainability Committee and, where deemed necessary, also assessed during interim periods. During the review process, relevant legislation, regulatory requirements, operational developments, and corporate priorities will be taken into account. Where required as a result of the assessment, the targets will be updated, and the process will be carried out under the oversight of the relevant governing bodies.

The Bank's climate-related target-setting process has been conducted internally, and as of the reporting period, neither the targets nor the target-setting methodology have been subject to independent third-party verification.

The Bank addresses the impacts of climate change on its operations through a holistic approach and continues its efforts to monitor material climate-related risks and opportunities and develop its target and metric infrastructure.

The targets set by the Bank within the scope of its climate and environmental strategy include reducing its carbon footprint and increasing energy efficiency.

The Bank's climate-related efforts address both emissions reduction and climate change adaptation. Emissions performance is monitored through greenhouse gas emissions inventory reports prepared annually and assessed by the relevant committee and departments.

Within the scope of adaptation efforts, the Bank aims to enhance the resilience of its business processes to climate risks and expand environmental sustainability practices.

Climate-related efforts are carried out across the Bank's entire corporate structure. In this context, the identified emissions reduction and sustainability initiatives cover the Head Office, Regional Directorates, all branches, and consolidated subsidiaries.

The Bank does not currently implement any carbon offsetting, carbon credit use, or carbon capture and storage (CCS) practices within the scope of its activities. Therefore, its gross and net-greenhouse gas emissions targets are the same, and improving emissions performance solely through reduction is taken as the basis.

Table 22. Sustainability and Climate Targets Dashboard

Monitoring Indicator for Sustainability and Climate Targets	Indicator Description
Energy consumption (MWh)	Refers to the total amount of energy consumed at the Bank's branches, Head Office, and administrative buildings. It is used to monitor resource use.
Share of electricity procured from renewable sources (%)	Refers to the share of electricity supplied from renewable energy sources within the Bank's total electricity consumption. This ratio is monitored within the scope of renewable energy use and green building practices.
Gross greenhouse gas emissions (tonnes CO ₂ e)	Refers to the total greenhouse gas emissions arising from the consolidated operations of Albaraka Türk Participation Bank A.Ş. Within this scope, direct emissions arising from fuel use at the Bank's branches, Head Office, and operational facilities (Scope 1), and indirect emissions arising from purchased electricity (Scope 2) are calculated in CO ₂ equivalent.

EVENTS AFTER THE REPORTING PERIOD

Transactions, events, or conditions occurring after the end of the reporting period but before the date on which the sustainability-related financial disclosures are authorized for issue are assessed and, where necessary, disclosed if they could reasonably be expected to influence the decisions of users of general purpose financial reports.

As a significant development during the 2025 reporting period, a fundamental change was made to our organizational structure, and the Investor Relations and Sustainability Department was placed under the Finance Business Family. In addition, the Climate Risk Policy was established, and Albaraka Türk maintains the relevant internal control and reporting mechanisms to ensure the public disclosure of such events when identified.

During this period, a change also occurred in the Board of Directors,

At the Ordinary General Assembly of Shareholders held on March 27, 2026, Housseem BEN HAJ AMOR (Chairman), Bekir PAKDEMİRLİ (Vice Chairman), Turgut SİMİTCİOĞLU (Member), Ömer ÇEKİÇ (Independent Member), Dalia Hazem G. KHORSHID (Member), Azhar Aziz DOGAR (Member), Akram YASSIN (Member), Khaled Abdulla Mohamed ATEEQ (Member), and Malek Khodr TEMSAH, the ex officio member of the Board of Directors (Chief Executive Officer), were elected as members of the Board of Directors for a term of three years. In addition, the members of the committees operating under the Board of Directors were changed as follows.

