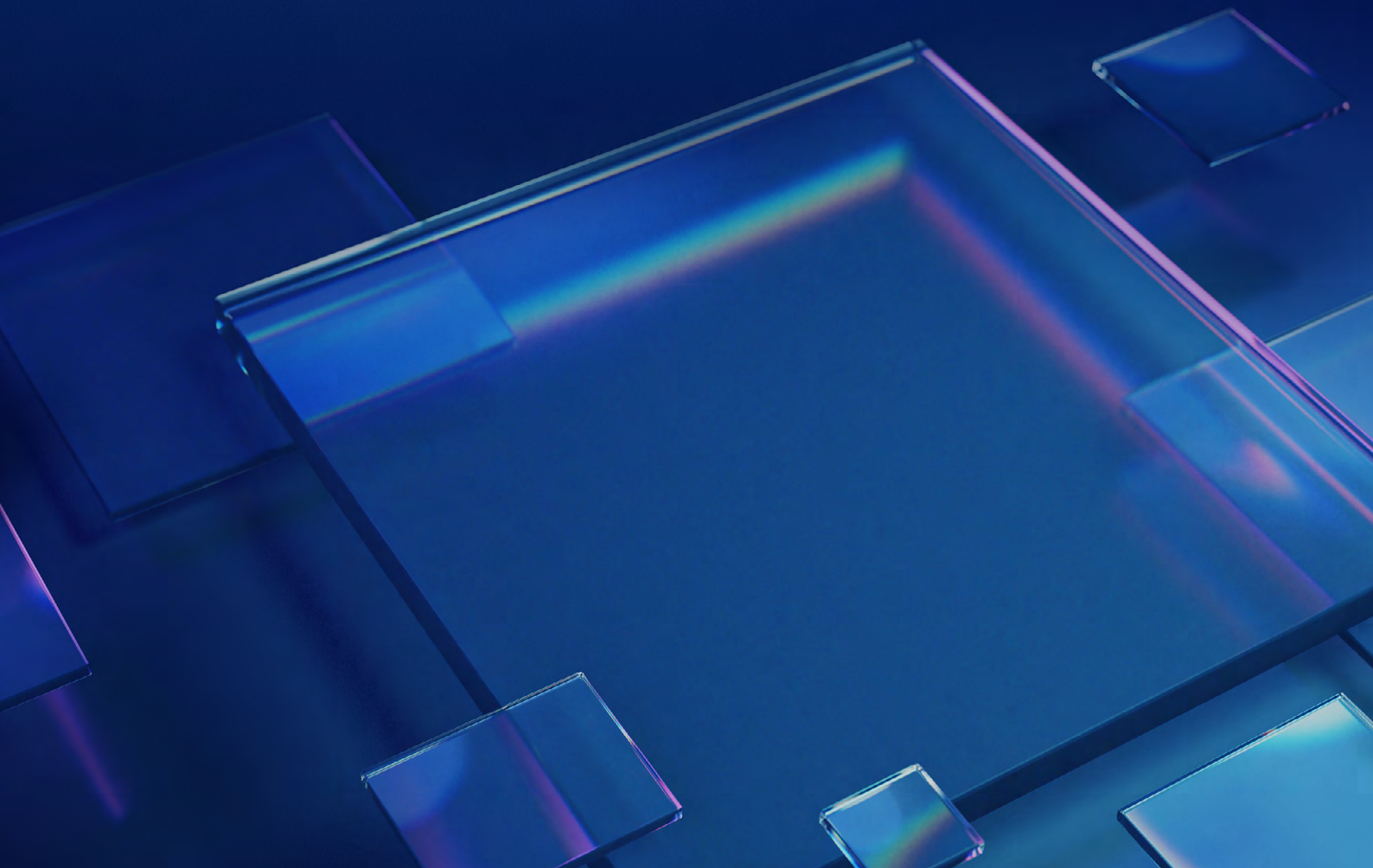
TAKASBANK İSTANBUL

2024 TSRS-COMPLIANT SUSTAINABILITY REPORT



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NAVIGATION OF THE REPORT

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You can send your views, remarks and suggestions about the Report via e-mail to spy@takasbank.com.tr.

ABBREVIATIONS

BRSA	Banking Regulation and Supervision Agency
CBRT	Central Bank of the Republic of Türkiye
CDR	Carbon Dioxide Removal
CMB	Capital Markets Board
DDC	Disaster Data Center
DEFRA	Department for Environment, Food and Rural Affairs
ESG	Environmental, Social and Governance
GDP	Gross Domestic Product
GHG	Greenhouse Gas
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
IT	Information Technologies
NDC	Nationally Determined Contribution
NGFS	The Network for Greening the Financial System
POA	Republic of Türkiye Public Oversight, Accounting, and Auditing Standards Authority
R&D	Research and Development
SASB	The Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
TBB	Banks Association of Türkiye
TCFD	The Task Force on Climate-related Financial Disclosures
TMS	Turkish Accounting Standards
TSRS	Türkiye Sustainability Reporting Standards

ABOUT THE REPORT

The Türkiye Sustainability Reporting Standards (TSRS), which have been prepared in full alignment with the global S1 and S2 sustainability reporting standards issued by the International Sustainability Standards Board (ISSB), established under the International Financial Reporting Standards (IFRS) Foundation, were issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK) and were published in the Gazette on December, 2023, entering into force as of January 1, 2024. "Takasbank 2024 TSRS-Compliant Sustainability Report", prepared by İstanbul Takas ve Saklama Bankası A.Ş. (Takasbank, the Bank), which is within the scope of mandatory sustainability reporting, has been prepared in accordance with TSRS 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and TSRS 2 "Climate-related Disclosures".

AUDIT

The sustainability-related disclosures have been subject to a limited assurance engagement conducted by PwC Independent Audit and Certified Public Accounting Inc., in accordance with the standards ISAE 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' and ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements', and an independent limited assurance statement has been included in the Report.

MATERIALITY APPROACH

The Report contains Bank's sustainability and climate-related disclosures, which are considered to be "material information" in accordance with the **"materiality"** principle given in paragraphs 17 to 19 of TSRS 1 standard, aimed at informing all existing and potential stakeholders of Takasbank.

The purpose of the financial materiality assessment is to identify climate-related risks and opportunities that are reasonably expected to affect Takasbank's operations and financial performance in the future. In this context, the existing climate-related risks and opportunities have been analyzed.

INFORMATION RELATED TO FINANCIAL STATEMENTS

The Takasbank 2024 TSRS-Compliant Sustainability Report, prepared based on the 12 month financial year ended 31 December 2024, is an integral part of the financial report for the year ended 31 December 2024, which has been prepared in accordance with BRSA regulations, and should be read in conjunction with it. Pursuant to Article 70 of the Türkiye Commercial Code, year-end financial statements are required to be prepared in Turkish Lira ("TL"), and in accordance with Article 24 of TSRS 1, which requires the use of presentation currency of the financial statements in the sustainability report, the sustainability-related financial information has been presented in TL based on the provisions of Türkiye Accounting Standard 21 (TMS 21).

CONTENT, SCOPE AND REGULATORY FRAMEWORK OF THE REPORT

Since 2022, Takasbank has been transparently sharing its economic, social, and environmental performance, as well as the value it creates through its activities, with its stakeholders on an annual basis. Takasbank aims to inform its stakeholders, through the integrated reports it prepares regularly each year and the TSRS-compliant sustainability report it has prepared for the first time this year, about its activities, financial and non-financial resources used in the course of those activities, and the economic, social, and environmental outcomes of those activities.

In accordance with the published TSRS 1 and TSRS 2, the Bank's sustainability and climate-related governance structure, its strategy for addressing and adapting to sustainability and climate change, information regarding climate-related risks and opportunities, and relevant metrics constitute the scope of Takasbank 2024 TSRS-compliant sustainability report. Also, the operations of the Bank's subsidiaries are not covered within the scope of this report.

TRANSITION EXEMPTIONS

The Türkiye Sustainability Reporting Standards provide certain transitional reliefs that are specific to the first reporting period. Takasbank has utilized the transitional relief provisions set out below, which TSRS provide for the annual reporting period in which an entity applies the Standards for the first time.

TSRS 1 E3, TSRS 2 C3: The report includes only information related to climate-related risks and opportunities for the relevant reporting period, and no comparative information has been disclosed.

TSRS 1 E4: The TSRS-compliant sustainability report is published after the financial statements for the period from 1 January 2024 to 31 December 2024 have been issued.

TSRS 1 E5 and TSRS 1 E6: The report discloses only information related to climate-related risks and opportunities.

TSRS 2 C4.b: Scope 3 emissions for the reporting period are not disclosed in this report.

JUDGEMENTS AND UNCERTAINTIES

In preparing the report, management judgment has been exercised by Senior Management in a number of areas, including the identification of climate-related risks and opportunities and the determination of material information to be reported. In particular, scenario analyses and the calculation and assessment of financial impacts have been performed based on certain assumptions. In addition, assumptions and estimates have been used for certain data that cannot be directly measured or calculated.

As this is the first year of reporting, there have been no changes in the measurement approach, inputs or assumptions for the reporting period.

The report is based on the financial reporting period from January 1 to December 31, 2024, and meets the minimum reporting requirements set out in TSRS 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and TSRS 2 "Climate-related Disclosures".

1. TAKASBANK'S SUSTAINABILITY AND CLIMATE APPROACH

Climate crisis, global impacts of which are felt more with each passing day, and which threatens the entire ecosystem, particularly human life, constitutes a significant threat to not only the environment, but also economic and financial sustainability. Increasing natural disasters and extremely volatile weather condition bring along critical risks in terms of sustainable growth and resource management in the future. According to the 2024 Global Risks Report published by the World Economic Forum, inadequate mitigation and adaptation to extreme weather events and climate change tops the list of the most serious risks that will threaten the world over the next 10 years unless more effective action is taken to combat climate change, while critical change in World systems, ecosystem collapse and biodiversity loss, and scarcity of natural resources stand out as other major risk factors.

As indicated in assessment reports of various international organizations focused on sustainability, although various impacts caused by the climate crisis, such as melting glaciers, rising sea levels and loss of biodiversity in ecosystems, have become inevitable, it seems possible to limit the extent of these impacts with deep, rapid and sustained reductions in greenhouse gas emissions. At this point, the actions to be taken at the societal and institutional levels to leave a sustainable world for future generations are of great importance.

