

**ING BANK A.Ş.**  
**2024 TSRS Compliant**  
**Sustainability Report**



do your thing

(Convenience Translation of Independent Practitioner's Limited Assurance Report Originally Issued in Turkish)

**INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON ING BANK ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN  
ACCORDANCE WITH TÜRKİYE SUSTAINABILITY REPORTING STANDARDS**

**To the General Assembly of ING Bank Anonim Şirketi;**

We conducted a limited assurance engagement on ING Bank A.Ş. (the "Group") and its subsidiaries (collectively referred to as the "Group"), sustainability information for the year ended December 31, 2024 in accordance with Türkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Türkiye Sustainability Reporting Standards 2 "Climate Related Disclosures" ("Sustainability Information").

Our assurance engagement does not cover prior period information or other information linked to the Sustainability Information (including any images, audio files, website links or embedded videos).

**Our Limited Assurance Conclusion**

Based on the procedures we have performed as described under the 'Summary of the procedures performed as the basis for the assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ended December 31, 2024 is not properly prepared, in all material respects, in accordance with Türkiye Sustainability Reporting Standards published in the Official Gazette dated December 29, 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 prior period information or on any other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

**Inherent Limitations in Preparing the Sustainability Information**

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



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

The Group Management is responsible for:

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

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

## **Responsibilities of the Independent Practitioner Regarding the Limited Assurance of Sustainability Information**

Independent Practitioner is responsible for the following:

- Planning and performing the engagement to obtain limited assurance whether the Sustainability Information is free from material misstatement due to fraud or error;
- Conducting an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- Reporting conclusion to the Group Management.

Since independent practitioner is responsible to provide an independent conclusion on the Sustainability Information prepared by Group management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

## **Professional Standards Applied**

We conducted our limited assurance engagement in accordance with Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by POA.

## **Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by 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 management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our audit opinion.



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### **Summary of Procedures Performed as a Basis for the Assurance Conclusion**

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

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

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.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Aykut Üşenti, SMMM  
Partner

July 25, 2025  
İstanbul, Türkiye

## Contents

Introduction .....	3
Purpose and Scope .....	3
Judgements and Uncertainties .....	3
Conceptual Foundations and General Requirements .....	3
Transitional Provisions .....	5
Auditing .....	5
About ING Bank A.Ş. ....	6
1. Governance .....	8
<b>1.1. Senior Level Oversight and Organizational Structure in Sustainability</b> .....	8
Sustainability Committee .....	9
Risk Committee .....	9
Sustainability Department .....	9
Terms of Reference, Mandate and Competence .....	10
<b>1.2. Governance Processes</b> .....	11
Information Processes and Frequency .....	12
Controls and Procedures in Governance Processes .....	13
<b>1.3. Performance and Remuneration Policy</b> .....	14
2. Strategy .....	16
<b>2.1. Climate-related Risks and Opportunities</b> .....	18
Climate Risks .....	18
Climate-related Opportunities .....	27
3. Risk Management .....	31
<b>3.1. Integration of Sustainability and Climate Risks into General Risk Management</b> .....	31
<b>3.2. Identification and Assessment of Risks</b> .....	31
<b>3.3. Monitoring, Reporting and Review</b> .....	35
<b>3.4. Climate Resilience, Scenario Analysis and Stress Testing</b> .....	36
4. Metrics and Targets .....	38
<b>4.1. Metrics</b> .....	38
Emission Data .....	38
Sustainable Finance Metrics .....	40
TSRS 2-Appendix Volume-16 Commercial Banking Metrics .....	41

<b>4.2.</b>	<b>Targets .....</b>	<b>42</b>
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## Introduction

The United Nations (UN) Sustainable Development Goals (SDGs) can be achieved through the management of environmental and social impacts as well as the transformation of financial systems. The finance sector plays a key role in implementing the SDGs. Thus, in line with its vision to create sustainable value, ING Bank A.Ş. and its subsidiaries (also referred to as “ING Türkiye” or “the Bank” in the report) publicly share the Türkiye Sustainability Reporting Standards (TSRS) Report, drafted in full compliance with TSRS 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and TSRS 2 “Climate-related Disclosures”. The report aims for the transparent disclosure of the sustainability and climate performance, governance structure and strategic approaches of ING Türkiye; the disclosures contained in the report are based on the Türkiye Sustainability Reporting Standards (TSRS) published in the Official Gazette of 29 December 2023 and applicable for the annual periods starting from 1 January 2024. Governance, sustainability strategy, risk and opportunity management processes go in parallel for ING Bank and its subsidiaries and therefore, said subsidiaries are also covered by the processes carried out by ING Bank A.Ş.

## Purpose and Scope

This report was drafted with a view to meeting the principles, definitions and disclosure requirements set out under TSRS 1 and TSRS 2. In this framework, it contains disclosures on information regarding climate-related risks and opportunities borne by ING Türkiye that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. In line with the objectives of TSRS 1 and TSRS 2, the report addresses risks and opportunities that could “reasonably” be expected to affect the entity’s cash flows, access to finance or cost of capital over the short, medium or long term, thus providing information for primary users. While the assessments by ING Türkiye found no “material” climate risks or opportunities for the Bank and its subsidiaries, the risks and opportunities assessed and not exceeding the “materiality” threshold are disclosed with a view to informing the primary users.

## Judgements and Uncertainties

The data presented in this report have been obtained from the internal resources of ING Türkiye and its subsidiaries, as well as from third-party data providers recognized for their reliability. As some information is based on measurement and estimation, it may reflect approximate values and may not imply absolute precision. ING Türkiye and its subsidiaries aim to ensure the accuracy and reliability of all information disclosed in this report. A judgement process was followed in the selection of guidance sources, taking into account criteria such as scientific grounding, alignment with international standards, and consistency with best practices.

## Conceptual Foundations and General Requirements

The following conceptual foundations were observed to ensure that the information is transparent, reliable, comparable, verifiable, timely and understandable, enhancing its usefulness.

- **Fair Presentation:** The information in the report is presented fairly through complete, neutral and accurate depictions.
- **Materiality:** In the context of sustainability- and climate-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of

those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity. The report includes disclosures whether there is material information that could reasonably be expected to affect ING Türkiye's prospects.

- **Reporting Entity:** This report and the related financial statements were drafted by ING Türkiye.
- **Connected Information:** The disclosures in this report on governance, strategy, risk management and metrics and targets are presented as a coherent whole in a manner that enables primary users to understand the types of connections. For example, the report's completeness is ensured by disclosing the operational objectives for energy efficiency along with the performance metrics, resource allocation and financial impacts of such objectives. In addition, the information included in sustainability- and climate-related disclosures is presented in consistency with the general purpose financial reports prepared in accordance with Turkish Financial Reporting Standards (TFRS). For example, such indicators as capital expenditures aiming at mitigating environmental impact, revenues from renewable energy products etc. are consistent with publicly available financial statements
- **Sources of Guidance:** ING Türkiye applies the Türkiye Sustainability Reporting Standards (TSRS) in identifying climate risks and opportunities that could reasonably be expected to affect its prospects. In addition, it refers to the disclosure topics for Commercial Banks under TSRS 2-Appendix Volume-16, which is derived from the Sustainability Accounting Standards Board (SASB) Standards maintained by the International Sustainability Standards Board, and it considers the applicability of these topics in terms of metrics and targets. The aforementioned guidance document was designated by taking into account the activities of ING Türkiye and its subsidiaries, as well as materiality judgment.
- **Timing of Reporting and Method of Publication:** This report is consistent with the reporting period of the consolidated financial statements for 12 months covering 1 January to 31 December 2024. The information for the said financial period is accessible through the consolidated financial statements of ING for the 2024 accounting period. To ensure consistency between different reports issued by ING, the climate-related financial disclosures in this report used the same datasets and assumptions as used in the financial reports of 2024. In this context, the same accounting policies, methods, estimations and Turkish Lira (TRY) are used to ensure consistency between the sustainability and climate data, and the financial information. The report is available through the Public Disclosure Platform (PDP/KAP) and at [www.ing.com.tr/tr/ing/surdurulebilirlik](http://www.ing.com.tr/tr/ing/surdurulebilirlik).

Additionally, the following conceptual foundations and disclosure principles were complied with in preparing the report.

- Comparability and consistency
- Timing of reporting
- Risk and opportunity assessment
- Connected information – reporting integrity
- Integration with corporate strategy



## Transitional Provisions

The facilitations and exemptions used by ING Bank under the “Transitional Provisions” in TSRS 1 Appendix E and TSRS 2 Appendix C are explained in this section.

- In the framework of TSRS 1 paragraph E3 and TSRS 2 paragraph C3, an entity is not required to provide comparative information in the first reporting period in which it applies the TSRSs. Accordingly, this report, which relates to the first reporting period of 2024, contains no comparative information with regard to any previous period(s). Likewise, in line with TSRS 1 Appendix E6 (a) and (b), the disclosures on risks and opportunities relate to the first reporting year only.
- Pursuant to paragraph E5 of TSRS 1, in the first annual reporting period, the entity is permitted to disclose information only on climate-related risks and opportunities (pursuant to TSRS 2). Thus, this report focuses only on climate-related risks and opportunities.
- In accordance with TSRS 2 C4 (b) and Provisional Article 3 of the “Board Decision on the Scope of Application of the Türkiye Sustainability Reporting Standards (TSRS)”, an entity is not required to disclose the Scope 3 greenhouse gas emissions for the first two reporting periods in which it applies the TSRSs. Thus, ING Bank disclosed information only on Scope 1 and Scope 2 emissions as part of this report.
- In the framework of Provisional Article 2 of the “Board Decision on the Scope of Application of the Türkiye Sustainability Reporting Standards (TSRS)” (and also TSRS E4(b)), an entity is permitted to report its sustainability reports for the first annual reporting period in which it applies the TSRSs after it publishes its financial reports for the relevant period. Accordingly, the ING Bank TSRS Report is published no later than the date of interim financial reporting.