- Executive Committee
Housseem BEN HAJ AMOR, Dalia Hazem G. KHORSHID, Turgut SİMİTCİOĞLU and Malek Khodr TEMSAH
- Consultancy Committee
Yousef Hassan Y. KHALAWI, Hamdi DÖNDÜREN and Necmettin KIZILKAYA

- Credit Committee
Housseem BEN HAJ AMOR, Azhar Aziz DOGAR, Malek Khodr TEMSAH, Akram YASSIN and Dalia Hazem G. KHORSHID
- Corporate Governance and Sustainability Committee
Bekir PAKDEMİRLİ, Turgut SİMİTCİOĞLU, Akram YASSIN and Seyfullah DEMİRLEK
- Risk Committee
Housseem BEN HAJ AMOR, Azhar Aziz DOGAR and Khaled Abdulla Mohamed ATEEQ
- Remuneration and Nomination Committee
Housseem BEN HAJ AMOR, Bekir PAKDEMİRLİ and Akram YASSIN
- Audit Committee
Bekir PAKDEMİRLİ, Khaled Abdulla Mohamed ATEEQ and Ömer ÇEKİÇ

Following the organizational change, Önder ÇINAR was appointed as the head of the Credits Business Family, Lütfü Şener as the head of the Human and Culture Business Family, and Yasin Kaynar as the head of the Finance Business Family.

In the event of similar circumstances arising in the future, the necessary disclosures will be made pursuant to paragraph 68 of TSRS 1.

CALCULATION PRINCIPLES FOR METRICS

The information contained in the principles in this guide covers the 2025 fiscal year ending December 31, 2025 (January 1, 2025 - December 31, 2025) and the relevant operations of the Bank's Head Office, Regional Directorates, and branches in Türkiye, as detailed in the Basic Definitions and Reporting Scope section.

The "Scope 1 Emissions (Bank and Consolidated Subsidiaries)" and "Scope 2 Emissions (Bank and Consolidated Subsidiaries)" indicators within the environmental indicators included in these principles include data for the Bank and its subsidiaries listed below:

- Bereket Varlık Kiralama A.Ş.
- Değer Varlık Kiralama A.Ş.
- Albaraka Portföy Yönetimi A.Ş.

The "Scope 1 Greenhouse Gas Emissions (Associates and Non-Consolidated Subsidiaries)" and "Scope 2 Greenhouse Gas Emissions (Associates and Non-Consolidated Subsidiaries)" indicators cover the data of the companies listed below, which are associates accounted for using the equity method in the Bank's consolidated financial report and over which the Bank has operational control:

- Albaraka Kültür Sanat ve Yayıncılık A.Ş.
- Katılım Emeklilik ve Hayat A.Ş.
- Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş.

General Reporting Principles

The following principles were followed in the preparation of this guidance document:

- In preparing information, we emphasize the fundamental principles of relevance and reliability for information users,
- In reporting information, we emphasize the principles of comparability/consistency with other data, including the previous year, and the principles of understandability/transparency, which provide clarity to users.

CALCULATION PRINCIPLES FOR METRICS

Basic Definitions and Reporting Scope

In line with the purpose of this report, the Company makes the following definitions:

Type	Indicator	Scope / Description
Environmental	Fuel Consumption Amounts by Fuel Type and Purpose of Use	
	Natural Gas Consumption (m ³)	The Bank's natural gas consumption amount, tracked from service provider invoices. Including consumption by the Bank and its subsidiaries.
	Electricity Consumption (kWh)	The Bank's grid electricity consumption, tracked from service provider invoices. Including consumption by the Bank and its subsidiaries.
	Diesel Consumption (L)	The total of the Bank's company vehicle diesel consumption, generator diesel consumption, and heating diesel consumption. Including consumption by the Bank and its subsidiaries.
	Gasoline Consumption (L)	The Bank's company vehicles' gasoline consumption. Including consumption by the Bank and its subsidiaries.
	Refrigerant Use (kg)	The amount of refrigerant filled is tracked on the air conditioning maintenance company's service forms. This includes consumption by the Bank and its subsidiaries.
Environmental	Greenhouse Gas Emission Indicators	
	Scope 1 Greenhouse Gas Emissions (tCO ₂ e) (Bank and Consolidated Subsidiaries)	Direct greenhouse gas emissions from diesel, natural gas, gasoline, and refrigerants. Including the Bank and its subsidiaries.
	Scope 1 Greenhouse Gas Emissions (tCO ₂ e) (Associates and Non-Consolidated Subsidiaries)	Direct greenhouse gas emissions of associates from diesel, natural gas, gasoline, and refrigerants.
	Scope 2 Greenhouse Gas Emissions (Location-Based) (tCO ₂ e) (Bank and Consolidated Subsidiaries)	Location-based indirect greenhouse gas emissions arising from electricity and heat/steam consumption. Includes the Bank and its subsidiaries.
	Scope 2 Greenhouse Gas Emissions (Location-Based) (tCO ₂ e) (Associates and Non-Consolidated Subsidiaries)	Location-based indirect greenhouse gas emissions from associates' electricity and steam consumption.
	Scope 2 Greenhouse Gas Emissions (Market-Based) (tCO ₂ e) (Bank and Consolidated Subsidiaries)	Market-based greenhouse gas emissions remaining after renewable energy (YEK-G) is deducted from indirect emissions from electricity consumption. Including the Bank and its subsidiaries.

The environmental consumption data and greenhouse gas emission values published in Albaraka Türk's 2025 Integrated Annual Report were calculated by Sustable, the first company licensed by the Turkish Standards Institute (TSE) for carbon footprint calculation and reporting. These data are reported in full compliance with the reporting requirements of the Greenhouse Gas (GHG) Protocol and the ISO 14064-1:2019 standard.

Data Preparation

1. Environmental Indicators

Total Energy Consumption (MWh)

Albaraka Türk Participation Bank Inc. and its subsidiaries report direct energy consumption, including primary fuel sources consisting of natural gas, electricity, vehicle fuels (diesel and gasoline), and generator diesel consumption. The data are as follows:

Albaraka Türk Energy Consumption Data (MWh)	2021	2022	2023	2024	2025
Electricity Consumption	13,807	14,186	13,405.62	13,819.66	13,698.94
Natural Gas	7,433.05	7,642.93	7,091.75	7,052.41	6,581.40
Gasoline	14.48	26.58	1,316.92	7,186.25	7,358.24
Diesel Fuel	6,456.25	6,419.37	5,638.11	285.68	170.80
Total Energy Consumption	27,710.78	28,274.88	27,452.41	28,344.00	27,809.34
Total Renewable Energy Consumption			13,405.62		14,500
Renewable Energy Consumption Ratio (%)			49%		52%
Energy Intensity (MWh/number of employees)	9.49%	10.49%	10.08%	10.27%	9.88%

CALCULATION PRINCIPLES FOR METRICS

Fuel Consumption Amounts by Fuel Type and Purpose of Use

Natural Gas

The consumption of natural gas by the Head Office, Regional Directorates, and most branches heated by natural gas is monitored using invoices received from service providers. Natural gas consumption for branches heated with natural gas but not invoiced is tracked through dues payments, and approximate consumption values for these branches are calculated based on the annual average consumption values of other branches. For branches where consumption data in Turkish Lira are available but volume data are not available, annual consumption data are calculated based on the unit pricing of the relevant official institutions.

Formula: Total Annual Natural Gas Consumption Tracked from Service Provider Companies' Invoices (m^3) * Number of Branches Tracking Natural Gas Consumption Based on Dues (#) / Number of Branches Consuming Natural Gas from Service Provider Companies' Invoices (#)
Total Natural Gas Consumption Amount Tracked from Payment Receipts Paid to Service Provider Companies (TL) * Unit Natural Gas Price (m^3 / TL)¹

Scope 1 Greenhouse Gas Emissions (tCO_2e)

Global Warming Potential (GWP) coefficients were taken from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, while emission factors were taken from the Department for Environment, Food and Rural Affairs (DEFRA) 2025 Emission Factors report published by the UK government. The

resulting tonnes of carbon dioxide equivalent (CO_2e) were calculated by multiplying the value by the appropriate coefficients.