1.1. Takasbank's Sustainability Approach

Takasbank, a key player in Türkiye's financial markets, systematically evaluates the environmental, social, and economic ramifications of its activities, prioritizing the creation of sustainable value for all stakeholders. Aligning with this commitment, the Bank actively contributes to the enduring development of the Turkish economy, aspiring to enhance its initiatives to meet global sustainability standards.

The Strategic Planning and Investor Relations Team takes charge of orchestrating the Bank's sustainability endeavors, overseeing, and documenting the Bank's sustainability achievements. To accomplish this role effectively, the team collaborates with all staff and pertinent stakeholders, with a special emphasis on the "Takasbank Sustainability Committee". On the other hand, sustainability structure in Takasbank includes all employees. Work plans and efforts to be made within the scope of vision, sustainability and climate strategy, and goals of Takasbank, particularly climate-related risks and opportunities, are addressed in **"Takasbank Sustainability Committee"**, details of which are shared under the title **"Governance"** of the Report and which is chaired by the Central Counter-Party and Financial Services EVP.

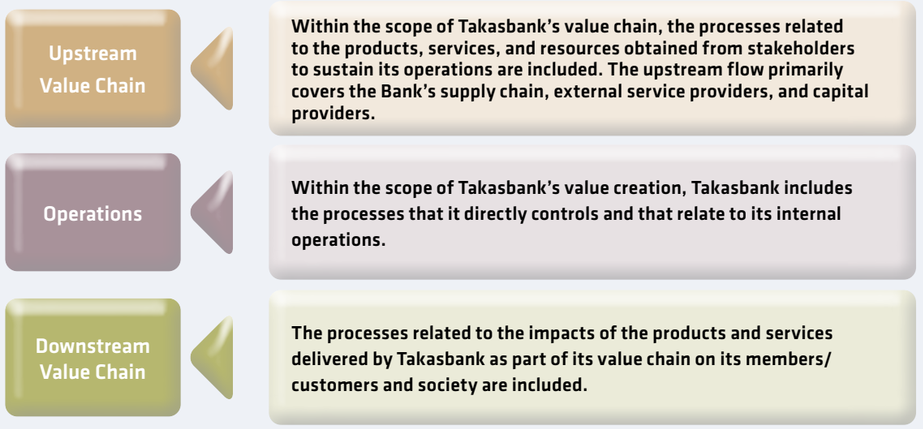
Takasbank's Business Model and Value Chain

Conducting its operations as an investment bank, a central clearing and counterparty institution, a payment system operator and an R&D center, Takasbank acts in line with its goal of creating a sustainable value chain for all stakeholders through the important services it provides, such as clearing, central counterparty operations, and banking, to its members in the Turkish capital markets.

The "Takasbank Value Creation Model" is a business model evaluating the Bank's financial, human, social and relational, intellectual, manufactured, and natural capital elements in an integrated manner and focusing on creation of sustainable value for all stakeholders of the Bank. With this business model, Takasbank aims to create value for all of its stakeholders both in the short and long run. Takasbank has positioned sustainability as one of the main focal points at the center of its value creation goal and business model; and conducts its activities related thereof through a process led by the Senior Management, and including, also the participation of all its employees and the views and opinions of its stakeholders.

Associated with reputation, transparency, trust and dignity in the eyes of its stakeholders since its establishment, Takasbank is determined to maintain strong communications with and to create permanent value for its stakeholders at all times. Takasbank actively engages in meaningful and reciprocal interactions with its stakeholders across diverse platforms. The institution places significant emphasis on incorporating the perspectives and recommendations of its stakeholders, utilizing their input not only in shaping the Bank's long-term strategies but also in enhancing day-to-day operations through continuous improvement initiatives. Recognizing stakeholder communication as a pivotal element, Takasbank values the feedback received from stakeholders as a fundamental input in the development of sustainable policies and strategies. Shareholders, customers/members, regulatory and supervisory agencies and institutions, including especially the BRSA, CMB and CBRT, employees, subsidiaries, and suppliers are the main stakeholders of the Bank.

TAKASBANK MAINTAINS ITS ACTIVITIES WITH A FOCUS ON CREATING HIGH AND PERMANENT VALUE FOR ALL OF ITS STAKEHOLDERS, OBSERVING LONG-TERM BALANCE IN ENVIRONMENTAL, SOCIAL, AND ECONOMIC IMPACT AREAS.



Takasbank's value chain encompasses the entire process from the planning, development, and delivery of the financial services it provides to its customers/ members, and includes the various internal and external stakeholders involved in this process. The value creation process is driven by reciprocal relationships not limited to the end customer/member, but also involving various other stakeholders such as suppliers, shareholders, regulatory and supervisory authorities, and subsidiaries. The Bank's value chain does not solely comprise a one-directional flow, but rather constitutes a holistic structure built upon continuous, multidimensional, and interactive relationships established with stakeholders. In this context, the Bank's value creation process is considered a dynamic system in which both upstream and downstream impacts are assessed together.

The "Takasbank Value Creation Model" in which the Bank's capital components are evaluated in an integrated manner, and the detailed information regarding the stakeholder groups with which Takasbank interacts are addressed under the headings of "Takasbank Business Model", "Value Creation" and "Stakeholder Relations" on pages 98-117 of the Takasbank 2024 Integrated Report.

1.2. Sustainability Efforts

Until 2023, Takasbank monitored its efforts within the scope of sustainability in consideration of "Sustainability Principles Compliance Framework", which was put into effect by the Communiqué on Amendment of Corporate Governance Communiqué no. II-17.1 (II-17.1.a) issued in 2020 by the Capital Markets Board and which involves fundamental principles, required to be disclosed by publicly-held companies while conducting their Environmental, Social, and Corporate Governance (ESG) efforts; reported its sustainability efforts and sustainability performance and offered these to its stakeholders for information in the section titled "Sustainability" of the Integrated Annual Report in comparison with previous years. In addition, detailed information on Takasbank, which is within the scope of sustainability reporting in accordance with TSRS 1 and TSRS 2 standards issued by POA, and its sustainability-related activities for the year 2024 is provided on pages 124-130 of the Takasbank 2024 Integrated Report, under the headings "General Principles", "Social Principles" and "Corporate Governance Principles" in the "Sustainability Principles Compliance Framework". Furthermore, detailed information regarding Takasbank's sustainability performance for the 2022-2024 period (including economic performance data, environmental performance data, and social performance data) is provided on pages 152-157 of the Takasbank 2024 Integrated Report.

1. TAKASBANK'S SUSTAINABILITY AND CLIMATE APPROACH

1.3. Takasbank's Perspective on Climate Risks

Climate change, triggered due to increasing greenhouse gases, is recognized as one of the greatest problems with environmental, social, and economic dimensions. This leads to serious global impacts and challenges. Likewise, such impacts are observed in our country as well. Relevant authorities emphasize that average temperatures will rise, water sources will deplete, there will be agricultural yield losses, issues with access to food will increase, sea levels will rise, and the frequency of various natural disasters will increase in the near future. The negative factors in question may also have negative impacts on economic stability.

Risks arising from climate change are evaluated under two categories; i.e. "climate-related physical risks" and "risks of transition to low carbon economy". Takasbank addresses climate risks under two categories, i.e. climate-related physical risks and transition risks.

1.3.1. Climate-Related Physical Risks

Climate related physical risks are taken into consideration under two categories, i.e. acute (event-driven) and chronic (long-term). As set forth in the "Guidance on the Management of Climate-Related Financial Risks" issued by BRSA; *"Physical risks arising from factors whose impacts unfold over time, such as an increase in average temperatures, changes in precipitation patterns, and rising sea levels, resulting from long-term changes in climate conditions" are defined as chronic risks, while; "physical risks arising from nature-related factors, such as hail, flood, landslide, or forest fire, whose severity increases gradually as a result of climate change and whose impacts occur within a short period of time"* are defined as acute risks.

The increase in carbon emissions causes climate change through global warming. Climate conditions and extreme weather events such as flood and hail that cause risks and financial losses on economy in general and financial sector (physical risk factors) may have direct or indirect impact on assets, production processes, or supply chains of organizations through the transfer mechanism. Adverse financial outcomes, such as additional investment costs, increasing operating costs, or market losses may arise and, as a consequence, have negative impact on the Bank's balance sheet due to these impacts.

1.3.2. Risks of Transition to Low Carbon Economy

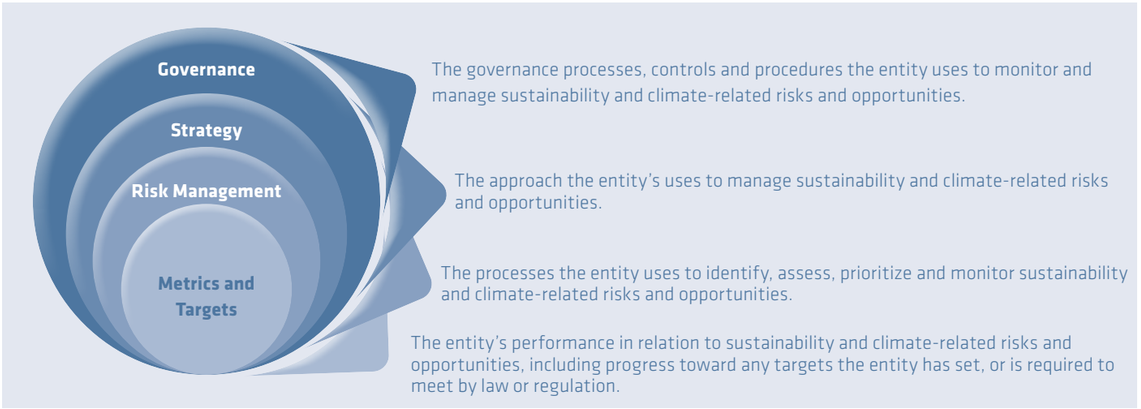
In the "Guidance on the Management of Climate-Related Financial Risks" issued by BRSA, transition risks are defined as "*risks arising from factors such as changes in national or international policy, regulation, technology, and customer sensitivity, resulting from the process of adapting to a low-carbon economy.*" These risks are associated with how the institution manages its internal and external scope and how it is adapted to the transition process to reduce greenhouse gas emissions. The transition requires climate policies, technology, stakeholder expectations, and market changes aimed at reduction and adaptation requirements concerning climate change.