## Auditing

This report has been subjected to a limited assurance engagement by Güney Independent Auditing and Certified Public Accounting Inc. (EY) in accordance with ISAE 3000 “Assurance Engagements Other Than Audits or Reviews of Historic Financial Information” and ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, in the context of the mandatory independent assurance required in line with the Türkiye Sustainability Reporting Standards published by the Public Oversight, Accounting and Auditing Standards Authority (POA) in the Official Gazette of 29 December 2023 issue 32414(M). The limited assurance statement has been included in the report.

## About ING Bank A.Ş.

ING Bank A.Ş. is the Turkish subsidiary of ING Group, headquartered in the Netherlands. ING Group is an international financial institution offering banking services in more than 100 countries, primarily in Europe, as well as in North America, Latin America, Asia and Australia.

Although ING officially began its operations in Türkiye in 2008 under the name of ING Bank A.Ş., it has been providing services in Türkiye since the early 1990s. Beginning its operations under the name of ING Bank A.Ş. following the acquisition of OYAK Bank in 2008, the Bank has been offering services in the fields of retail, wholesale, and business banking.

ING Türkiye is the 9<sup>th</sup> largest private<sup>1</sup> bank in Türkiye, providing services with its headquarters in Istanbul, 59 branches across the country, its subsidiaries, and a total of 2,653 employees and offering widespread and uninterrupted banking services to its customers through digital channels as well as a network of call centres and ATMs.

The Bank's business model is shaped with a strategy that focuses on digitalization. ING Türkiye aims to provide its customers with fast and user-driven digital solutions that are accessible 24/7. Its digital banking activities are continuously enhanced in order to boost financial inclusion and reinforce customer experience.

ING Türkiye carries out its operations with an approach based on corporate management principles, an effective risk management structure, and ethical values. In addition to its practices that support financial sustainability, the Bank employs an approach that also pays regard to environmental and social impacts.

ING Bank A.Ş. operates with three financial and non-financial subsidiaries:

- ING European Financial Services (Financial services),
- ING Finansal Kiralama A.Ş. (Financial leasing services),
- ING Yatırım Menkul Değerler A.Ş. (Securities intermediary services),

These subsidiaries enhance the product and service range of ING Bank A.Ş., support its operational efficiency, and contribute to its ability to deliver integrated solutions tailored to customer needs.

### **The Sustainability Journey: A Reflection of a Global Vision in Türkiye**

The sustainability approach employed by ING Group was developed in the early 2000s with a focus on climate change, resource efficiency, and social impact. The commitment for the "Net Zero Banking" principle was declared in 2021, aiming to reduce operational footprint as well as supporting the transformation of the sectors financed.

ING Türkiye integrates the sustainability principles with the entirety of its business strategies by credit this global sustainability vision into local needs. First, sustainability risk assessments were conducted and later integrated, in the form of ESG criteria and qualitative/quantitative elements, into various areas ranging from know your customer and credit activities to risk appetite and stress scenario analyses.

As of 2023, operations have largely shifted towards renewable energy utilization, the volume of sustainable finance has been increased, and efforts to reduce environmental impacts have been

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<sup>1</sup> The ranking is based on the total assets of sectoral member banks as of the third quarter of 2024.

accelerated. All of these steps reflect ING's global vision of "building a more sustainable future for people" and its local motto of "sustainability is at the heart of what we do" in their operations in Türkiye.

Aiming for healthy and sustainable growth in the Turkish finance sector, ING Bank A.Ş. steams ahead in its operations in line with the principles of digitalization, customer-orientation and sustainability.

# 1. Governance

## 1.1. Senior Level Oversight and Organizational Structure in Sustainability

Sustainability is a key part of the business approach employed by ING Bank A.Ş. With its experiences at the global scale and its consciousness of the role of sustainability and climate change in the responsible banking approach, the Bank embraces and manages these topics at the top management level. The governance and climate-related governance and processes of the subsidiaries of ING Bank A.Ş. are also covered by ING Türkiye's processes. Therefore, the governance processes discussed in this section also cover the relevant subsidiaries.

At ING Bank A.Ş., the Board of Directors is responsible for the formulation and implementation of the sustainability and climate strategy and monitoring the performance therein, and effective management and oversight of risks and opportunities. The Board of Directors ensures that sustainability matters are integrated into the Bank's strategy and that adequate resources and governance infrastructure are provided in this scope. All sustainability-related decision-making processes, including the provision of adequate resources to manage, limit and control relevant risks and the approval of relevant frameworks and policies, are submitted for the final approval of the Board of Directors.

The internal governance mechanism for sustainability and climate matters is built on a multi-layered structure.

Board of Directors	Corporate Governance Committee	Risk Committee
Ensures the establishment of an effective organizational structure for the integration of ESG into the company and corporate strategy, and the provision of adequate resources to effectively manage, mitigate and control ESG risks. It is responsible for the approval of the framework and policies related to ESG risks.	Oversees sustainability actions and ESG risks.	The committee in charge of assessing the ESG risk policies and frameworks and managing ESG risks.
Executive Committee	Sustainability Committee	Risk Management Committees
Determines the relevant actions in line with the Bank's sustainability strategy.	It is in charge of monitoring and steering the Bank's sustainability targets by contributing to strategic decision-making processes involving determining the Bank's sustainability direction/strategy and priorities.	Decisions related to ESG risks are assessed at different risk committees such as the Credit Risk and Provisions, Non-Financial Risk and ICAAP Committees.
Programme Leader: Sustainability Department	Business Lines - Officers	ESG Risk Coordination: Financial Risk Management
<ul style="list-style-type: none"> <li>Carries out sustainability initiatives.</li> <li>Leads the transformation in sustainability.</li> <li>Acts as the Bank's sustainability advisor.</li> <li>Coordinates sustainability practices.</li> </ul>	<ul style="list-style-type: none"> <li>At least Vice President/Director level</li> <li>Performs and coordinates sustainability-related responsibilities and PTAs.</li> <li>Reports on the progress in sustainability KPIs on a quarterly basis.</li> </ul>	<ul style="list-style-type: none"> <li>ESG risk is defined not as an independent risk category/type but as a series of factors affecting the likelihood and severity of existing risk categories/types. ESG risk can affect financial and non-financial types of risk. In this scope, Financial Risk Management performs effective and comprehensive risk management activities in the responsibility areas of Financial Risk Management, Non-Financial Risk Management and Compliance Risk Management.</li> </ul>

Figure 1 ING Bank A.Ş. Sustainability Governance Structure

The Corporate Governance Committee is responsible for sustainability actions and the oversight of environmental, social, governance (ESG) and climate risks. The Risk Committee monitors the management of these risks, along with the Bank's other risks, by evaluating the policies and frameworks regarding ESG and climate risks. The opinions and recommendations of Senior Management with regard to the relevant risks are received and evaluated by various expert risk committees under the supervision of the Risk Committee. All matters related to risk management, including determination of risk appetite, are determined at Risk Management Committees and where necessary, submitted to the Board of Directors' approval.

## Sustainability Committee

The primary responsibility of the Sustainability Committee is to manage the sustainability aspect and targets of the Bank. The Committee is also responsible for monitoring and steering the Bank's sustainability targets by contributing to strategic decision-making processes such as determining the sustainability and climate strategy and commitments, relevant key performance indicators (KPIs) and priorities. The additional roles and responsibilities of the Committee, which are also specified in the "Sustainability Committee Terms of Reference" document, are as follows:

- Establishing clear ownership, accountability, resource allocation and priorities within the organization to help define and implement the sustainability commitments of ING Bank A.Ş.,
- Incorporating the sustainability commitments of ING Bank A.Ş. into the Bank's business strategy, profitability, operations, processes, systems, financials and reporting and ensuring their alignment,
- Designating the appropriate authorities to represent ING Bank A.Ş. in other sustainability-related committees within ING Bank A.Ş. and in ING Group,
- Appointing appropriate representatives to represent ING Bank A.Ş. in other sustainability-related committees both within ING Bank A.Ş. and the ING Group,
- Providing the Board of Directors with quarterly updates on sustainability-related matters.

## Risk Committee

Risk Committee assesses the policies and frameworks related to ESG risks and oversees ESG risk management. Decisions related to ESG risks are also evaluated by other risk management committees such as the Credit Risk and Provisions Committee, Non-Financial Risk Committee, and ICAAP (Internal Capital Adequacy Assessment Process) Committee.

The Sustainability Department provides quarterly information to the Risk Committee. This helps to strengthen the integration of sustainability elements into risk management processes.

## Sustainability Department

The Sustainability Department was established and approved at the Organization Committee in December 2023. The Sustainability Department, which is subject to the General Manager who is responsible for ownership of the sustainability transformation of ING Bank A.Ş. in accordance with regulatory and policy requirements, is authorized to formulate, implement and monitor the performance of the Bank's sustainability strategy. In line with such authority, this department conducts interdepartmental coordination, sustainable finance product development processes, internal/external representation and reporting activities. In addition, the Sustainability Department team takes part in representative activities

such as national and international sustainability working groups, non-governmental organizations (NGOs) and events. It also helps in the provision of consultancy and guidance to ING Bank A.Ş. teams in light of its regulatory and market expertise and know-how in monitoring national and international regulations, policies and market dynamics. Under the Sustainability Department, which reports directly to the General Manager and functionally to the Wholesale Banking Executive Vice President, the Sustainable Finance Department was established in the following period. The Sustainable Finance matters of the Bank are handled by the Sustainable Finance Department team.