Formula: [Fuel Emissions (E_{fuel}) = Activity Data (FV) * Emission Factor (EF) * Oxidation Factor (OF)]



Reporting Guide

Scope 1

Emission Source	Emission Factor	CO ₂ e (kgCO ₂ /TJ)	CO ₂ (kgCO ₂ /TJ)	CH ₄ (kgCO ₂ /TJ)	N ₂ O (kgCO ₂ /TJ)	References
Heating Fuel Consumption - Natural Gas (m ³)	-	56,100.00	5	0.1		IPCC (2006), Vol 2., Chapter 2, Table 2.4.
Heating Fuel Consumption - Diesel (lt)	-	74,100.00	10	0.6		IPCC (2006), Vol 2., Chapter 2, Table 2.4.
Generator - Diesel (lt)	-	74,100.00	10	0.6		IPCC (2006), Vol 2., Chapter 2, Table 2.4.
Company Transportation Vehicles - Gasoline (lt)	-	69,300.00	25	8		IPCC (2006), Vol 2., Chapter 3, Table 3.2.1 & 3.2.2.
Company Transportation Vehicles - Diesel (lt)	-	74,100.00	3.9	3.9		IPCC (2006), Vol 2., Chapter 3, Table 3.2.1 & 3.2.2.
Refrigerants - R410A (kg)	2,255.50	-	-	-	-	IPCC Sixth Assessment Report (AR6)
Refrigerants - R134A (kg)	1,530.00	-	-	-	-	IPCC Sixth Assessment Report (AR6)
Refrigerants - R32 (kg)	771	-	-	-	-	IPCC Sixth Assessment Report (AR6)

Scope 2

Emission Source - Scope 2	Emission Factor (kgCO ₂ e/MWh)
Türkiye Electricity (Grid Source)	0.434

CALCULATION PRINCIPLES FOR METRICS

Significant Judgments and Measurement Uncertainties

The Company's process for identifying financially significant sustainability risks and opportunities and determining the key information to be reported is based on forecasts and forward-looking information, including short-, medium-, and long-term expectations for Total Assets and Profit for the Period, which are important performance indicators for the sector. However, these assessments require the use of estimates for certain amounts that cannot be directly measured. Climate-related metrics and targets, operational boundaries, and assumptions related to emissions calculations are provided under the heading "Calculations Related to Metrics," while information regarding these metrics is explained on pages 59-63 of this Report.

The Company uses transition and global climate scenarios (RCP and NGFS) to estimate the financial and physical impacts of its sustainability-related risks and opportunities.

These scenarios involve uncertainties about how climate change will affect the frequency and intensity of climate events that the Company may face, including the impact of transition risks and increases/decreases in greenhouse gas emissions. These uncertainties arise from variability in climate projections and potential unexpected changes in the behavior of natural and abnormal weather events due to changing weather patterns and evolving climate conditions.

The changes in the Company's financial performance covered on pages 28-29 of this Report, which may be affected by the transition mechanism to a lower-carbon economy and any additional financial obligations arising within this mechanism, are based on forecasts and forward-looking information including short-, medium-, and long-term expectations.

The calculation steps for the financial impacts of global warming, which are included on pages 22-27 of this Report, and the changes that may occur in the Company's financial performance in response to these impacts are based on forecasts and forward-looking information that include short-, medium-, and long-term expectations.

Assumptions Used

This report uses the following key assumptions and methodological approaches in assessing climate risks and opportunities:

Climate Scenarios: The RCP (Representative Concentration Pathways) scenarios developed by the IPCC were used for the analysis of physical risks. The potential impacts of parameters such as the frequency and severity of extreme weather events under different temperature increase pathways on the Bank's portfolio were qualitatively assessed. In the assessment of transition risks, the NGFS was considered. Within this framework, the sectoral impacts of factors such as rising carbon prices, regulatory pressures, and market adaptation were examined.