1.3.3. Opportunities

Combat against and compliance with climate change efforts may lead to various opportunities besides several risks for organizations. These opportunities may arise in areas such as cost savings and resource efficiency, adoption of low-emission energy resources, development of new products and services, access to new markets, implementation of policies that support clean energy, and increasing resilience throughout supply chain.

Physical Risk Transfer Mechanism

(Source: BRSA, https://www.bddk.org.tr/KurumHakkinda/EkGetir/18?ekId=365)



1.4. Management of Climate-Related Risks and Opportunities

Takasbank aims to integrate risks and opportunities associated with climate into all of its business processes, and adopts the combat against climate crisis as an important mission as it cooperates with its stakeholders, while it monitors the impacts of its activities. The Bank manages risks and opportunities associated with climate by means of "Takasbank Sustainability Committee" in coordination with Risk Management Unit and Strategic Planning and Investor Relations Team.

Takasbank aims to address climate change from a more strategic perspective, to assess the impacts of climate change in terms of risks and opportunities, and to set relevant targets accordingly, based on the four fundamental dimensions set out above and specified in paragraph 25, titled "Core Content" of TSRS 1.

Takasbank bases the management of climate-related risks and opportunities on the four core dimensions specified above. Information such as strategy and metrics, provided in the relevant sections of the report, will be subject to regular review.

As detailed in subsequent sections, as a result of assessments, it is estimated that the risks and opportunities associated with climate will not have a significant impact on activities and financial statements of Takasbank. However, in consideration of the dynamic and constantly evolving nature of climate change-related issues, these risks and opportunities will be continuously monitored and assessed. It is assessed that climate-related risks and opportunities are not expected to have any impact that would require a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements for the next financial reporting period. On the other hand, although their financial impacts are low, climate-related risks and opportunities that the Bank is or may be exposed to, were determined within the Bank and will be reported regularly from this year onward, along with the measurement results.

"As a result of assessments, it is estimated that the climate-related risks and opportunities will not have a significant impact on activities and financial statements of Takasbank."

2. GOVERNANCE

2.1. Board of Directors and Executive Management Oversight

Takasbank's Board of Directors is the highest governance body that guides the Bank's management strategy and policies, and ensures the implementation of effective risk management. Efforts conducted within the scope of sustainability and the matters of combat against and compliance with climate change are addressed with active participation of the Board of Directors and Executive Management. Prioritized policies such as the Sustainability Policy, which frame the responsible banking approach, were approved and implemented by the Board of Directors. Further details on Takasbank Board of Directors are provided on pages 72-77 and 83 of the Takasbank 2024 Integrated Report.

Takasbank organization structure currently involves 3 EVP positions, i.e. "Markets and Operations EVP", "Central Counter-Party and Financial Services EVP", and Information Technologies EVP", serving under the CEO. Further details on Takasbank Executive Management are provided on pages 78-79 of the Takasbank 2024 Integrated Report.

The internal audit, internal control, legislation and compliance and risk management activities of Takasbank are conducted by the Board of Directors, Senior Management and the Bank's personnel at all levels as well as the Internal Audit Department, Internal Control Department, Legislation and Compliance Department, and the Risk Management Department, in accordance with applicable legislation, including, in particular, the Banking Law, the Capital Markets Law, Law on Payment and Securities Settlement Systems, Payment Services, and Electronic Money Institutions, as well as other applicable non-Bank legislation and the Bank's internal strategies, policies, principles and objectives. Further details on internal systems units operating within the Bank are provided on pages 81 and 184-186 of the Takasbank 2024 Integrated Report.

Takasbank has developed various policy texts for the long-term development of the institution with a sustainable governance approach, considering all its shareholders in line with its mission and vision and corporate governance principles. Further details on policy documents such as the Sustainability Policy, implemented within the Bank, are provided on page 82 of the Takasbank 2024 Integrated Report.

Under the Takasbank Sustainability Policy that entered into force on 24 June 2022, Takasbank issued, at the level of its Board of Directors, i.e., the Bank's highest Governance Body, the policy addressing principles and procedures such as the conduct of its activities in compliance with statutory regulations and national and international developments regarding the issues falling within the scope of sustainability and adoption of an efficient governance model in this field; taking actions to mitigate environmental impacts, conduct of efforts to raise the awareness of stakeholders, development of incentivizing policies for dissemination of capital market instruments supporting SDGs; and rejection of any and all forms of discrimination, protection of employee rights and ensuring equal opportunity, adoption of the principle of zero tolerance against bribery, corruption, laundering of proceeds of crime, and financing of criminal activities. **Sustainability Policy** of the Bank is available at https://www.takasbank.com.tr/tr/hakkimizda/kurumsal/politikalar.

Further details on eleven committees, established directly under the roof of or formed to assist the Board of Directors in order to ensure efficient and uninterrupted management of all corporate governance activities within the structure of Takasbank, are provided on pages 84-87 of the Takasbank 2024 Integrated Report. The "Sustainability Committee", one of the aforementioned eleven committees, is the managing body responsible for monitoring and reporting the Bank's sustainability activities and performance.

Committees That Oversee Sustainability and Climate Efforts, Which Were Established Under the Board of Directors

- Audit Committee
- Corporate Governance Committee
- Remuneration Committee

Committees That Oversee Sustainability and Climate Efforts, Which Were Established to Assist the Board of Directors

- Information Security Committee
- Business Continuity Management Committee (Information Systems Continuity Committee)
- Sustainability Committee

The approval, oversight, and review of the remuneration policy to ensure an independent and effective remuneration system in the Bank is the responsibility of the Board of Directors. The Remuneration Committee, composed of members of the Board of Directors, has been established to oversee the Bank's remuneration policies, processes, and practices on behalf of the Board.

Pursuant to the Bank's Articles of Association, it is essential that the financial benefits such as attendance fee, salary, premium, and bonus to be granted to the Chairperson and members of the Board of Directors, along with in-kind and cash benefits, and other rights, as well as the form and amount of these, are determined annually by the shareholders at the General Assembly. At present, climate-related matters are not directly incorporated into remuneration policies.

TAKASBANK SUSTAINABILITY COMMITTEE

The sustainability efforts conducted by Takasbank started, at first, with the preparation of the "Corporate Governance Principles Compliance Report" to ensure compliance with the "Corporate Governance Communiqué" no. II-17.1 and the public disclosure of this report every year. Pursuant to the "Sustainability Principles Compliance Framework" prepared by the CMB, the "Sustainable Banking Strategic Plan" published by the BRSA and international best practice examples in this field; the Bank expanded the scope of its efforts in the field of sustainability as of 2021; and the issue of "sustainability" has become one of the top priority issues in the Bank.

In 2021, a Sustainability Working Group was formed under the chairmanship of the Executive Vice President of Central Counterparty and Financial Services and with the participation of the managers and employees from the Financial Services and Reporting Department, Human Resources Department, Procurement and Support Services Department, Member Services and Corporate Communications Department, Legal Affairs Department, Risk Management Department, and Legislation and Compliance Department; thus, an important and concrete step was taken towards the achievement of the Bank's goal of integrating sustainability with its business model and corporate strategy.

In October 2024, in line with the principles set forth in Takasbank Sustainability Policy, a Sustainability Committee was established in the General Directorate with a view to ensuring coordination of sustainability in the Bank and monitoring and reporting sustainability performance of the Bank, and the first meeting of the Committee was held in December.

The Committee comprises the following Unit managers and/or employees to be assigned by the managers under the chairmanship of the Central Counter-Party and Financial Services EVP:

a) Financial Services & Reporting Department Director,
b) Director of Internal Systems Department,
c) Human Resources Department Director,
d) Purchasing & Support Services Department Director,
e) Director of Member Services & Corporate Communications Department,
f) Career Planning and Performance Management Team Service Manager,
g) Legislation and Compliance Unit Service Manager,
h) Organization and Personnel Management Team Service Manager,
i) Risk Management Unit Service Manager,
j) Strategic Planning and Investor Relations Team Service Manager.

However, the participation of all stakeholders in the efforts is supported, including, without limitation, the aforementioned departments, by adopting the principle of voluntariness for sustainability efforts; and the views and suggestions forwarded by stakeholders are taken into account and sustainability efforts are tried to be further expanded. Sustainability Committee convenes at least 2 times per year to discuss matters such as recommendations, activities, performance results, reporting, etc.

The Takasbank Sustainability Committee comprises the managers of all relevant departments that may bear responsibility for the Bank's climate-related matters. The Committee members possess the knowledge, experience, and expertise necessary to effectively assess the Bank's climate-related risks and opportunities. These competence is supported by institutionalized processes, interdepartmental coordination, and a working structure based on the principle of continuous improvement.

Among the members of the Takasbank Sustainability Committee are managers who engaged in academic and professional work in the fields of sustainability and sustainability reporting. The members closely monitor industry practices and developments in line with national and international standards on sustainability, as well as regulations issued by regulatory