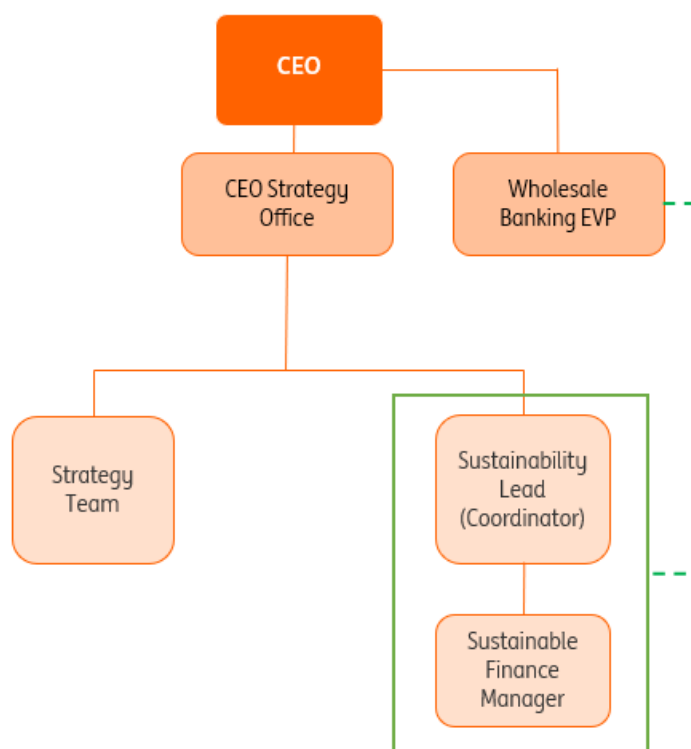


Figure 2 Operational Ownership of Sustainability

## Terms of Reference, Mandate and Competence

Integrating sustainability targets into the corporate strategy and ensuring their effective management requires the existence of leadership teams with advanced competences in this regard. The executives within the management structure of ING Bank A.Ş. contribute to the institution's vision of creating long-term value with their know-how and experience in such areas as sustainable finance, climate-centred strategies and energy transformation.

Canan Ediboğlu, Vice-Chair of the Board of Directors of ING Bank A.Ş., contributes to international initiatives as a member of the World Resources Institute and the Energy Working Group of the Global Relations Forum (GRF) engaged in the field of sustainability. Likewise, M. Semra Kuran, a member of the Board of Directors of ING Bank A.Ş., currently serves as the Chairwoman of the Sustainability Working

Group of the Finance Executives Foundation and has conducted master's level academic research in the field of sustainable finance. Karst Jan Wolters, who is a member of the Board of Directors and the Head of the Risk Committee, is also a member of the ESG Board of ING Germany.

Sustainability- and climate-related roles and responsibilities are clearly defined in committee terms of references, regulations and internal policy papers. In line with their terms of reference, Sustainability Committee members have mandates and responsibilities that must consider both sustainability and climate risks and opportunities. Additionally, in order to keep their relevant knowledge and competencies up to date, they regularly follow up on national and international developments and sectoral trends as well as participating in meetings and seminars on sustainability and sustainable finance. Furthermore, where required, it is planned to deliver additional training sessions on sustainability, climate change, climate risks and sustainable finance to the senior management and the entire organization.

The senior management also attends meetings, seminars, etc. on sustainability and sustainable finance to obtain up-to-date information related to the sector or sustainability.

**The Sustainability Department** consists of professionals with deep expertise in sustainable finance, regulatory compliance and sustainability strategies. This team plays an active role in determining corporate sustainability targets, developing relevant policies and practices, and coordinating communications with internal and external stakeholders.

**Risk Management** is responsible for defining, assessing and monitoring environmental and social risks in line with the corporate risk framework. The Bank's ESG Risk Coordinator, the Financial Risk Management unit, conducts effective and comprehensive risk management activities together with the Non-Financial Risk Management and Compliance Risk Management. In this context, as part of the overarching policy under ESG Risk Framework and Policy, it oversees the implementation of relevant methodologies, policies and processes, and monitors the operability of control mechanisms to ensure that different risk policies and climate and environmental risks are managed in alignment with the risk appetite.

## 1.2. Governance Processes

Sustainability-related matters are systematically integrated into the decision-making processes of ING Bank A.Ş. and assessments conducted in this regard are regularly taken into consideration in strategic and operational decisions. In this context, risks and opportunities associated with climate change, in particular, are captured in main business decisions such as determining strategic objectives, product and service development, loan allocation processes, etc. Trade-offs may arise between environmental benefits and commercial objectives in the decision-making process. In such cases, the relevant decisions are evaluated by the Sustainability Committee. Environmental impacts, regulatory obligations, reputational risk and financial sustainability criteria are jointly considered to determine prioritization.

The responsibilities related to ESG governance are defined under the Bank's ESG Risk Framework approved by the Board of Directors, and reviewed at least once a year.

- **The Board of Directors** holds ultimate responsibility for the approval of the ESG risk framework and policies, the effective integration of sustainability governance into the corporate structure, and the allocation of the necessary resources.
- **The Corporate Governance Committee** ensures managerial integrity by monitoring the strategic developments and risks related to sustainability at the top level.

- **The Risk Committee** assesses the policies and frameworks regarding ESG risks, and oversees the process of defining, measuring and managing such risks.
- Each of the **Credit-Risk and Provisions, Non-Financial Risk, ICAAP and Asset-Liability Committees** bear the responsibility of evaluating the ESG risk elements under its respective task scope and make the relevant decisions.

The **Sustainability Department**, which reports to the General Manager, is responsible for implementing sustainability policies, monitoring sustainability performance, and ensuring coordination throughout the institution. The relevant team has expertise in fields such as sustainable finance, strategic planning, and regulatory compliance.

According to early assessments, improvements have been observed in terms of increased internal awareness, fostering holistic ownership of targets, and establishing a regular data flow thanks to the Sustainability Department. The Sustainable Finance Department, on the other hand, has supported the enhancement of sustainability capacity.

ESG risk is defined not as an independent risk category/type, but a series of factors that impact the likelihood and severity of existing categories/types of risk. It can affect financial and non-financial risk types. In this context, Financial Risk Management, Non-Financial Risk Management, and Compliance Risk Management conduct effective and comprehensive risk management activities in their respective areas of responsibility. The Credit Risk Control, Risk, Capital and Reporting Department established under Financial Risk Management which ultimately reports to the Risk Committee, is a special unit acting as the **ESG Risk Coordinator** in charge of identifying, assessing and managing climate and environmental risks. This team ensures that ESG risks are addressed in an integrated manner in the framework of corporate risk appetite, as well as supporting the implementation of policies and methodologies. The roles and responsibilities relating to ESG risk management are reviewed at least once a year in relevant risk policies and terms of reference, and submitted for the approval of the Board of Directors.

This holistic governance structure demonstrates how ING Bank A.Ş. addresses sustainability and ESG risks not merely as a regulatory requirement, but one of the building blocks of its strategy to create long-term value. This structure that is integrated into decision-making processes enable the Bank to manage environmental and social impacts in a holistic manner while also taking a transparent and accountable corporate stance that meets stakeholder expectations. Timely identification and effective management of ESG risks not only enhance financial resilience but also serve as a strategic leverage in achieving the Bank's sustainable growth and transformation goals.

## Information Processes and Frequency

At ING Bank A.Ş., the Board of Directors and senior management are informed of sustainability- and climate-related developments on a regular and as-needed basis. Such information processes are structured to support strategic decision-making processes as well as ensuring compliance with regulatory expectations.

In this context;

- **The Board of Directors** is regularly informed of sustainability- and climate-related risks and opportunities at least four times a year. As part of risk management, the ICAAP Report is submitted



at least annually, and the Climate Risk Appetite results at least monthly for the review of the Board of Directors. In addition, ad hoc reporting is carried out in line with evolving regulatory requirements and market conditions.

- **The Corporate Governance Committee** is informed as part of quarterly meetings to ensure the top-level monitoring and steering of the sustainability agenda. It is provided with current information on topics related to strategic and regulatory compliance.
- **The Risk Committee** is periodically informed of ESG risks and their management four times a year, and the relevant reporting is structured to support the oversight task of the committee. Additionally, it is provided with current information on topics related to strategy and regulatory compliance.
- **The Executive Committee** members are informed of periodic developments as part of the integration of sustainability strategies with operational processes to ensure that sustainability risks and opportunities are considered in strategic decisions.
- **The Sustainability Committee** meets at least four times a year to review the sustainability agenda and ensure flow of information on the sustainability strategies, practices and reports in their respective workstreams. The Committee is regularly informed at least four times a year. The sustainability performance is presented via dashboards that include, but are not limited to, sustainable finance mobilization figures as part of opportunities, high-risk sectors and sectoral risk ratios as part of transition risks, share of high-risk mortgage loans ratio in the portfolio, Scope 1-2-3 emissions resulting from operations, employee satisfaction, and average training investment quantities dedicated to employee training.

In addition to the aforementioned periodic information processes, ad hoc evaluations are also presented to relevant boards and committees in line with regulatory developments, market risks or strategic needs, enabling the systematic and effective integration of the sustainability and climate agenda into the governance structure.

## Controls and Procedures in Governance Processes

The management implements various control mechanisms and procedures for the management of sustainability- and climate-related risks and opportunities.

Risk and opportunity oversight activities are carried out through a coordination mechanism built between sustainability, risk, credits and finance teams. In this context, sustainable finance performance, greenhouse gas emission data, and risk ratios of high-risk sectors are reviewed. The findings resulting from oversight activities are utilized to determine the necessary improvement actions, and the relevant data are periodically monitored and reported to relevant committees.