Geographic Distribution of Physical Risks:

The exposure of financed assets and the cities where customers in the portfolio are located to extreme weather events was assessed using heat map analyses generated. This projected which regions were more susceptible to floods, droughts, storms, and similar extreme natural events.

Carbon Pricing: The potential cost-increasing effects of carbon prices and mechanisms such as the Border Carbon Adjustment Mechanism (BCM) on high-carbon sectors in the Bank's portfolio (e.g., iron and steel, aluminum, automotive, energy, and mining) were assumed. Default risks were incorporated into the scenarios, taking into account the potential pressures on the credit repayment capacity of these sectors.

Emission Calculation Methods: The greenhouse gas emission inventory was calculated in accordance with the GHG Protocol standard, using direct consumption data (natural gas, electricity, etc.) and national (ETKB) and international (IPCC, DEFRA, EPA) emission factors. As of the current reporting period, the Bank has not applied a carbon price per metric ton to assess the costs of greenhouse gas emissions. This is related to the Bank's lack of direct emissions-intensive activities and the fact that internal carbon pricing practices have not yet become widespread.

Projected Financial Impact Calculation

When determining the potential financial impacts of climate risks and opportunities, various assumptions regarding macroeconomic, sectoral, and regulatory conditions were taken into account. In line with all the methodological approaches mentioned, an attempt was made to predict the impact of risks on the portfolio both qualitatively and quantitatively; the assumptions used in these projections were based on available data and accepted projections. In some opportunity areas, analyses were conducted based on a growth projection aligned with sector credit projections.

Judgements and Uncertainties

The sustainability data presented in this report have been compiled within the scope of Albaraka Türk Participation Bank Inc.'s operations in Türkiye, using operational data obtained from relevant internal systems and external information obtained from national and international sources of recognized reliability.

The data are largely based on measurement, calculation, and, to a limited extent, estimation. They may contain approximate values, particularly in areas such as emissions calculations and risk assessments. Therefore, while some information may not be absolutely precise, it is intended to provide meaningful and reliable indicators.

The preparation of sustainability-related disclosures was based on international reporting standards, sectoral practices, and regulatory expectations. Professional judgment was exercised regarding the scientific validity, validity, and relevance of the data sources used to the institutional context.

Restatement of Opinion

Measurement and reporting of verified data inevitably involves a degree of estimation. If there is a change in the Bank-level data of more than 5%, a restatement of opinion may be considered.

Sector-Based Metrics

Topic	Metric	Category	Unit of Measure	Code	Response
Incorporation of Environmental, Social and Governance Factors into Credit Analysis	Description of the approach to incorporating environmental, social and governance (ESG) factors into credit analysis	Discussion and Analysis	N/A	FN-CB-410a.2	Included under the heading “Management and Oversight Mechanism for Climate Change Risks” in the Risk Management section of the Report.

Activity Metric	Category	Unit of Measure	Code	Response				
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	Number, Presentation currency	FN-CB-000.A		31.12.2024		31.12.2025	
				Type	Number of Term Account	Term Balance (TL Thousand)	Number of Term Account	Term Balance (TL Thousand)
				Retail (a)	119,479	53,928,233	109,164	62,670,204
				Small Business (b)	3,852	3,411,069	3,188	6,684,003
				Type	Number of Term Account	Term Balance (TL Thousand)	Number of Term Account	Term Balance (TL Thousand)
				Retail (a)	1,270,665	57,335,430	1,341,413	94,481,270
				Small Business (b)	51,746	9,639,328	47,943	13,711,796
(1) Number and (2) value of credits by segment: (a) personal, (b) small business, and (c) corporate*	Quantitative	Number, Presentation currency	FN-CB-000.B	Type	Number of Term Account	Term Balance (TL Thousand)	Number of Term Account	Term Balance (TL Thousand)
				Retail (a)	139,522	12,775,937	164,073	17,525,128
				Small Business (b)	32,078	53,296,631	31,827	73,237,257
				Corporate	18,256	58,602,627	28,454	101,495,708

*FN-CB-000.B Note – Mortgage credits and revolving credits are excluded from the scope of disclosure.