2. GOVERNANCE

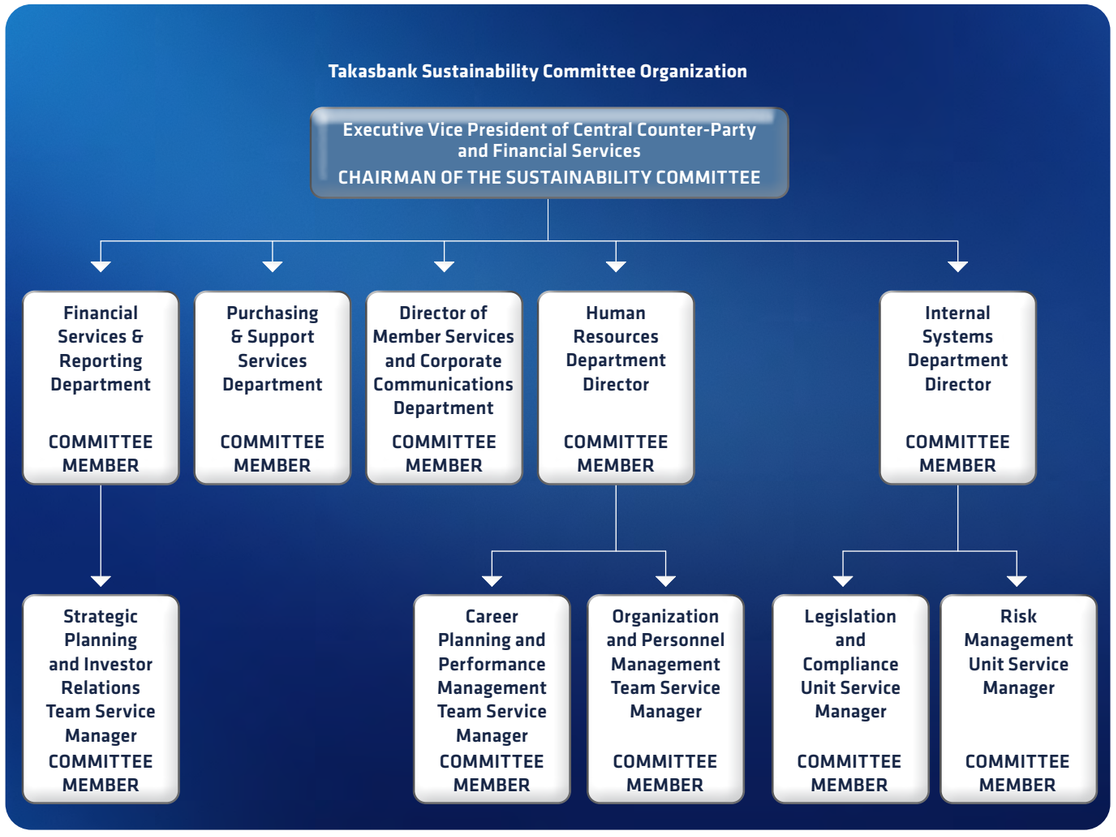
and supervisory authorities such as CMB, BRSA, CBRT, TBB; and ensure the flow of up-to-date information by participating in relevant meetings, workshops, and seminars. Accordingly, they actively contribute to the development of sustainability strategies, the management of climate-related risks, and the integration of ESG factors into corporate decision-making processes. These competencies of the Committee enable the Bank's sustainability strategy to remain aligned with current developments, support the fulfillment of stakeholder expectations, and contribute to the Bank's long-term value creation goal.

The main duties and responsibilities of the Sustainability Committee include, without limitation, the following:

- Conducting efforts to determine the Bank's sustainability goals in line with the Bank's strategy and market conditions, and submitting these to approval of relevant management levels,
- Drafting action plans and submitting these to approval of relevant management levels in line with the determined sustainability goals of the Bank,
- Following up the efforts in the field of sustainability and strengthening the sustainability performance of the Bank,
- Conducting efforts to ensure integration of sustainability into all units and processes of the Bank,
- Ensuring the compliance of Takasbank's material issues with sustainability issues,
- Identifying, prioritizing, and managing risks and opportunities associated with sustainability and arising from climate change,
- Ensuring necessary communication with Group Companies concerning efforts that can be undertaken as Borsa İstanbul Group within the scope of sustainability,
- Establishing a transparent and fair communication environment with the Bank's stakeholders on sustainability and overseeing this environment established as such,
- Ensuring coordination of reports to be submitted to the Executive Management: within the scope of sustainability and climate efforts,
- Taking actions to increase expertise of employees, assigned in the Committee and in sub-working groups affiliated with the committee, in the field of sustainability,
- Following national and international legislation on and the best practice examples regarding sustainability.

Climate-related efforts, including determination and management of climate risks and opportunities, are conducted in the Bank by the Sustainability Committee, primarily Strategic Planning and Investor Relations Team and Risk Management Unit. It is aimed to address risks and opportunities arising from climate change with an integrated perspective by means of this committee. The Committee conducts efforts within the scope of measurement of financial risks arising from climate change, performance of scenario-based analyses to determine medium and long term impacts of risk factors, management of such risks, and integration into the Bank's risk management processes.

Audit Committee, established to assist in performance of audit and surveillance activities of the Board of Directors, is responsible for ensuring effectiveness and efficiency of internal audit, internal control, and risk management activities of the Bank pursuant to the applicable legislation. Risk Management Unit, which is directly affiliated with the Committee, develops systems required for risk management processes and conducts the activities in question, monitors compliance of risks with policies and standards, as well as Bank limits, and reports to the Board of Directors through the Committee. Environmental risks that are caused by or deemed to have the potential to be arising from activities of the Bank are included in risk management processes of the Bank.



2. GOVERNANCE

2.2. Three-Stage Protection Approach

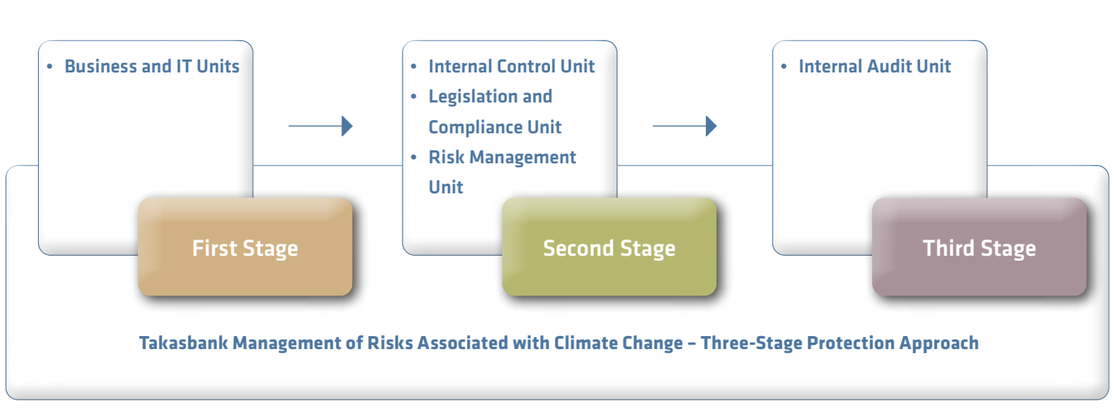
Takasbank adopted the "Three-Stage Protection Approach", which is an effective method in management of risks associated with climate change, by being included in risk management processes, and in the control of operational activities.

2.3. Increasing Expertise

Within the scope of the efforts associated with sustainability and climate, it is aimed to develop sustainability and climate related expertise and skills of Bank employees, including Senior Management, in matters associated with emission reduction goals, etc. In this context, all employees of the Strategic Planning and Investor Relations Team, along with two employees from the Legislation and Compliance Unit, successfully completed the "Sustainability Expertise Certification Program" which comprised 34 lessons and 68 hours and was conducted in cooperation with the Turkish Capital Markets Association and the Sustainable Learning & Excellence Association, and were awarded the Sustainability Expertise Certificate. In addition, employees regularly participate in various training programs on sustainability and its subtopics, primarily including those organized by the Banks Association of Türkiye (TBB).

In order to achieve its ESG-related goals and raise employee awareness on the matter, Takasbank marked September as "Sustainability Month" and made a variety of e-learning content available to employees via the online training platform "Takasbank E-Akademi", including titles such as "Sustainability", "Individual Awareness for a Sustainable World", "The Climate Crisis in My Closet", and "Individual Awareness on Zero Waste".

Strategic Planning and Investor Relations Team and Risk Management Unit in the Sustainability Committee not only observe compliance with national and international legislation, but also increase expertise with a view to develop sustainability and climate risks approach.



Takasbank Management of Risks Associated with Climate Change – Three-Stage Protection Approach

In the First Stage, all relevant management bodies, business and IT units, and Sustainability Committee ensure control of their activities within their areas of responsibility in terms of risks associated with climate change, and assess how the Bank is impacted by such risks. As the first step of risk management, these units conduct a multi-dimensional risk assessment within the scope of their expertise.

In the Second Stage, activities and controls are performed in line with the risk appetite and policies of the Bank by means of structures affiliated with the Audit Committee established under the Board of Directors (Internal Control Unit, Legislation and Compliance Unit, Risk Management Unit).

In the Third Stage, Internal Audit Unit, operating under the Audit Committee, audits all activities, including management of risks associated with climate change, as an independent structure.

3. STRATEGY

Takasbank, in line with its vision to become a reliable, effective and innovative institution offering clearing, banking, and central risk management services at international quality standards and preferred in international markets, has shaped its activities under four strategic themes, and detailed information about the Bank's strategy is provided on pages 91-97 of the Takasbank 2024 Integrated Report.

3.1. Takasbank's Sustainability Strategy

Takasbank aims to integrate risks and opportunities associated with climate change into all of its business processes, and adopts the combat against climate crisis as an important mission as it cooperates with its stakeholders, while it monitors the impacts of its activities. The Bank manages risks and opportunities associated with climate change by means of the Sustainability Committee in coordination with Risk Management Unit and Strategic Planning and Investor Relations Team.

3.2. Takasbank's Strategy for Combat Against and Compliance with Climate Change

Global climate change and the combat against the impacts of such change is one of the most pressing matters that should be prioritized in Türkiye and worldwide. These matters are of great importance in environmental, social, and economic aspects, and require joint action worldwide. If planned and managed correctly, physical and transition risks arising from climate change may bring along strategic opportunities for financial institutions, as well as companies that operate in different sectors, in short, medium, and long terms, besides financial risks. Effectively addressing these risks may provide advantage in terms of sustainability and competition. Takasbank aims to integrate climate risks entirely into its business processes, and materialize these with target and performance indicators.

Takasbank's material issues are those highly affecting Takasbank and its key stakeholders and likely to affect its value creation capacity. The Bank's material issues that are of priority may vary over time due to the effects of the Bank's strategy, stakeholders' expectations, and the economic, social, and environmental context that the Bank operates in.

Combat against and compliance with climate change have direct and indirect impact on material issues of Takasbank. The approach of the Bank to the determined material issues and the relationships of material issues with sustainable development goals and capital elements are provided on pages 92-97 of the Takasbank 2024 Integrated Report.

Focal points of Takasbank's strategy on the combat against and compliance with climate change are outlined as follows:

- Pursuing combat against and compliance with climate change in all fields of activity,
- Addressing the combat against climate change with active participation of all employees,
- Including physical risks and transition risks associated with climate into the Bank's risk management system,
- Working in cooperation with all stakeholders of the Bank within the scope of the combat against and compliance with climate change,

3. STRATEGY

- Sharing metrics and objectives within the scope of the combat against and compliance with climate change transparently,
- Submitting all activities, carried out throughout the year within the scope of combat against and compliance with climate change, as well as outcomes of such activities, transparently to the stakeholders for information by means of the annual integrated reports.