In integrating sustainability-driven risks and opportunities into strategic decision-making decisions, ING Bank A.Ş. has structured the governance in this regard based on the **Three Lines of Defence (3LoD)** model.

### **First Line of Defence (1LoD)**

The First Line of Defence (1LoD) takes primary ownership, accountability and responsibility with regard ING's business units and support functions; assessing, taking under control and mitigating all financial and

non-financial ESG risks affecting business, and ensuring the completeness and accuracy of financial statements and risk reports. Accordingly, the business units in charge of sustainable financing processes consider environmental and social risks from know your customer processes to credit activities; and operation and finance teams monitor performance against the targets set for carbon emission and energy efficiency etc. In addition, the procurement unit is responsible for applying the criteria on suppliers' environmental compliance. As the first tier where risk is identified and controlled, 1LoD assumes a proactive role in managing sustainability risks.

### **Second Line of Defence (2LoD)**

The Second Line of Defence (2LoD) represent the functions in risk management. It is responsible for:

- Overseeing, monitoring, advising, and challenging the First Line of Defence in terms of ESG management (including compliance), and holding escalation/veto power regarding activities and decisions deemed to pose unacceptable risks for ING.
- In order to support and monitor the management in controlling ESG risks, transforming ESG risk appetite into methodologies, frameworks and policies and controlling their execution and application.
- Objectively challenging the ESG risk management implementation and control processes, and coordinating the reporting of ESG risks and controls by 1LoD.

Activities related to Risk Management are detailed in [Part 3](#).

### **Third Line of Defence (3LoD)**

The Audit Committee is in charge of the Third Line of Defence. In this context, it is responsible for conducting risk-based and general audits as well as inspecting and reassuring the Board of Directors of the robustness of the entire governance structure including risk governance, and the availability, effectiveness and implementation of policy and implementation principles. In this direction, environmental and social risk assessments are analysed as part of credits process audits. Climate risk analyses subject to the internal capital adequacy assesment process are audited.

Through this multi-layered structure, ING is able to approach sustainability risks not only from a compliance perspective but also with a strategic management approach, thereby ensuring long-term value creation in line with the principles of transparency, accountability and effectiveness.

## **1.3. Performance and Remuneration Policy**

Sustainability- and climate-related targets were integrated into individual performance targets at some managerial levels. By reflecting these targets in the performance evaluation system and remuneration processes, it is aimed to raise institution-wide awareness of sustainability. The performance scores resulting from the performance evaluation also affect bonus and salary increase rates.

The targets in question were assigned to ING Türkiye in alignment with ING Group's sustainability goals. Relevant reporting to the Group is carried out at specific intervals and the targets are evaluated twice a year during the performance evaluation process. The progress and improvement with regard to the targets are monitored through the metrics included in the Sustainability Committee dashboard.

The sustainability-related KPIs of the Sustainability Department are used to measure whether the Bank's actions align with the strategy, and a performance evaluation is carried out biannually. The sustainable finance volumes of wholesale and business banking teams are measured; the carbon footprint resulting from bank operations are calculated and the performance of these teams is subjected to periodic evaluation based on these metrics. Sustainable finance targets and Scope 1, 2 and 3 targets for emissions resulting from operations are monitored. Additionally, the target to maintain a 50% ratio for female employees is monitored by the Human Resources (HR) and the relevant teams are evaluated twice a year based on this KPI.

## 2. Strategy

ING Türkiye's business model, which is shaped by a sustainable and responsible banking philosophy, goes beyond economic benefit to also focus on environmental and social sustainability. Rather than focusing merely on economic growth, the Bank adopts a further inclusive and responsible approach that focuses on people, environment and the planet, aiming to become a pioneer for transformation. Operating with the principle of "putting it at the heart", ING Türkiye aims to building a sustainable future, with a particular focus on combatting the climate crisis and strengthening financial health. From this point of view, ING Türkiye regards sustainability and climate risks and opportunities not only as a compliance obligation, but addresses them in a holistic manner in terms of strategic planning, value creation and competitive advantage. As with all risk management processes, sustainability and climate-related risks and opportunities are assessed within defined time horizons, in line with the planning periods used in strategic decision-making processes. The descriptions of such terms are presented in Table 1. This section describes the risks and opportunities that could also affect the decision-making processes of the primary users of the report in particular, as well as the existing and scheduled actions in this regard. Due to the fact that this is the Bank's first reporting year, this report does not include progress evaluations for past periods.

All assessments cover the subsidiaries included in the consolidated financial statements of ING Türkiye too. No additional material risks or opportunities were identified that emanated from the said subsidiaries and needed to be included in this report.

*Table 1 Time Horizons Used for Assessing Sustainability and Climate-Related Risks*

Term	Term Description	Description
<b>Short Term</b>	<3 years	The impacts assessed within the Bank's 3-year budgeting period are regarded as short-term.
<b>Medium Term</b>	3-10 years	The period between short- and long-terms is regarded as medium term.
<b>Long Term</b>	≥10 years	The impacts assessed over 10 years are regarded as long-term.

In order to support sustainability- and climate-focused transformation in the business model and value chain of ING Türkiye, the implementation of ESG criteria in supplier selection and evaluation was also integrated into decision-making processes. In addition, customers' sustainability transformations are also evaluated and the relevant plans are used to boost efforts to provide customers with active support in their process of transitioning to low-carbon economy. Accordingly, the existing and predicted impacts on ING Türkiye's business model and value chain are taken into consideration in the assessment of risks and opportunities, in addition to other impact areas such as geographic concentration and asset type. The opportunities identified concentrate on financial assets (loans), physical assets (branch infrastructure, instruments), and relational assets (customer and supply chain), and they bear the potential to produce tangible effects on product development, loan allocation, supply, human resources and operational efficiency processes. The potential areas of concentration/presence of risks are described in detail in the risk tables presented in Chapter 2.1.

The assessments are not limited to impact identification but also cover the Bank's current and planned responses to such risks and opportunities. In particular, the plans related to achieving climate-related targets and meeting regulatory requirements are regarded as a significant part of the Bank's responses to climate risks and opportunities in strategic decision-making processes. Additionally, the potential impacts of such risks and opportunities on the Bank's financial position, performance and cash flows are evaluated in the short, medium and long term, and how these impacts may evolve over time is also analysed.

Direct and indirect impacts are considered in determining risks and opportunities, and the entirety of the Bank's activities are assessed in the context of ESG and climate. Further information regarding the risk management approach is presented in [Chapter 3](#).

In the context of "materiality" referred to in paragraphs 17-19 of the TSRS, entities are required to disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect their prospects. In order to ensure the use of definitions that align with the conceptual framework of the TSRS, the materiality threshold value selected for ING Türkiye in alignment with the financial audit process was established by taking into account a specific percentage of pre-tax profit as well as qualitative materiality, in accordance with the expectations set out in paragraphs B13-B37 of the TSRS 1.

In the current reporting period, no material uncertainty is expected in the book value of the assets and liabilities reported in financial statements that could lead to a material adjustment in the next financial reporting period. The details of the risks and opportunities examined as part of the assessment are presented below.

## 2.1. Climate-related Risks and Opportunities

### Climate Risks

In line with its sustainability strategy, ING Türkiye classifies climate-related risks as transition and physical risks, and addresses them comprehensively in the frame of potential impacts on business model, business strategies, value chain and financial performance. Such risks, which are assessed for the short, medium and long terms, are then integrated into strategic planning, credit processes and operational activities. This section contains observations regarding the Bank's exposure to climate-related risks and practices employed to manage these risks. Further information regarding the risk management approach is presented in [Chapter 3](#).

The existing and expected changes (plans to manage or retire carbon, energy or water intensive operations; resource allocations resulting from changes in demand or supply chain; resource allocations arising from business development through additional spending on capital expenditure or research and development, purchases or disposals, etc.) in ING Türkiye's business model are also taken into consideration in dealing with risks and opportunities.

### Climate Risks

<b>Risk no.</b>	<b>1</b>
<b>Risk definition</b>	Know Your Customer: The risks that could arise if customers do not align with the Bank's activity principles in terms of ESG and climate risks and/or operate in sensitive sectors: Customer profile and area of activity could be incompatible with sustainability commitments.
<b>Place in the value chain</b>	Customer evaluation stage in customer onboarding and loan allocation processes – business banking and wholesale banking customer portfolio
<b>Risk category</b>	Transition Risk (Policy changes, reputational risk, regulatory compliance)
<b>Term</b>	Short – Medium – Long Term
<b>Impact on business model and value chain</b>	In line with the Know Your Customer principle, customers operating in prohibited or sensitive sectors identified in the scope of combatting climate change may be excluded from financing or evaluated under specific conditions. No material impact was observed in the reporting period; and projected impacts include the likelihood of customer loss. This may lead to the restriction of certain fields of activity in the Bank's business model. In this context, impacts of strategic and reputational risks such as decrease in loan volumes indirectly in addition to rising operational costs, come to the forefront.
<b>Impact on strategy and decision-making processes</b>	In the frame of the Environmental and Social Risks Procedure, customer onboarding has a determining role in loan allocation and finance decisions. Strategic portfolio management is reshaped based on sustainability criteria.