**Accruals and rediscounts were not taken into account in the preparation of the report.

***Non-performing accounts and accounts related to non-cash credits were not included in credit balances.

****Accounts with zero balances were not included in the number of current accounts.

*****Micro, small, and medium-sized enterprises falling within the SME definition were included in the Small Business row presented in the report.

Glossary of Technical Terms and Abbreviations

EU Taxonomy	The European Union classification system that determines whether economic activities comply with environmental sustainability criteria.
BRSA (Banking Regulation and Supervision Agency)	The regulatory public authority responsible for regulating and supervising the banking sector in Türkiye, aiming to ensure financial stability, improve risk management practices, and oversee the sound functioning of the sector.
CDP (Carbon Disclosure Project)	A global disclosure platform through which companies, financial institutions, cities, and other organizations report data on their environmental impacts, such as climate change, water safety, and deforestation, supporting transparency and the comparability of environmental performance.
ESG (Environmental, Social, and Governance)	A holistic performance and assessment framework used to evaluate organizations' risks and opportunities in relation to their environmental impacts, social responsibilities, and governance practices.
DEFRA (Department for Environment, Food and Rural Affairs)	A UK-based public authority that publishes emission factors and conversion factors widely used in greenhouse gas emission calculations and is regarded as an international reference for environmental data and methodologies.
GHG Protocol (Greenhouse Gas Protocol)	A globally recognized set of standards and methodologies for organizations to calculate, report, and manage greenhouse gas emissions.
IFRS S2 (International Financial Reporting Standards)	A standard under the International Financial Reporting Standards that governs the disclosure of businesses' climate-related risks and opportunities together with their financial impacts.
Risk Heatmap	An analytical assessment tool that enables risks to be visualized and prioritized according to their likelihood and impact levels.
KGK (Public Oversight Accounting and Auditing Standards Authority)	The authorized public authority that determines and publishes financial reporting, independent audit, and sustainability reporting standards in Türkiye and oversees audit activities.
NGFS (Network for Greening the Financial System)	An international network established by central banks and regulatory authorities to enhance the resilience of the financial system to climate risks.
PCAF (Partnership for Carbon Accounting Financials)	An international methodology developed for financial institutions to measure and report emissions arising from their credit and investment portfolios.

RCP (Representative Concentration Pathways)	Modeling pathways that define future climate change scenarios based on different greenhouse gas concentration levels.
CBAM (Carbon Border Adjustment Mechanism)	A regulatory mechanism implemented by the European Union that provides for the pricing of imported products based on their carbon emissions.
CMB (Capital Markets Board of Türkiye)	The regulatory and supervisory public authority responsible for regulating, supervising, and developing capital markets in Türkiye, aiming to protect investors and ensure market transparency and fair functioning.
TCFD (Task Force on Climate-related Financial Disclosures)	An international reporting framework that encourages companies to disclose climate change-related risks and opportunities transparently and comparably under the headings of governance, strategy, risk management, and metrics and targets.
TS EN ISO 14064-1 (Standard for the Calculation and Reporting of Greenhouse Gas Emissions)	The Turkish adaptation of the internationally recognized ISO 14064 standard, which sets out the principles for measuring, monitoring, reporting, and verifying greenhouse gas emissions and removals at the organizational level.
YEK-G (Renewable Energy Resource Guarantee System)	An official certification and tracking system that certifies that consumed electricity has been generated from renewable energy sources.
Green Sukuk	A type of security issued to finance environmental sustainability projects in compliance with interest-free finance principles.
Green Asset Ratio (GAR)	An indicator showing the share of assets directed toward environmentally sustainable activities in a financial institution's balance sheet within its total assets.