The Bank plans to finance its climate change mitigation and adaptation activities through its equity as part of its sustainability strategy.

3.3. Takasbank's Climate Transition Plan

Takasbank is aware of the critical role that environmental sustainability plays in the struggle against climate crisis, which constitutes one of the most important problems of our time; therefore, it takes actions to mitigate its direct and indirect environmental impacts, and aims to contribute to Türkiye's 2053 net zero emission and green development targets. Takasbank actively works on the issues such as ensuring maximum compliance with environmental legislation; reducing greenhouse gas emissions originating from its activities; and raising awareness in the field of environmental sustainability among all stakeholders.

In line with Türkiye's 2053 net zero emissions target, the Bank's operational activities are continuously reviewed from the perspective of climate change adaptation and emission reduction. In this context, climate-related physical risks and transition risks associated with the shift to a low carbon economy have started to be analyzed in terms of the institution's operations. Within this framework, it is aimed to establish greenhouse gas inventories within the Bank regarding energy and resource use, and to calculate the amount of greenhouse gas emissions resulting from the Bank's activities on an annual basis.

In this context, several measures have been implemented in line with the goal of the Bank to improve energy efficiency and reduce its environmental footprint. These measures included the adoption of sensor-based lighting equipment in offices, the installation of sensor-operated faucets in sinks, the utilization of paper towels designed to dissolve in water and decompose in nature within a short period of time, as well as the preference for electric vehicles assigned to executives. In addition, utmost care is taken to ensure the recycling of various types of waste generated within the institution. Through improvements in banking systems, Takasbank supports the digitalization of documentation processes by reducing paper consumption among its members. As a result, both a reduction in the carbon footprint is achieved and a member experience that is aligned with sustainability principles is offered. Various infrastructure projects are being developed within the Bank's IT services to ensure the more efficient use of energy. Besides pursuing environmental issues with respect to its own activities, Takasbank also aims to increase its suppliers' sensitivity about these issues. In this context, the sustainability activities survey, which was initiated in 2022 and includes sustainability criteria for relevant companies in the procurement of goods and services related to information technologies, supplier selection and evaluation processes, continuous to be conducted. In order to increase employee awareness, the continuation and enhancement of training and awareness-raising activities is aimed. Detailed information on the activities carried out by Takasbank in this context is provided on pages 124-130, under the headings of "General Principles", "Environmental Principles", "Social Principles" and "Corporate Governance Principles" in the "Sustainability Principles Compliance Framework" section of the Takasbank 2024 Integrated Report.

Takasbank considers the climate transition process as a dynamic area and aims to transparently monitor and report the measures implemented at the operational level. In the upcoming periods, it is foreseen that the scope of the Bank's climate transition plan will be expanded, the targets will be further developed, and the performance indicators will be regularly reviewed. In addition to national strategies and regulations, international best practices will be closely monitored to support the further development of the plan.

4. RISK MANAGEMENT

4.1. Takasbank Risk Management System

Takasbank Risk Management Regulation approved by the Board of Directors has established in detail, the procedures and principles regarding the functioning of the Bank's risk management system, risk management policies and implementing procedures, risk management activities, and the organizational structure and duties, powers and responsibilities of the Risk Management Department. The Bank's overall risk Policy is to maintain the Bank's operations by assuming reasonable risks at a manageable and controllable level so as to establish an income-expense balance. The Bank's risk capacity is determined in accordance with the capital adequacy policy.

Takasbank aims to integrate climate-related risks and opportunities into all of its business processes, and adopts the combat against climate crisis as an important mission as it cooperates with its stakeholders, while it monitors the impacts of its activities. The Bank manages climate-related risks and opportunities by means of "Takasbank Sustainability Committee" in coordination with Risk Management Unit and Strategic Planning and Investor Relations Team.

In the identification of climate-related risks and opportunities, the views of the Senior Management of the Bank and the experts responsible for sustainability within the Bank, current scientific studies, TFCD recommendations, and national/ international standards have been taken into account.

Detailed information on the Bank's risk management system and the risk management policies applied by risk types are provided on pages 118-121 of the Takasbank 2024 Integrated Report.

4.2. Climate-Related Risks and Opportunities

Takasbank assesses short-, medium-, and long-term financial impacts of climate-related risks and opportunities, guides its activities in view of this information, and establishes preventive control as necessary.

Takasbank identifies climate-related risks and opportunities, as **short**- (shorter than 1 year), **medium**- (1 to 5 years), and **long-**term (longer than 5 years) in compliance with TSRS 2, and analyses the impacts of these risks and opportunities on activities, strategy, and financial structure of the institution. The defined maturity terms are integrated into the Bank's climate change mitigation and adaptation strategy, enabling each risk and opportunity to be evaluated in accordance with the strategic planning processes. Such analyses play an important role in shaping sustainability and risk management strategies of the institution.

In line with environmental, social, and economic impacts of climate change, important changes might be required for institutions. Takasbank identifies the risks and opportunities associated with climate from the perspective of internationally recognized "physical risks associated with climate" and "risks of transition to low carbon economy".

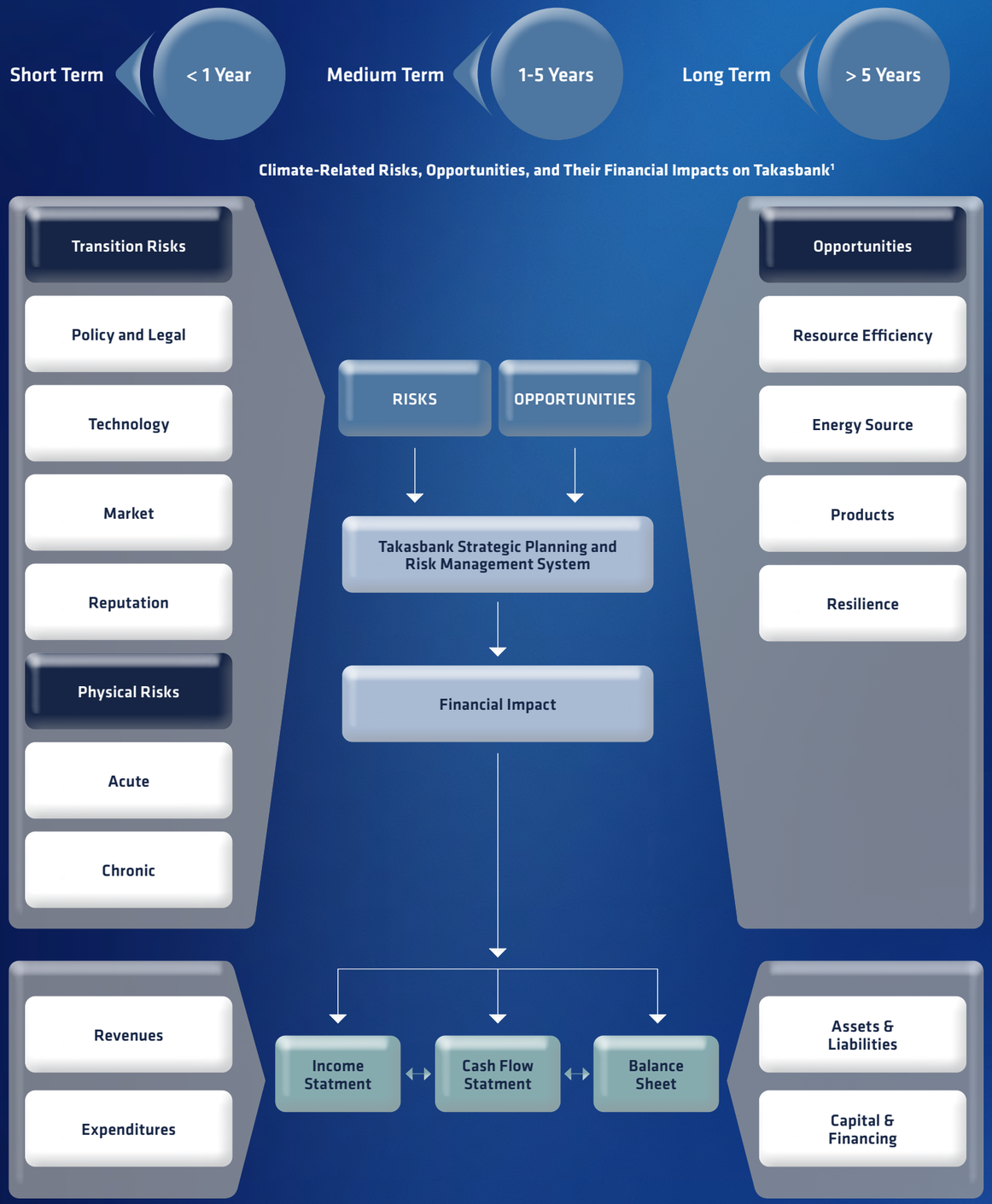
The financial materiality threshold for climate-related risks and opportunities has been determined as 5% of the profit before tax. All impacts assessed to be below this threshold have been classified as having low materiality.

The basis of climate-related physical risks of Takasbank comprises physical impacts on the Head Office building, Şişli building, and Disaster Data Center (DDC). Operations of the Bank are conducted in the Head Office building of the Bank in İstanbul. All business units and information technologies units operate in the Head Office building. On the other hand, Disaster Data Center of the Bank is located in Ankara. As of now, carbon pricing is not applied within the scope of Takasbank's activities. There were no accumulated or purchased carbon credits during the reporting period.

The provision is set out in paragraph 55(a) under the section titled "Source of Guidance" of TSRS 1, in addition to TSRSs, "an entity shall refer to and consider the applicability of the disclosure topics in the Sustainability Accounting Standards Board (SASB Standards). An entity might conclude that the disclosure topics in the SASB Standards are not applicable in the entity's circumstances." In line with the aforementioned provision, as of the reporting date, the existing 77 industry-specific SASB Standards have been reviewed, and considering the specific structure of Takasbank, it has been assessed that, the sector-specific standards are not applicable to the Bank under its specific circumstances.

Climate-related risks and opportunities, determined by the Bank in line with its strategy, as well as actions taken/to be taken by the Bank within the scope of such risks, are outlined in the tables presented on page 17.