<b><i>Climate-related transition plan/Planned actions</i></b>	Before any customer relations are built, the environmental and social risk level is determined based on sector-specific threshold values and ING Group standards; in high-risk cases, customer onboarding and financing processes are subjected to re-evaluation.
<b><i>Impact on financial position, financial performance and cash flows<sup>2</sup></i></b>	In 2024, over 3,900 customers were subjected to environmental and social risk assessment as part of the Know Your Customer principle. Prohibited activities and positions in sensitive sectors were ranked based on the Environmental and Social Risk (ESR) score, which was integrated into loan assessment processes. This situation can potentially affect the structure of finance portfolio and the risk/return trade-off in the long term. In the current situation, it has had no material impact in the financial statements. Among the potential impacts is the likelihood of loss in interest revenues due to customers with whom the Bank prefers not to do business with on account of “know-your-customer”.
<b><i>Resilience and scenario analyses</i></b>	Risk is managed through the policy sets developed by ING Türkiye against transition risks, and subjected to scenario-based assessments by taking into account customer portfolio, field of activity and sectoral distribution. In the future, analytical studies will be integrated into ESG scoring systems which are planned to be built on a further granular level. In the current reporting period, no issue has been identified that can materially affect the resilience of ING’s strategy and business model against climate-related changes, developments or uncertainties. Thus, there is no need for additional efforts as using additional financial resources, restructuring or decommissioning of assets, investment planning etc.

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<sup>2</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

<b>Risk no.</b>	<b>2</b>
<b>Risk definition</b>	Credits processes: Disruptions in the activities of customers operating in sectors that are materially affected by climate change or that have a material impact on the transition to a low-carbon economy, and the exposure of the collaterals provided by financed companies to climate-related physical risks
<b>Place in the value chain</b>	Credits processes
<b>Risk category</b>	Transition Risk and Physical Risks
<b>Term</b>	Short – Medium – Long Term
<b>Impact on business model and value chain</b>	Climate and ESG risks are an integral part of the Credit Risk Appetite determination process. In the context of the transition risk assessment, risk appetite limit levels were defined, and approved by the Board of Directors, for the portfolio identified as having high emission potential in new disbursements, based on 6 main sectors and 8 sub-sectors for commercial loan portfolio, and specifically for housing loans in individual loan portfolio. Compliance with the limits is regularly monitored and reported. In the short and medium term, lending growth in the relevant sectors will be evaluated within the frame of risk appetite, while in the long term, the share of the portfolio with high emission potential is expected to be restricted. In this context, financial and strategic impacts come to the forefront.
<b>Impact on strategy and decision-making processes</b>	The default risk or the possibility of reduced bank revenues caused by disruptions in customer activities are integrated into credit activities; climate risks are incorporated into the risk appetite determination process in accordance with the Bank's strategic planning. Climate-related physical risks are also taken into consideration in guarantee strategies. Risk assessment for transition risks are among the key components of the customer-based credit process in wholesale banking and business banking segments.
<b>Climate-related transition plan/Planned actions</b>	<p>Key Risk Indicators related to physical risks in housing loans are regularly monitored and reported to senior management.</p> <p>In customer credit activities, ESG and climate-related risks are analysed, and factors that may affect exposure to climate risks (e.g. the likelihood of transition risk based on sector-level emission intensity, assessment of collaterals in relation to transition risk) as well as factors that may impact the customer's financial performance are assessed. In credit and collateral processes, riskiness in terms of physical risks such as earthquakes, landslides, floods, and fires, as well as insurance conditions and risk-mitigating elements are taken into account.</p>



	In line with the risk appetite limits defined for loan disbursement to sectors with high emission potential, the portfolio structure is shifted toward fields of activity associated with lower climate risk.
<b>Impact on financial position, financial performance and cash flows<sup>3</sup></b>	Physical risk analyses and performance monitoring can potentially produce financial impacts in connection with collateral valuations and loan repayment risks. In the current situation, there has been no impact on the financial statements. It is projected that costs of loan provisions may increase, and capital adequacy ratio may be impacted depending on the likely increase in loan provisions of customers and decrease in value of collaterals.
<b>Resilience and scenario analyses</b>	Sector-based risk appetite limits and portfolio-based risk indicators used in credit decisions are structured by taking into account transition and physical risk scenarios. In this framework, scenario-based analyses are conducted on elements such as probability of default and collateral devaluation in high-emission sectors; physical risk indicators are regularly monitored, particularly for individual products such as housing loans. In the medium term, it is aimed to develop analyses to enhance the resilience of the loan portfolio against climate scenarios. In the current reporting period, no issue has been identified that can materially affect the resilience of ING's strategy and business model against climate-related changes, developments or uncertainties. Thus, there is no need for additional efforts as using additional financial resources, restructuring or decommissioning of assets, investment planning etc.

<b>Risk no. 3</b>	
<b>Risk definition</b>	Business Continuity: Risks that could affect business continuity, such as the halting of bank operations as a result of climate-related natural disasters, impairment of the data centre, etc.
<b>Place in the value chain</b>	Operational processes, data centre management, critical service infrastructure
<b>Risk category</b>	Physical Risks
<b>Term</b>	Short – Medium – Long Term
<b>Impact on business model and value chain</b>	Impact assessments of matters that could affect business continuity, such as natural disasters, are conducted on a location basis and risk measures are prioritized at critical locations. It is projected that the impacts of the natural disasters that may occur in the short and medium term have limited impact

<sup>3</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

	<p>and that effective management of operational losses will be ensured in the long term. In this context, operational impacts come to the forefront. ING Türkiye conducts customer transactions on such channels as physical branch, internet branch, mobile branch, call-centre, ATMs, POS devices. Business continuity issues on such channels have the potential of causing such operational risks as affecting customers' ability to receive services over such channels thus failure (of ING) to provide services, and consequently reputational risk. It is however assessed that such risk carries very low likelihood and impact.</p>
<p><b>Impact on strategy and decision-making processes</b></p>	<p>As of 2024, business continuity risk at ING Türkiye locations was analysed in terms of climate-related disasters. Detailed assessments were conducted for various risks including excessive precipitation, drought, wildfire, extreme heat, landslide and water stress; and the measures to be taken in these regards were evaluated on a location basis. Following such assessments, the ING Ankara Head Office was established, and staffed adequately, to enable the Bank to execute backups of critical business processes.</p> <p>Climate-related risks such as excessive precipitation, drought, fire, extreme heat, landslide and water stress were taken into consideration in the risk assessment conducted for the Maslak Head Office, Istanbul Umraniye Primary Data Centre, Kahramanmaraş Operations Centre, Ankara Head Office Centre, Izmir Secondary Data Centre and ING Technology locations.</p>
<p><b>Climate-related transition plan/Planned actions</b></p>	<p>ING Türkiye conducts location-based prioritization efforts for climate-related physical risks that could affect business continuity and implements action plans customized based on risk type.</p> <p>Against <b>water stress</b>; the measures put in place include water efficiency and saving, rainwater harvesting, stakeholder engagement and cooperation, water risk assessment and planning, diversification of water resources, sustainable resource use and supply chain management, water pricing and cost internalization, and investment in innovation and technology.</p> <p>Against <b>heat stress</b>; the measures put in place include workplace heat reduction, hydration stations, flexible work schedules, training and awareness, installation of cooling systems, rest and recreational areas, green spaces and employee health support.</p> <p>Against <b>fire</b>; the measures put in place include defensible space and environmental planning, fire barriers and fire-resistant materials, fire prevention training, emergency response planning, early warning systems, firefighting equipment, vegetation management, community engagement, employee communication and support, evacuation drills, wildfire monitoring and forecasting.</p> <p>Against <b>drought</b>; the measures put in place include water utilization efficiency and saving, rainwater harvesting, stakeholder engagement and cooperation, water risk assessment and planning, diversification of water resources,</p>

	<p>sustainable resource use and supply chain management, water pricing and cost internalization, and investment in innovation and technology.</p> <p>Against <b>landslide</b>; the measures put in place include landslide risk assessment, slope stabilization and engineering, structural reinforcement, early warning systems, employee training, safe equipment and assets, comprehensive emergency response planning, post-landslide rescue planning, insurance and risk transfer.</p> <p>Against <b>excessive precipitation</b>; the measures put in place include effective rainwater management, maintenance of drainage systems, flood barriers and protection, emergency response planning, employee safety training, standby power and auxiliary programmes, waterway management, insurance and risk transfer.</p>
<b>Impact on financial position, financial performance and cash flows<sup>4</sup></b>	According to climate-related case analyses conducted as of 2024, there is no material business continuity disruption, nor is one expected in the upcoming periods. While there is no material impact in the current situation, an increase is projected in operational costs.
<b>Resilience and scenario analyses</b>	Business continuity risks caused by climate-related natural disasters are assessed using location-based scenarios as part of the operational resilience approach employed by ING Türkiye. Scenarios driven by events such as extreme weather events, earthquake, fire, etc. are built on past vase analyses as well as probability-based analyses, and integrated into relevant plans. In the current reporting period, no issue has been identified that can materially affect the resilience of ING's strategy and business model against climate-related changes, developments or uncertainties. Thus, there is no need for additional efforts as using additional financial resources, restructuring or decommissioning of assets, investment planning etc.

<b>Risk no.</b>	<b>4</b>
<b>Risk definition</b>	Bank operations: Operational and strategic risks in the context of the physical and transition risks that the Bank could be exposed to or cause as part of its own activities.
<b>Place in the value chain</b>	Internal operations, building and branch infrastructure, energy consumption, material use, immovables portfolio.