TSRS INDEX

TSRS 1: General Provisions for the Disclosure of Sustainability-Related Financial Information

Core Content	Standard Article Code	Section in Which the Relevant Disclosure Appears in the Report
Governance	27 a-b	Sustainability Governance
	29	
	30	
	32	
	33	
	34	
	35	
	36	
	37	
Strategy	38	Our Sustainability Strategy
	44 a-c	
	46	
Risk Management	51 a-g	Climate-Related Metrics and Targets

TSRS 2: Climate-Related Disclosures

Core Content	Standard Article Code	Section in Which the Relevant Disclosure Appears in the Report
Governance	6 a-b	Sustainability Governance
Strategy	9 a-e	Our Sustainability Strategy
	10 a-d	
	13 a-b	
	14 a-c	
	15 a-b	
	16 a-d	
	21 a-c	
Climate Resilience	22 a-b	
Risk Management	25 a-c	Sustainable Risk Management
Metrics and Targets	28 a-c	Climate-Related Metrics and Targets
	29 a-g	
	33 a-h	
	34 a-d	
	36 a-e	

INDEPENDENT ASSURANCE REPORT



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

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

To the General Assembly of Albaraka Türk Katılım Bankası A.Ş.,

We have undertaken a limited assurance engagement on Albaraka Türk Katılım Bankası A.Ş. and its subsidiaries (collectively referred to as the “Group”), sustainability information for the year ended 31 December 2025 in accordance with Turkish Sustainability Reporting Standards 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Turkish Sustainability Reporting Standards 2 “Climate Related Disclosures” (“Sustainability Information”).

Our assurance engagement does not extend to information in respect of other information linked to the Sustainability Information (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the ‘Summary of the work we performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group’s Sustainability Information for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the “POA”).

Inherent Limitations in Preparing the Sustainability Information

As discussed in “Calculation Principles Regarding Metrics” section included on the pages 57 to 65 the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.



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

The Group Management is responsible for:

- Preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

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

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Group.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability information as doing so may compromise our independence.

INDEPENDENT ASSURANCE REPORT



Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Group's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Group's sustainability reporting process.

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

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özge Arslan Yılmaz, SMMM
Independent auditor

Istanbul, 6 August 2026

Statement Of Responsibility Regarding Compliance Report For Turkish Sustainability Reporting Standards (TSRS) For The Period of 1 January 2025 – 31 December 2025

We hereby declare that, Albaraka Türk Katılım Bankası A.Ş. 2025 TSRS Complied Sustainability Report, for the year ending 31 December 2025, prepared in accordance with Turkish Sustainability Reporting Standards (“TSRS”) published by the Public Oversight Accounting and Auditing Standards Authority in the Official Gazette [dd. 29 December 2023, Nr. 32414(M)], does not contain any misstatements or omissions on material matters and accurately reflects the Bank’s sustainability activities.

Respectfully,

Malek Khodr TEMSAH
Chief Executive Officer

Yasin KAYNAR
Assistant General Manager

Bekir PAKDEMİRLİ
Chairman of Audit Committee

Ömer ÇEKİÇ
Member of Audit Committee

Khaled A. Mohamed ATEEQ
Member of Audit Committee

CONTACT:

Albaraka Türk Katılım Bankası A.Ş.
İstanbul Ticaret Sicil Müdürlüğü No: 206671
MERSIS No: 0047000870200019
İnkılap Mah. Dr. Adnan Büyükdeniz Cad.
No: 6 34768 Ümraniye/İstanbul
www.albarakaturk.com.tr albarakaturk@hs03.kep.tr
Tel: (0216) 666 01 01- Fax: (0216) 666 16 00
albarakaturk@albarakaturk.com.tr

Reporting Consultant & Design

www.sustable.com