4. RISK MANAGEMENT



[1] Adapted from the figure in "Climate-Related Risks, Opportunities and Financial Impact" in TCFD, "Recommendations of the Task Force on Climate-related Financial Disclosures" document (https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf, p. 8.).

Acute Physical Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Extreme Weather Events, Natural Disasters, Fire	R.FİZİKSEL.01	• The Bank's campus and assets within the campus may be damaged and, as a consequence, adverse situations such as failure to access papers, documents, and system data belonging to the Bank, disruption of the Bank's activities / business continuity, and facing legal sanctions may be experienced due to extreme weather events associated with climate change, such as excessive precipitation, hail, flood, and storm. • Natural disasters may cause significant physical damage to premises and activities of organizations. • Forest fires, fires that may occur in the campus where business activities are carried out, and other fire incidents may cause physical asset losses and air pollution.	Short Medium Long	• Takasbank issued necessary action plans (Emergency and Contingency Plan) against climate events such as excessive precipitation, flood, and draught, as well as natural disasters. Reviews are carried out in regular intervals. • Operational flexibility is maximized and necessary precautions are taken to ensure business continuity with backup systems. • Takasbank has established emergency teams responsible for search and rescue, first aid, and fire-fighting, as part of its disaster preparedness activities. Regular trainings are provided to these teams. • Buildings that may be impacted by extreme weather events and natural disasters, such as the Head Office building, Şişli Building, and Disaster Data Center (DDC), are regularly insured.

Table 1. Climate Related Risks Incurred by Takasbank (Acute Physical Risks)

Chronic Physical Risks	Risk Code	Description	Term	Actions Taken/To Be Taken by Takasbank
Long Term Changes in Climate Conditions	R.FİZİKSEL.02	• Potential long term changes in climate conditions, such as changing precipitation patterns, increasing average temperatures, and rising sea levels, may have negative impact on the Bank.	Long	• Potential impacts of long-term changes in climate conditions on the Bank's activities and financials, as well as employees, are constantly monitored.

Table 2. Climate Related Risks Incurred by Takasbank (Chronic Physical Risks)

Opportunities	Type	Description	Term	Actions Taken/To Be Taken by Takasbank
Provision of Clearing and Collateral Management Services for the Primary and Secondary Markets to be Established within the Scope of the Emission Trading System to be Established.	Markets	• The provision of clearing and collateral management services for the transactions to be conducted in the Emissions Trading System markets to be established may contribute to Takasbank's financial performance and positively influence its reputation.	Medium	• Participation is ensured in the establishment activities of the Emission Trading System conducted by Department of Carbon Pricing; work is carried out on the clearing and collateral management framework of the system, and presentations regarding the process are delivered.

Table 3. Climate Related Opportunities from Takasbank's Perspective

4. RISK MANAGEMENT

4.3. Integration of Climate-Related Risks into Risk Management

Risks arising from climate change are categorized as "climate-related physical risks" and "risks of transition to low carbon economy" as detailed in **"1.3. Takasbank's Perspective on Climate Risks"** section of the Report. Such risks impact the financial sector directly and indirectly through microeconomic and macroeconomic channels such as cost increases, income losses, and changes in economic conditions. Thus, climate risks transform into financial risks.

Physical and transition risks arising from climate change are evaluated within the scope of existing risks defined by the Bank and included in the Bank's risk management processes. Both physical and transition risks of climate change are categorized, monitored, and managed under the main headings of credit, market, operational, liquidity, and reputation risks.

4.4. Scenario Analyses and Stress Testing

As defined in TSRS 1 – Annex A; *"Scenario analysis is the process of determination and assessment of potential outcomes of future events under conditions of uncertainty"*. Generated scenarios are hypothetical structures and provides a way for organizations to consider how the future might look if certain trends are ongoing or if certain conditions are met. Scenario analysis may be qualitative, depending on illustrative, written narratives or quantitative, depending on numeric data and models, or a combination of both.

In comparison with commercial and investment banks, Takasbank is exposed less to financial risks arising from climate change. This arises from the nature of Takasbank's business model and risk profile, because Takasbank does not provide financing or investment to its members or other respondents like other commercial and investment banks. Instead, it provides short term (mostly daily) loans secured by high quality collateral, primarily to enable members to meet their intraday or end-of-day collateral obligations.

Based on initial internal assessments, as detailed in the sections titled **"1.4. Management of Climate-Related Risks and Opportunities"** and **"4. Risk Management"** of the report, it is considered that Takasbank is not exposed to climate related issues that might significantly impact its financial performance or position in the short and medium term. Therefore, climate related issues do not constitute an important input for the financial planning process.

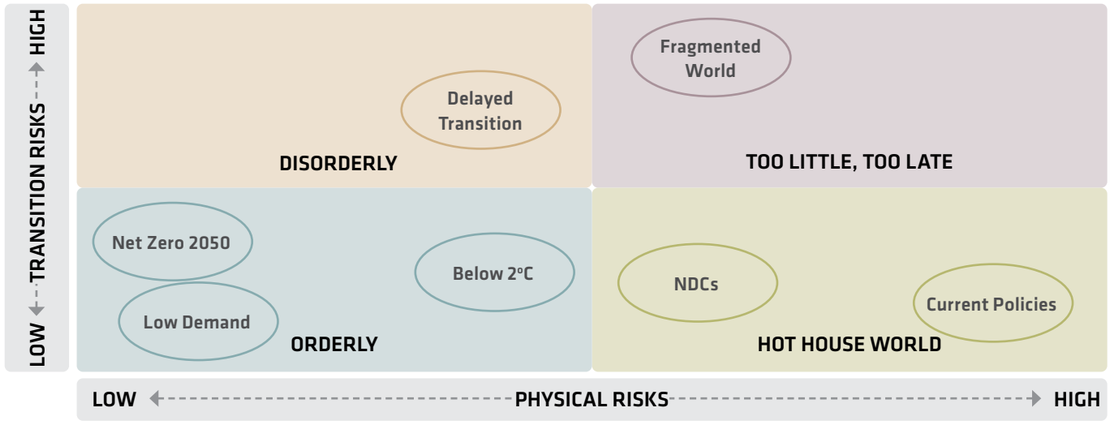
Paragraph 22 titled "Climate resilience" of TSRS 2 contains the provision *"The enterprise discloses information ensuring that the users of general purpose financial reports understand the resilience of the enterprise's strategy and business model against climate related changes, developments, and uncertainties –also in consideration of identified climate related risks and opportunities of the enterprise-. The enterprise employs an approach proportional to its circumstances and uses climate related scenario analysis to assess climate resilience."* On the other hand, as it is considered that Takasbank is not at climate related risks that might impact its financial performance significantly in short and medium term, and also in consideration of the effort to be made for potential scenario analyses to be made, it was considered that such scenario analyses could be performed only qualitatively in the current situation. However, in consideration of the dynamic and constantly evolving nature of climate change issues, the impacts of such risks on Takasbank will be constantly assessed and, in upcoming periods, quantitative scenario analyses and stress tests will be carried out in addition to qualitative scenario analyses.

The physical risks considered in the conducted scenario analysis include climate change-related natural disasters, as well as the economic and social impacts of extreme weather events, while the provision of clearing and collateral management services by Takasbank for the primary and secondary markets to be established under the Emission Trading System has been considered as an opportunity. The scenario analysis, in which risks are assessed over short, medium and long term time horizons, aims to improve the understanding of the potential impacts of climate change on Takasbank and to establish a basis for the implementation of appropriate measures to address these impacts.

Scenarios provided by the Network for Greening the Financial System (NGFS) were preferred for use in the scenario analysis. The NGFS scenarios incorporate country-level commitments to achieve net-zero emissions, the latest economic and climate data, renewable energy technologies (e.g. solar and wind), key mitigation technologies, and the energy-market implications of global uncertainties, while reflecting current market trends.

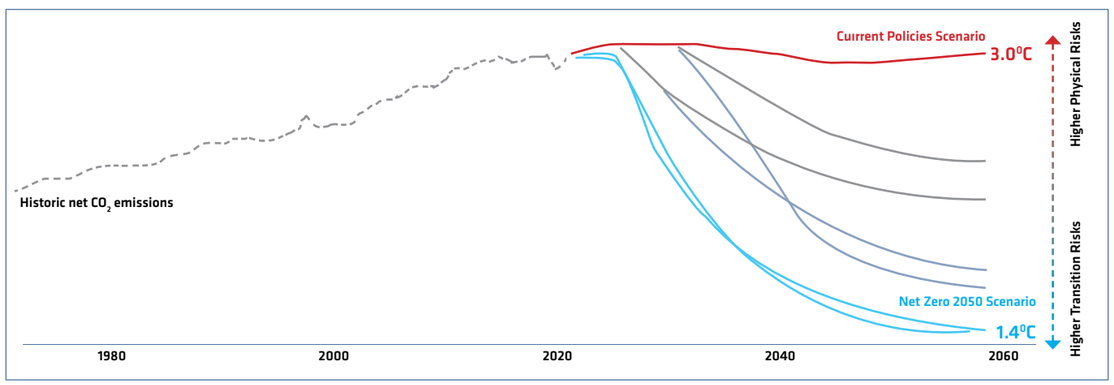
Under the NGFS scenarios framework, seven distinct scenarios are available to assess transition and physical risks. A summary of NGFS scenarios is presented on the next page[2]:

[2] Network for Greening the Financial System (NGFS), https://www.ngfs.net/ngfs-scenarios-portal/explore



- **Disorderly** scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, (shadow) carbon prices are typically higher for a given temperature outcome.
  - o **Delayed Transition** assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited.
- **Orderly** scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.
  - o **Net Zero 2050** limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050.
  - o **Below 2°C** gradually increases the stringency of climate policies, giving a 67 % chance of limiting global warming to below 2°C.
  - o **The Low Demand** scenario assumes that significant behavioral changes - reducing energy demand - in addition to (shadow) carbon price and technology induced efforts, would mitigate pressure on the economy to reach global net zero CO_2 emissions around 2050.
- **Hot House World** scenarios assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts.
  - o **Current Policies** assumes that only currently implemented policies are preserved, leading to high physical risks.
  - o **Nationally Determined Contributions** (NDCs) includes all pledged policies even if not yet backed up by implemented effective policies.
- **Too little, Too Late** scenarios assume that a late and uncoordinated transition fails to limit physical risks.
  - o **The Fragmented World** scenario assumes delayed and divergent climate policy ambition globally, leading to high physical and transition risks. Countries with net zero targets achieve these only partially (80% of the target), while the other countries follow current policies.