<sup>4</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

<b><i>Risk category</i></b>	Transition and Physical Risks
<b><i>Term</i></b>	Short – Medium – Long Term
<b><i>Impact on business model and value chain</i></b>	Factors that reduce operational efficiency or increase carbon footprint in the short and medium term may conflict with long-term sustainability targets. In this context, operational and strategic impacts come to the forefront.
<b><i>Impact on strategy and decision-making processes</i></b>	ING Türkiye determines its priorities with regard to reducing the emissions caused by its own operations, energy efficiency, sustainable infrastructure transformation, etc. Elements such as expenditures incurred for the purpose of risk mitigation and, if available, the assessment of assets acquired or disposed of as part of mitigation measures are taken into consideration; investments and energy transition plans are shaped in this frame.
<b><i>Climate-related transition plan/Planned actions</i></b>	Energy efficiency investments, green building transformations, improvements to ensure the mitigation of direct operational emissions, and optimization of resource utilization.
<b><i>Impact on financial position, financial performance and cash flows<sup>5</sup></i></b>	Emission reduction, infrastructure renovation, energy transformation investments and changes in asset managements may lead to investment costs in the short term; but in the long term, it is likely that the financial balance will be affected positively through ensuring energy saving, efficiency and compliance achievements. The air conditioning systems in the Aegean Regional Directorate building were renovated in 2024. This investment, which was aimed at increasing efficiency, maintaining business continuity and improve employee comfort, is a part of the Bank's climate adaptation strategy. While there is no material impact in the current situation, an increase is projected in operational costs.
<b><i>Resilience and scenario analyses</i></b>	In the current reporting period, no issue has been identified that can materially affect the resilience of ING's strategy and business model against climate-related changes, developments or uncertainties. Thus, there is no need for additional efforts as using additional financial resources, restructuring or decommissioning of assets, investment planning etc. Implemented and planned system change investments are a part of the Bank's climate adaptation strategy.

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<sup>5</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

<b>Risk no.</b>	<b>5</b>
<b>Risk definition</b>	Adaptation: The risk that the Bank fails to ensure timely and effective compliance with the laws, regulations and policy papers about climate change that have taken or are projected to take effect. In particular, areas such as sustainability reporting, sustainable finance and green asset ratio are among critical compliance topics.
<b>Place in the value chain</b>	Bank operations: Compliance, sustainability strategy, reporting, credit policies, data infrastructure, portfolio classification.
<b>Risk category</b>	Transition and Physical Risks (due to secondary impacts)
<b>Term</b>	Short – Medium – Long Term
<b>Impact on business model and value chain</b>	Failure to ensure compliance with regulations in all terms could impact the Bank's investor trust, regulatory obligations, sustainable finance capability and brand image/reputation. Additionally, lack of data or methodological nonconformity may hinder ESG strategies. In this context, regulative and strategic impacts come to the forefront.
<b>Impact on strategy and decision-making processes</b>	ING Türkiye keeps abreast of developments related to national and international legislation, such as TSRS 1-2, European Green Deal (EGD), Carbon Border Adjustment Mechanism (CBAM), -draft- Climate Law, Green Asset Ratio, and assesses them along with process integrations, monitors them closely. This enables the integration of legislation into strategies and planning.
<b>Climate-related transition plan/Planned actions</b>	<p>The aim for the upcoming periods is to expand impact analyses to be included in the reports drafted in line with TSRS 1 and TSRS 2. In this context, it is aimed to complete the work on the calculation of financed Scope 3 portfolio emissions in particular, in line with the ING Group methodology and the relevant legislation.</p> <p>Additionally, working groups were established on prominent topics in national legislation, such as the Green Asset Ratio calculation, Guideline on the Management of Climate-Related Financial Risks, Climate Law, etc., to ensure the holistic integration of these processes into the Bank and to assess their impacts on strategies.</p> <p>In the context of financial impact, the integration of the ESG factor into lending risk models is characterized as a significant area of development in terms of following international best practices and developing modelling techniques.</p>
<b>Impact on financial position, financial</b>	With the CBAM, the transitional implementation phase of which was initiated in the framework of the EGD published by the European Commission, it is projected to apply carbon pricing on products imported into the European

<b><i>performance and cash flows<sup>6</sup></i></b>	<p>Union (EU), based on greenhouse gas emissions produced during their production processes.</p> <p>It was observed that CBAM prices had no material impact on the debt repayment capacity of customers whose main business activities included the production of cement, electricity, fertilizers, iron-steel and aluminium, and who export to the EU.</p> <p>Nevertheless, system investments and methodological transformations made for compliance purposes may result in increased operational costs.</p>
<b><i>Resilience and scenario analyses</i></b>	<p>In the current reporting period, no issue has been identified that can materially affect the resilience of ING's strategy and business model against climate-related changes, developments or uncertainties. Thus, there is no need for additional efforts as using additional financial resources, restructuring or decommissioning of assets, investment planning etc.</p> <p>In the context of the climate risk, risk management components such as international and national legislative developments, data provision and modelling technique are closely monitored and processes are being developed in this regard. Other steps, such as conducting analyses under scenarios in which climate regulations are implemented at different paces and scopes, the data preparation capacity of such scenarios, portfolio breakdown and its utilization in determining internal strategy based on financial impact level are planned to be improved in future periods.</p>

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<sup>6</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

## Climate-related Opportunities

As part of its sustainability strategy, ING Türkiye regards it a priority element to proactively and systematically assess not only risks, but also emerging opportunities. The opportunities assessed in this scope were shaped with the findings from materiality analyses and the projections from business units and structured in a framework aligned with the Bank's strategic priorities. Areas of opportunity were then turned into tangible actions on various topics, notably including sustainable finance product development, energy efficiency investments, supporting low-carbon technologies and boosting operational efficiency. These areas, which comprise a significant component of ING Türkiye's sustainable growth vision, are included in ING Türkiye's long-term strategic roadmap and underpin future actions that will be implemented in line with material topics.

### *Climate-related opportunities*

have the potential to produce instant and medium-term impacts on ING Türkiye's business model and value chain. Diversification of sustainable finance products provides financing opportunities for existing customers, in addition to facilitating access to new customer segments. The purchasing processes regarding the suppliers within the value chain are shaped by ESG criteria. ING Türkiye embraces a climate-aligned mode of activity through practices such as improving energy efficiency in operations and reducing business travel.

<b>Opportunity no. 1</b>	
<b>Opportunity definition</b>	Financing Renewable Energy: Enabling a cleaner and more sustainable energy transition by providing financial support to solar energy projects and other renewable energy investments.
<b>Place in the value chain</b>	Loan portfolio, investment banking products
<b>Term</b>	Short Term
<b>Impact on business model and value chain</b>	Expanding green finance products; positive financial impacts such as income growth through compliance with the Bank's sustainability targets, gaining new customers, product diversity, low-risk lending opportunities.
<b>Impact on strategy and decision-making processes</b>	The financing of renewable energy projects has higher priority in ING Türkiye's financing strategy. Product development efforts have been accelerated in this regard. It is planned for the upcoming periods to set specific targets for such projects, expand the green finance products range, and integrate sustainability criteria more systematically into decision-making processes.
<b>Planned actions</b>	Enhancing sustainable finance product range Prioritizing renewable projects

<b><i>Impact on financial position, financial performance and cash flows<sup>7</sup></i></b>	<p>Has the potential to engage the attention of funding institutions with the potential to create new low-risk lending and investment opportunities with long-term return.</p> <p>In this context, increase is expected in revenues of loan interest and commission fees in the financial statements.</p>
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<b>Opportunity no. 2</b>	
<b><i>Opportunity definition</i></b>	Optimizing Business Travels: Reducing operational emissions and energy consumption through well-planned business trips and efficiency improvements, and harmonizing with ING's Net-zero by 2035 target <sup>8</sup> .
<b><i>Place in the value chain</i></b>	Internal operations, transportation policy
<b><i>Term</i></b>	Medium Term
<b><i>Impact on business model and value chain</i></b>	Positive operational impacts such as emission reduction, reduced costs, efficiency increase through reducing operational costs and accelerating transition to green energy
<b><i>Impact on strategy and decision-making processes</i></b>	Implementing policies for harmonizing with ING Group targets
<b><i>Planned actions</i></b>	<p>Readjusting flight and vehicle policies</p> <p>Policies that reduce the number of business travels</p> <p>Provision of vehicle assistance instead of company cars</p>
<b><i>Impact on financial position, financial performance and cash flows<sup>9</sup></i></b>	Decrease in operational costs is expected in the financial statements through the provision of vehicle assistance instead of company cars

<sup>7</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

<sup>8</sup> To achieve net zero in carbon emissions caused by ING's own operations by 2035.

<sup>9</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.



<b>Opportunity no. 3</b>	
<b>Opportunity definition</b>	Boosting Energy Efficiency: Reducing operating costs by shifting towards highly energy efficient buildings and infrastructure, in line with sustainable targets.
<b>Place in the value chain</b>	Internal operations, branch infrastructure
<b>Term</b>	Short and Medium Term
<b>Impact on business model and value chain</b>	The sustainability of the Bank's physical operations produces positive operational impacts through energy savings, cost reduction and increased efficiency.
<b>Impact on strategy and decision-making processes</b>	Transitioning to more efficient systems for heating
<b>Planned actions</b>	Implementing investments that boost energy efficiency Simultaneously controlling and monitoring branch temperature
<b>Impact on financial position, financial performance and cash flows<sup>10</sup></b>	It is aimed to gain long-term cost advantage by reducing operational costs in the financial statements.  In 2024, reduction was achieved in operational costs by lowering the heating setpoint by 2 degrees in the Maslak General Directorate Building.