The two main scenarios considered by Takasbank are as follows:



4. RISK MANAGEMENT

Scenario 1	**Orderly Transition** Net Zero 2050 Scenario	**Net Zero 2050** limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. CDR is used to accelerate the decarbonization but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO_2 emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5°C by the end of the century, with limited overshoot (< 0.2°C) of 1.5°C in earlier years. Physical risks are relatively low but transition risks are high.

Climate Scenario	Policy Ambition	Policy Reaction	Technology Change	CDR	Regional Policy Variation
Net Zero 2050	1.4°C	Immediate and smooth	Fast change	Medium-high use	Medium variation

Key assumptions of the Net Zero 2050 scenario:

- **Decarbonizing electricity:** Electricity from renewables increases 5-fold over the next three decades.
- **Electrifying buildings, industry and transport:** More than ½ of the energy for buildings, industry and transport is electric in 2050.
- **Switching to carbon-neutral fuels:** More than 40 % of gaseous, liquid and solid fuels are carbon neutral in 2050.
- **Storing and removing CO_2:** By 2050 around 5 gigatonnes of carbon might need to be removed per year to reach 1.5°C in a cost-effective way.
- **Improving energy efficiency across the economy:** Energy intensity decreases by almost 60 % between 2020 and 2050.
- **Decarbonizing agriculture, forestry and other land use:** CO_2 emissions from the land use (AFOLU) sector can reach net zero by 2030.

Scenario 2	**Hot House World** Current Policies	**Current Policies** assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes like higher sea level rise.

Climate Scenario	Policy Ambition	Policy Reaction	Technology Change	CDR	Regional Policy Variation
Current Policies	3°C	None – Current Policies	Slow change	Low use	Low variation

Key assumptions of the Current Policies scenario:

- **Rising mean temperatures:** Without increasing ambitions, temperature increase can exceed 1.5°C in the 2030s, 2°C around 2050 and 3°C around 2100.
- **Heat and labor productivity:** Labor productivity can decline on average 10% globally.
- **Economic damage from river flood:** In some countries the change in damages due to river floods can even exceed 300%.
- **Direct damages from tropical cyclones:** Damages from tropical cyclones can increase up to 47%.
- **Global GDP impacts from acute risks:** Global GDP losses due to acute risks (here: floods, tropical cyclones, heatwaves and droughts) could amount to over 8% by mid-century.
- **Global GDP impacts from chronic risks:** Global GDP impacts (in %) from chronic physical risks reach ca. 15% by 2050 in the Current Policies scenario.

+1.4°C	+3°C
More transition risks	**More physical risks**
Net Zero 2050	**Current Policies**
Reaching net-zero global CO_2 emissions by 2050 will require an ambitious transition across all sectors of the economy. Scenarios tend to emphasize the importance of decarbonizing the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Transition risks to the economy could result from higher emissions costs and changes in business and consumer preferences. Physical risks would be minimized.	While many countries have started implementing climate policies, these are not yet sufficient to meet official commitments and targets. Without further action, warming of 3°C or more is possible by 2100. This will likely lead to worsening living conditions in many parts of the world and potentially irreversible impacts, such as sea level rise. The disruption of ecosystems, health, infrastructure, and supply chains could pose physical risks to the economy.

The scenarios were selected to consider the climate-related risks and opportunities to which the Bank is exposed or may be exposed. The **"Net Zero 2050 Scenario"** is considered useful for analyzing the situation under the target scenario. The **"Current Policies Scenario"**, along with the "Delayed Transition Scenario", is considered one of the two most likely scenarios and offers an opportunity to analyze the impacts of physical risks.

According to the results of the climate scenario analysis, the risks associated with Takasbank include extreme weather events, natural disasters, long-term changes in climate conditions, and wildfires across all time horizons. On the other hand, the likelihood of Takasbank's direct exposure to climate-related physical risks is low.

Physical risks are likely to have indirect effects on the Bank's future income and expenses rather than on its balance sheet items. On the other hand, trends such as the highly regulated nature of the financial sector, the increasing number of climate-related regulations, and investors' growing focus on climate issues highlight the transition risks posed to the sector.

Analysis of Climate-Related Risks by Scenario

The scenarios used in the risk analysis are considered to provide a useful perspective on how events may unfold and do not represent Takasbank's forecasts or projections. Nevertheless, scenario analyses will continue to be regularly reviewed and improved within the framework of TSRS reporting. The findings obtaining from these analyses are intended to guide Takasbank's efforts in the fields of sustainability and climate.

Value chain analyses used in risk assessments contribute to the identification of potential risks and the effective management of those risks. These analyses facilitate the identification of potential improvements across the entire value chain through more effective collaboration with members, suppliers, and other stakeholders.

4. RISK MANAGEMENT

4.4.1. Acute Physical Risks:

Related Risks	Scenario	Term	Description	Evaluation from a Value Chain Perspective	Financial Impact	Actions Taken/ To Be Taken by Takasbank
Extreme Weather Events, Natural Disasters, Fire (Risk Code: R.FİZİKSEL.01)	**Net Zero 2050**	**Short** **Medium** **Long**	In the Net Zero 2050 scenario, although extreme weather events, increased natural disasters, and wildfires are expected to occur more frequently than at present, they are not expected to have disruptive impacts on Bank's operations.	In the Net Zero 2050 scenario, the Bank's members may face operational disruptions due to extreme weather events and natural disasters. These disruptions may lead to financial losses for the relevant companies. On the other hand, under the Current Policies Scenario, changes in climate conditions and the more frequent and severe occurrence of extreme climate events and natural disasters could result in more significant impacts on companies.	For both scenarios, if the risk materializes, the financial impact, as assessed with reference to the risk and probability matrix, is expected to remain below the materiality threshold in the short, medium and long term. The Bank's operations are carried out in the Headquarters building, and since there are no adverse impact projections of acute physical risks specific to this building at a level that would allow quantification of potential damages from extreme weather events, this risk is reported qualitatively, as it cannot be quantified, in accordance with paragraphs 19-21 of TSRS 2. Although the potential financial impacts of acute physical risks are expected to be below the materiality threshold determined by the Bank, in the event that any financial impact occurs, it is assessed that such impact may arise in the items listed below: • Impairment of Property, Plant and Equipment, • Increase in operational expenditures, including maintenance, cooling, and refurbishment, • Increase in operational expenditures such as energy and water consumption, • Increase in insurance expenditure, • Increase in expenditures to be made within the scope of employee safety.	Detailed information on the actions taken/ to be taken by the Bank regarding the acute physical risks to which Takasbank is exposed is provided on page 17 of the Report.
	Current Policies	**Medium** **Long**	In this scenario, with the rise in global average temperatures, higher maximum temperatures will occur in many regions. This will lead to an increase in acute physical risks encompassing abrupt and severe climate events and natural disasters. The increasing frequency and severity of climate events and natural disasters could have adverse impacts in many areas, particularly employee health and safety, transportation, and energy supply.			

4.4.2. Chronic Physical Risks:

Related Risks	Scenario	Term	Description	Evaluation from a Value Chain Perspective	Financial Impact	Actions Taken/ To Be Taken by Takasbank
Long Term Changes in Climate Conditions (Risk Code: R.FİZİKSEL.02),	**Net Zero 2050**	**Medium** **Long**	Chronic physical climate risks encompass persistent and slowly evolving climate events. Such risks include rising temperatures, sea level rise, prolonged droughts, changing precipitation patterns, and potential challenges in accessing and managing water resources. Such chronic climate risks are not expected to have a direct impact on Takasbank's operations.	The decline in the asset values of Takasbank's members associated with climate change may adversely affect the financial structure of these companies. Chronic physical risks associated with climate change may cause damage to companies' assets, which in turn may lead to losses in asset values. Under the Current Policies Scenario, in which chronic physical risks increase, changes in precipitation patterns and droughts may cause losses or disruptions in operations in many sectors, particularly agriculture. Chronic impacts may require companies to relocate their operations to other regions, and new investment needs may arise. These processes may involve high costs and logistical challenges. In this scenario, a slower pace of technological development may lead to an increase in raw material and energy costs.	For both scenarios, if the risk materializes, the financial impact, as assessed with reference to the risk and probability matrix, is expected to remain below the materiality threshold in the short, medium and long term. As there are no data available that would serve as input for the calculations at a level enabling the quantification of potential damages that long-term changes in climate conditions may cause on the Bank's operations, nor any projections of the adverse impacts of these changes/effects on the Bank's operations, this risk is reported only qualitatively, as a non-quantifiable risk, in accordance with paragraphs 19-21 of TSRS 2. Although the potential financial impacts of chronic physical risks are expected to be below the materiality threshold determined by the Bank, in the event that any financial impact occurs, it is assessed that such impact may arise in the items listed below: • Impairment of Property, Plant and Equipment, • Increase in capital expenditures, primarily in infrastructure, • Increase in operational expenditures such as repair and renovation, • Increase in operational expenditures such as energy and water consumption, • Increase in insurance expenditure.	Detailed information on the actions taken/ to be taken by the Bank regarding the chronic physical risks to which Takasbank is exposed is provided on page 17 of the Report.
	Current Policies	**Medium** **Long**	Under the Current Policies Scenario, the intensity of chronic physical risks will increase. Permanent changes in weather conditions may increase the amount of energy used by offices for heating and cooling purposes. Climate conditions may affect employee health, particularly among vulnerable groups and public transport users, and hinder access to the premises where the Bank operates. However, these risks are not expected to have a direct impact on Takasbank's operations, and their financial impact is expected to be very low.			

4. RISK MANAGEMENT

4.4.3. Opportunities:

Related Opportunities	Scenario	Term	Description	Financial Impact	Actions Taken/To Be Taken by Takasbank
Provision of Clearing and Collateral Management Services for the Primary and Secondary Markets to be Established within the Scope of the Emission Trading System to be Established.	**Net Zero 2050**	**Medium** **Long**	The provision of clearing and collateral management services for the transactions to be conducted in the Emissions Trading System markets to be established may contribute to Takasbank's financial performance and positively influence its reputation.	Within the scope of the Net Zero 2050 scenario, while the provision of clearing and collateral management services by Takasbank for transactions to be carried out in the Emissions Trading System Markets to be established is estimated to contribute positively to the Bank's financial performance and reputation, the works carried out within the scope of the Project still being in progress prevents the quantification of the financial impact. For this reason, this opportunity is reported solely in qualitative terms, as an opportunity that cannot be quantified, in accordance with paragraphs 19-21 of TSRS 2. Information regarding this opportunity will continue to be provided in subsequent reporting periods.	Detailed information on the actions taken/ to be taken by the Bank regarding its climate-related opportunity is provided on page 17 of the Report.

5. METRICS

Greenhouse Gas Emissions

The Bank's greenhouse gas emissions have been calculated in metric tons of carbon dioxide equivalent in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standards (2004). In determining greenhouse gas emissions, the principles of the "control approach" set out in Chapter 3 of the Greenhouse Gas (GHG) Protocol have been applied, and in line with this approach, greenhouse gas emissions from operations under the Bank's financial and operational control have been included in the inventory calculations.

As 2024 is the first inventory year for which limited assurance has been obtained for greenhouse gas emission data, it is designated as the base year for comparability in future reporting periods. In the Greenhouse Gas Inventory, the calculation of emission factors has been based on methodologies and measurements published by international organizations such as the IPCC, the Greenhouse Gas (GHG) Protocol, and the Department for Environment, Food & Rural Affairs (DEFRA).

In greenhouse gas emissions calculations, electricity consumption, refrigerant gas usage, natural gas consumption, and generator usage have been considered as common parameters for the Borsa İstanbul Group Companies (Takasbank and Merkezi Kayıt Kuruluşu A.Ş.). The impact of these data on emissions has been calculated by allocating them as ratios determined in line with the operational scale of the entities. In Scope 1, under "Stationary Combustion Emissions", the emissions from generator usage, and in Scope 2, under "Purchased Energy-Related Emissions", the emissions from electricity consumption, also include Takasbank's additional building in Şişli.

As presented in detail in the tables below, Takasbank's total emissions, which were 2.153,75 tCO_2e in 2022, showed a limited increase, reaching 2.224,91 tCO_2e in 2023 and 2.281,21 tCO_2e in 2024. However, when the emission intensity per employee (ton CO_2e/person) is examined, it is observed that the intensity, which was 6,35 tCO_2e in 2022, followed a decreasing trend over the years, falling to 5,52 tCO_2e in 2023 and to 5,16 tCO_2e in 2024.

Although no specific capital expenditure allocation was made in 2024 for the main climate-related risks and opportunities monitored by the Bank, developments in the field of combating climate change are closely monitored and considered within strategic planning processes.

Greenhouse Gas Emissions (ton CO_2-eq)	2022	2023	2024
Scope 1	**335,26**	**338,61**	**190,38**
Stationary Combustion Emissions	179,12	123,05	132,47
Mobile Combustion Emissions	105,39	105,23	32,43
Fugitive Emissions	50,75	110,33	25,48
Scope 2	**1.818,49**	**1.886,30**	**2.090,83**
Emissions from Purchased Energy (Location Based/Market Based)	1.818,49	1.886,30	2.090,83
Total Scope 1 and Scope 2 Emissions (tCO_2e)	**2.153,75**	**2.224,91**	**2.281,21**

Emission Intensity per Area and per Employee, and Related Data	2022	2023	2024
Total Office Area (m^2)	11.150,50	11.150,50	11.150,50
Total Number of Employees	339	403	442
Total Scope 1 and Scope 2 Emissions (tCO_2e)	2.153,75	2.224,91	2.281,21
Emission Intensity by Floor Area (ton CO_2e/m^2)	**0,19**	**0,20**	**0,20**
Emission Intensity by Number of Employees (ton CO_2e/person)	**6,35**	**5,52**	**5,16**

6. EVENTS AFTER THE REPORTING PERIOD (As of 31/12/2024)

From the end of the reporting period (31 December 2024) until the date of publication of this Report, no transaction, event, or circumstance that is required to be disclosed in this Report has occurred.

7. ANNEXES

Calculation Principles of Metrics

The information contained in these principles covers the financial year ending December 31, 2024, and covers the operations for which Istanbul Takas ve Saklama Bankası A.Ş. is responsible, as detailed in the "Key Definitions and Scope of Reporting" section.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information - emphasizing the principles of comparability/consistency of information with other data, including previous year, and the principles of understandability/ transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Bank makes the following definitions:

Type	Indicator	Scope
Environmental Performance Data	Takasbank Scope 1 Emissions (ton CO_2e) (*TSRS Metrics)	In the reporting period, it refers to the amount of greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the diesel and gasoline consumption of company vehicles, the diesel consumption of generators and the natural gas consumption, and the fire extinguishers and refrigerant gases.
Environmental Performance Data	Takasbank Scope 2 Emissions Location/ Market-Based (ton CO_2e) (*TSRS Metrics)	In the reporting period, it refers to the amount of the indirect greenhouse gas emissions in tons of carbon dioxide equivalent resulting from the Bank's electricity consumption from the grid and from the electricity used for charging electric vehicles.
Environmental Performance Data	Scope 1 and Scope 2 Total Emissions (tCO_2e)	In the reporting period, it refers to the total amount of the Bank's Scope 1 and Scope 2 greenhouse gas emissions.
Environmental Performance Data	Emission Intensity by Floor Area (ton CO_2e/m^2)	In the reporting period, it refers to the greenhouse gas emission intensity, calculated as the Bank's total Scope 1 and Scope 2 greenhouse gas emissions divided by the total office area (m^2).
Environmental Performance Data	Emission Intensity by Number of Employees (ton CO_2e/person)	In the reporting period, it refers to the greenhouse gas emission intensity, calculated as the Bank's total Scope 1 and Scope 2 greenhouse gas emissions divided by the total number of employees as of 31 December 2024.

7. ANNEXES

Data Preparation

1. Environmental Indicators

The references applied in the calculation are presented in the table below;

Scope 1 Greenhouse Gas Emissions (tCO_2e)

Scope 1 emissions have been calculated in accordance with TSRS and within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard," using the operational control approach.

Emission Source – Scope 1	CO_2 ($kgCO_2/TJ$)	CH_4 ($kgCH_4/TJ$)	N_2O (kgN_2O/TJ)	Reference
Natural gas (stationary combustion)	56.100	5	0,1	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 2-Chapter 2 Stationary Combustion (Table 2.4)
Generator (diesel) (stationary combustion)	74.100	10	0,6	
Private Vehicle - Diesel (mobile combustion)	74.100	3,9	3,9	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 2-Chapter 3 Mobile Combustion
Private Vehicle - Diesel (gasoline combustion)	69.300	25	8	

Emission Source -Scope 1 Refrigerant Gases	KIP($kgCO_2e/kg$)	Reference
R134A (Leakage) (Fugitive Emissions)	1.300	DEFRA
R407 (Leakage) (Fugitive Emissions)	1.923	DEFRA
R410A (Charging) (Fugitive Emissions)	1.924	DEFRA
Fire Extinguisher - CO_2 (Charging) (Fugitive Emissions)	1	DEFRA
Fire Extinguisher - CO_2 (Leakage) (Fugitive Emissions)	1	DEFRA
FM200 (Leakage) (Fugitive Emissions)	3.600	IPCC 6th Assessment Report

Scope 2 Greenhouse Gas Emissions (tCO_2e)

Scope 2 emissions have been calculated in accordance with TSRS and within the framework of the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard," using the operational control approach.

Emission Source– Scope 2	Emission Factor (tCO_2e/MWh)	Reference
Türkiye Electricity Energy (Grid Electricity)	0,445	T.C. Enerji ve Tabii Kaynaklar Bakanlığı - ETKB-EVÇED-FRM-042 Rev.01

Emission Source– Scope 2	Emission Factor (tCO_2e/MWh)	Reference
Electricity (for Vehicles)	0,445	T.C. Enerji ve Tabii Kaynaklar Bakanlığı - ETKB-EVÇED-FRM-042 Rev.01

Significant Judgments and Measurement Uncertainties

The process for identifying financially material climate-related risks and opportunities and determining the disclosures to be reported is based on forward-looking information and projections that include the Bank's short-, medium-, and long-term expectations regarding its pre-tax profit realized in the current period, which is a key performance indicator in the sector. However, such assessments require the use of estimates for certain amounts that cannot be directly measured.

Assumptions related to operational boundaries and emission calculations are provided under the heading "Data Preparation," while information on the metrics is disclosed in the "Greenhouse Gas Emissions" section on page 25 of this Report.

The Bank utilizes global qualitative climate scenarios developed by the Network for Greening the Financial System (NGFS), to estimate the potential financial and physical impacts of climate-related risks and opportunities. These scenarios involve uncertainties regarding how climate change – including increases or decreases in greenhouse gas emissions – may affect the frequency and intensity of climate-related events the Bank may face. Such uncertainties arise from the variability in climate projections and the potential unforeseen changes in the behavior of natural and extreme weather events due to evolving climate conditions and shifting weather patterns.

As set out on pages 22-24 of this Report, the calculation steps of the financial impacts of global warming and the changes that may occur in the Bank's financial performance in line with these effects are based on forecasts and forward-looking information that include short, medium and long-term expectations.

Restatements

The measurement and reporting of verified data inevitably involve a degree of estimation. Where there is a change of more than 5% in the data at the Bank level, a re-statement of opinion may be considered.

STATEMENT OF INDEPENDENT ASSURANCE

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

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON İSTANBUL TAKAS VE SAKLAMA BANKASI ANONİM ŞİRKETİ SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of İstanbul Takas ve Saklama Bankası A.Ş,

We have undertaken a limited assurance engagement on İstanbul Takas ve Saklama Bankası A.Ş (the "Company"), sustainability information for the year ended 31 December 2024 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 earlier periods or 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 Company's Sustainability Information for the year ended 31 December 2024 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") . We do not express an assurance conclusion on information in respect of earlier periods.

Inherent Limitations in Preparing the Sustainability Information

As discussed on pages 27 to 29 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

Management of İstanbul Takas ve Saklama Bankası A.Ş are responsible for:

- The Company management is responsible for the 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 Company 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 Company'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 Company.
- 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 Company'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.

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) 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 Company'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 Company's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Company'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 Company'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 Company'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 Company's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Company'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

İstanbul, 9 September 2025

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