<b>Opportunity no. 4</b>	
<b>Opportunity definition</b>	Financing Electric Vehicles: Meeting the financial support need created by increased interest in electric vehicles.
<b>Place in the value chain</b>	Lending products, collaborations with the automotive sector
<b>Term</b>	Short Term
<b>Impact on business model and value chain</b>	Positive financial impact through product development, environmental impact/green transformation support, income growth and gaining new customers by aligning with the Bank's sustainability targets by expanding green finance products

<sup>10</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

	This opportunity is important for augmenting product diversity, supporting environmentally-friendly transport, financing green transformation in the automotive industry in line with the Banks green finance strategy. Gaining new customers by lending products, diversification of product range, and increasing low risk loan opportunities.
<b><i>Impact on strategy and decision-making processes</i></b>	It is planned to develop concrete steps in line with the Group's strategy, such as contribution to green transformation through financing clean-fuel vehicles, expanding collaborations in the automotive industry.
<b><i>Planned actions</i></b>	Financing the transition to electric vehicle fleet, development and promotion of relevant products, augmenting collaborations with the automotive industry.
<b><i>Impact on financial position, financial performance and cash flows<sup>11</sup></i></b>	By expanding green finance products, it is aimed both to contribute to environmental and commercial objectives, and to harmonize with the objectives of ING Group and ING Türkiye. Thereby, increase in revenue is expected from electric-vehicle loans and commission fees.

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<sup>11</sup> Since the said risk is below the materiality threshold as a result of the impact assessment, it has not been included in the financial impact disclosure.

## 3. Risk Management

### 3.1. Integration of Sustainability and Climate Risks into General Risk Management

The Bank operates under a series of systems and procedures to identify, monitor, report and manage risks that may arise from its operations. The material risks within ING are actively measured (where appropriate), and monitored and managed through policies and supporting procedures approved by the Board of Directors.

The Bank attaches due importance on promoting risk awareness, and the identification of risk is the responsibility of all relevant bank personnel. The Board of Directors and the committees established under the Board, senior management, internal and external audit and risk management units all play a role in the identification of risk.

There is a series of generally acknowledged risks in day-to-day business operations, including credit and market risk as well as operational risks. Such risks are managed with special risk-limiting policies, procedures and limits.

The risk management strategy implemented at the Bank is based on the three lines of defence model. Business Lines serving as first line of defence are primarily responsible for the effective control of the risks that affect performance, operation, compliance, and the respective line of work. Risk Management, Credits Management, Financial Control and Treasury, Legal and Internal Control functions, which serve as the second line of defence, support the first line of defence in terms of measurement, implementation, training, advise, monitoring and reporting.

The Audit Committee comprises the third line of defence, providing independent review and assurance. In the frame of this strategy, the defence line activities are carried out through a number of decision-making committees including the Executive Committee, Asset-Liability Committee, Lending Risk and Provisions Committee and Non-Financial Risk Committee.

Predicating on ING Group's international experiences as well as its own responsible risk management philosophy in its own operations, ING Türkiye integrates the effective management of sustainability-related risks and opportunities into general risk management processes. ESG risks are defined as risk factors that could affect the likelihood and severity of credit, market, funding, liquidity, operational and compliance risk types, and they are evaluated with an integrated risk management approach. For this reason, in addition to being independent risk categories, ESG risks are also addressed as components of existing risk types.

### 3.2. Identification and Assessment of Risks

ING Türkiye structures its ESG and climate risk identification, assessment, prioritization and monitoring processes in line with its corporate risk appetite as well as national and international regulations. In this context, it implements risk classification methodologies, stress testing, transition and physical climate risk analyses, security assessments and ESG-driven risk policies, in addition to integrated risk appetite limits through bank strategies and risk monitoring activities through different committee and senior management reports.

ING conducts its operations through a comprehensive risk management framework and integrates risk management into its day-to-day activities and strategic planning. This structure ensures the identification, measurement and control of the risks at all levels of the organization, thereby preserving the financial resilience of ING Group. The identification and assessment of these risks play a key role in terms of ING's resilience. The Risk Identification and Assessment process is reviewed at least annually in line with the relevant risk policies. The risk assessment conducted at the end of 2024 included climate and environmental risks, and the results of the assessment were submitted for the approval of the Board of Directors as part of the ICAAP report.

Risk appetite is one of the significant components of risk management at the Bank. The Bank's Risk Appetite Structure ensures that a common risk language is established throughout the institution and provides senior management and all employees with a comprehensive yet concise view of risk appetite. At the same time, risk appetite indicators are tailored for each risk type based on the risk management approach and practices as well as functional risk areas. Risk Appetite steers the Bank's risk culture and sets the limits in risk-taking activities.

As part of the Bank's Risk Appetite Structure, limits are reviewed on a regular basis, but at least once a year, in line with the Bank's strategic planning. The limits are then approved by the Board of Directors, and monitored through quantitative and qualitative risk metrics. The Risk Appetite is defined in the framework of the Bank's Procedures and Policies, which also set out the roles and responsibilities within the process. Additionally, the daily risk management approach, practices, and risk appetite indicators based on functional risk areas for each risk type are specified in the Bank's Risk Appetite Structure document.

The stages of risk identification and assessment are shaped based on the strategies of ING Bank A.Ş., in line with external factors including markets, sectoral competition and regulatory changes, as well as the mission, strategic priorities and medium-term plan of ING Bank A.Ş. Risk identification and assessment processes can be inward-oriented for some regular activities of risk units, or more comprehensive.

The risk appetite is applied through risk appetite indicator limits, regulations, procedures, as well as timely, accurate and comprehensive reporting to Senior Management.

It is essential to integrate material climate-related financial risks into the Bank's risk management processes. ESG risks (including climate risks) are defined not as an independent risk category/type, but a series of factors affecting the likelihood and severity of existing risk categories/types. The sustained risks related to credit, market, liquidity and operational risks arising from climate-related financial risks are integrated into the risk management lifecycle in line with the materiality principle.

In the context of non-financial risks, metrics related to material risks (operational resilience, data management, procurement of services, fraud, etc.) are associated with ESG risks. Environmental changes related to the climate are considered in the context of different assessments of the operational risk impacts on the Bank's physical assets, business continuity, etc.

In the context of ICAAP, assessments are conducted with respect to market risk and liquidity, the impacts of which remain limited due to portfolio structure.

Climate and Environmental Risks are an integral part of ING's Credit Risk Appetite determination process. With a focus on the roadmap of the sectors that contribute to a lower carbon ratio, Climate and Environmental Risks encourage risk assessment in line with the Terra Approach adopted by ING Group. Additionally, the Bank aims to mitigate potential climate and environmental risks by taking into account the Partnership for Carbon Accounting Financials (PCAF) data. The Climate Risk Appetite is approved by

the Board of Directors and reviewed at least once a year. Risk Management monitoring results are reported monthly to the Board of Directors and the Credit Risk and Provisions Committee, and quarterly to the Risk Committee.

The ESG Risk Framework and Policy were approved by the Board of Directors. The ESG Risk Framework, in which ESG risks are defined, was drafted to provide an overview of various roles and responsibilities related to ESG risks, as well as the governance structure supporting ESG risk management. The ESG Risk Policy, on the other hand, summarizes ING's approach in effectively identifying, assessing, mitigating, monitoring and reporting Environmental, Social and Governance risks based on ING's ESG risk appetite.

The ESG Framework and Procedure refer to climate and environmental risks which also include physical and transition risks:

Physical risks arise from the physical impacts of climate change on an enterprise's operations, labour force, markets, infrastructure, natural resources and assets. Physical risks caused by climate change may be event-driven (acute), such as the increasing severity of extreme weather events (e.g., hurricanes, droughts, floods and fires); or, related to longer-term (i.e., chronic) changes in precipitation and temperature and increased variability in atmospheric cycles (e.g., sea level rise). Environmental risks include, among others, water-related risks, resource scarcity, biodiversity loss, and pollution and waste.

Transition risks arise from the policy, legislation, technology and market changes that occur when transitioning to a lower-carbon global economy. They also include "stranded asset risks", which refer to the reduced value of carbon intensive assets that can quickly become unusable or depreciate. Transition risks involve policy restrictions on emissions, carbon tax implementation, water restrictions, land use restrictions or incentives, shifts in market demand and supply, and reputational matters.

As part of its Environmental and Social Risks (ESR) and Climate Risks Assessment Procedure, the Bank conducts customer/credit/sector assessments and integrates this process into its business strategies. The ESR assessment has become a part of wholesale and business banking customer acquisition and periodic review processes. It is conducted based on the results of the surveys conducted by a branch/sector about firms and the firms' responses to the questions in this regard, in line with the Environmental and Social Risks (ESR) and Climate Risks Assessment Procedure.

For business banking customers, either a "Basic ESR Review" or a "Full ESR Review" is conducted depending on the type of transaction/product. The Basic ESR Review covers checks against prohibited activities and company lists, while the Full ESR Review additionally takes into account compliance with human rights, environmental impacts, climate risks, supply chain relationships, sector policies, and the Equator Principles. The results of the assessment are classified into "Low", "Medium", "High" or "Unacceptable" risk categories.

On the other hand, all wholesale banking customers are subjected to a Basic ESR Review regardless of business sector and credit limit. Additionally, an "ESR Self-Assessment" process is implemented for customers who operate in ESR Sensitive Sectors and who exceed the limit thresholds specified in procedures. The ESR Self-Assessment determines the customer's risk levels in various topics, particularly in the context of the standards in sectors characterized by sensitive activities.

The sectors that are found to carry high physical and transition risks as a result of the assessment are subjected to a prioritization analysis and identified in accordance with global sector classifications. The analyses ensure the integration of sustainability and climate risks into ING Türkiye's processes and demonstrate the potential for further granular assessments, particularly in terms of financial risks.

Transition risks (sectoral/product emission levels, legislative changes, etc.) and physical risks (flood, drought, heatwaves, landslides, etc.) are taken into consideration in the assessment of climate-related risks.

The persons and institutions excluded from the scope of ESR assessments include central banks, public authorities, financial institutions and retail customers. However, in cases where a public authority is the direct borrower, beneficiary, or guarantor of the asset subject to the loan, a detailed ESR review is conducted for the project, also involving the relevant suppliers and contractors in the assessment process.

The Overall ESR Score resulting from all the assessments is used as the determining factor in loan allocation decisions. Additional review, reporting, and application of special conditions are requested for transactions with medium- and high-risk scores. For the transactions assessed as “Unacceptable”, no disbursement is provided in line with the applicable policies.

ESG risks, including climate, are systematically assessed in loan allocation processes; retail, business banking and wholesale banking customer assessments vary based on customer segment, area of operation, and type of transaction/product.

In the climate-related risk (physical and transition risks) assessments for corporate banking customers; the relevant sector policy, the direct impact of the firm’s activities and the sector on the climate risk, as well as the impact of the climate risk on the firm’s activities, the location of the project and the borrower, credit period, and mitigating reasons are taken into consideration as minimum requirements.

In the wholesale segment, environmental and climate risk (physical and transition risks) assessments are conducted at the customer and mortgage level. The customer-level environmental and climate risk assessments are incorporated into loan assessment and allocation processes.

Based on the results of the materiality assessment conducted for the retail banking lending products portfolio, assessments based on environmental- or climate-related risks are carried out, particularly for housing loans. In this context, solutions aimed at mitigating potential physical climate-related risks were developed and integrated into relevant loan allocation practices. In parallel with the materiality assessment, the housing loan portfolio is monitored through analyses based on energy identity class for climate-related transition risks.

Guidelines on the Prevention of Green Washing Risks were published by the Compliance Risk Management, aiming to provide guidance on preventing “green washing” risks that could result from sustainability statements made during product/service development, communication/branding and strategy development processes. Furthermore, the assessment of environmental, social and governance risks and their impacts was integrated into the product approval and review process.

As part of the Integrated Management System (ISO 14001 Environmental and ISO 50001 Energy Efficiency Standards), Senior Management Reporting is carried out by the Internal Control Department through on the spot checks on Branches and Internal Control Activity Reports. Additionally, different check points were defined as part of the Bank’s policies and procedures related to ESG risks.

In the context of market and liquidity risks, risk analyses and stress testing are conducted for different terms and scenarios with regard to climate risks. Additionally, analyses on interest and liquidity are carried out during risk assessment processes. Liquidity climate scenarios are also considered in the context of the risk appetite. The parallel and non-parallel interest rate risk scenarios defined in the context of interest rate risk arising from banking accounts were structured to also include climate risk.

Climate scenario analyses are conducted as part of operational risks, and shared in the ICAAP Report. The report contains disclosures regarding ESG risks as part of various policies on Non-Financial Risks.

Sustainability- and climate-related opportunities were identified in line with strategic priorities, taking into consideration ING Türkiye's current business model, value chain, operational processes, ING Group's strategic priorities for sustainability, and ING Türkiye's product portfolio. The assessment process involved one-on-one meetings with each internal stakeholder who shared their initiative plans, and these initiatives were evaluated in line with national and international regulations, sustainable finance practices and corporate targets. In this context, potential impacts were addressed at financial, operational, reputational and regulatory levels and the contribution of the relevant opportunities to the business model was examined.

In the prioritization of opportunities, each opportunity was analysed based on its potential financial contribution to ING Türkiye, its reputational impact, level of regulatory compliance, social benefit and strategic alignment criteria. At the same time, actions were taken in line with the sustainability strategy priorities of ING Group. Opportunities with high short-term impact, that could be integrated into existing business processes were prioritized. Accordingly, the development of new sustainable finance products, as well as opportunities such as energy efficiency and renewable energy financing, were identified as priority areas due to their strong alignment with ING Türkiye's business model and their direct contribution to climate targets.

Through this philosophy, ING Türkiye takes environmental and social impacts into account and adopts a risk management approach that manages climate risks at a strategic level.

### 3.3. Monitoring, Reporting and Review

The Environmental and Social Risk (ESR) assessment process applicable to corporate and wholesale banking segments is carried out in the form of a basic or a comprehensive assessment depending on transaction amount and product type. For the corporate sector topics such as prohibited activities, country risk, transition risks and physical risks, supply chain risks and reputational risks are subjected to in-depth analysis; whereas for the wholesale segment, ESR Self-Assessment processes are carried out, and a self-declaration is requested where necessary.

The central data resources provided by ING Group are used in sustainability risk analysis, with country risk classifications, sectoral guidelines and environmental-social sensitivity indicators comprising the main input for this process. Prioritization is conducted based on the qualitative analysis of various criteria including transaction type, sector, subject of activity and regional context, instead of making classifications based on fixed threshold values. In-depth review and senior-level approval mechanisms are deployed in high-risk cases, enabling the context-based analysis of risks, and activity-specific assessment rather than uniform classifications.

Furthermore, internal impacts as well as external impacts are analysed through the "ESG Factor Review" process, which involves holistic assessments of environmental matters such as carbon emissions, climate adaptation, biodiversity, water use, circular economy, as well as social (labour force, customer relations) and governance (corporate structures, policies and commitments) matters.

ING Türkiye carries out ESG risk management through a structure built upon a life cycle. This structure consists of six main stages:



- Risk Identification: In line with the ING Group Risk Inventory, risk categories are defined in accordance with local regulations and internal policies, and environmental and social risk factors that may be applicable to each segment of the value chain are identified. Inputs are obtained from various resources, including ING Group data resources and customer statements.
- Risk Assessment: Risk classification methodologies and segment-based procedures are implemented; basic or full ESR assessments are conducted for corporate customers based on credit amount. Transition and physical risks are also analysed during this stage. All wholesale customers are put through Basic ESR Review, in addition to ESR Self-Assessment processes based on their sector of operation and credit limit; for customers in out-of-scope segments, project-based assessments are conducted within certain threshold scenarios. Retail customers are subjected to product-based assessments.
- Risk Mitigation: For high-risk transactions, prevention plans are drafted and, where necessary, security assessments are conducted and additional requirements are defined for risk mitigation. Non-conforming transactions may be excluded from the credit process.
- Risk monitoring: The material ESG risks identified are monitored throughout customer relations and transactions, with assessment results being updated on a periodic basis. Additionally, regular monitoring and senior reporting is carried out as part of Climate Risk Appetite Limits. As 2024 is the first reporting year, this report contains no comparative information with regard to previous periods. The necessary disclosure will be included in the report in the following reporting period.
- Reporting: All material findings related to ESG risks are regularly reported to various specialized risk committees such as Credit Risk and Provisions and ICAAP Committees; the Risk Committee, and the Board of Directors. They also provide a basis for disclosures in the context of TSRS-aligned sustainability reporting.
- Training and Awareness: Awareness raising activities are conducted for all relevant employees, and regular briefings and capacity-building trainings are provided with regard to relevant processes.

### 3.4. Climate Resilience, Scenario Analysis and Stress Testing

In accordance with the TSRS, it is expected that scenario analyses shall be used in assessing the impact of climate-related risks on corporate strategy and that such analyses are carried out based on reasonable effort and supportable information without undue cost or effort.

ING Türkiye conducts stress testing and scenario analyses of different time periods in order to enhance the resilience of its business model and strategic planning against climate-related developments, uncertainties and transition risks, and to assess the financial impacts resulting from climate change. Such analyses are closely associated with loan portfolio management, cash flow planning, operational infrastructure and strategic capital planning, in addition to bank strategies and planning. The aim in this regard is to test the financial position, asset quality and risk appetite limits under different scenarios in strategic decision-making processes.

Scenario analyses with varying severities and time horizons are conducted to assess the resilience of ING Türkiye's business model and strategic planning against climate change-related developments, uncertainties and risks. In addition to internal scenario assessments, the analyses are also based on the "Delayed Transition" and "Net-zero" scenarios developed by Oxford Economics, which include different stress levels, in order to ensure alignment with international standards. These scenarios involve



assumptions on international carbon pricing, taxation, energy diversity, demand and pricing, technological developments and macroeconomic factors.

The “Delayed Transition” scenario involves the delay in transitioning to a low-carbon economy; whereas the “Net-zero” scenario involves the financial risks, such as loan and liquidity, that ING Türkiye could face under the transition processes that aim to limit global temperature increase by 1.5°C or 2°C. Scenario studies were conducted based on the financial results of 31.12.2024.

**Credit Risk:** The study, based on the ING Group methodology, primarily evaluates the impact of potential changes in credit risk parameters (PD, LGD, EAD) arising from climate stress scenarios on provisions. As part of the climate risk stress testing, both short- and long-term impacts were assessed based on the two scenarios developed by Oxford Economics. For the assessment of short-term impacts, the Bank’s credit growth targets and capital projections under its 3-year strategic plan were taken into account; while the 10-year forecasts that consider country-specific growth and inflation variables under the Oxford Economics scenarios were used for the long-term impact assessments. According to projections, the impacts on loan provisions and capital remain low (0-12 bps) in terms of materiality threshold under both scenarios in the short term; whereas simulations result in upward trend for loan provisions depending on the severity of the scenario in the long term (10-year period). The Bank has defined climate risk appetite levels in order to effectively manage loan-portfolio-based climate risks in the short and long terms.

**Liquidity Risk:** According to the liquidity risk analyses conducted based on the cash flows of firms that carry high transition risk in terms of climate change, it was projected that, in the event of the actualization of the scenarios, the impact on the Bank’s Liquidity Coverage Ratio (LCR) would be limited to a maximum of 10 bps. According to a different study conducted under on regional scenarios, an analysis was made of how the Bank’s liquidity could be affected in the event of a widespread regional flood disaster. This impact study was conducted by taking a conservative account of the loans and deposits of the Bank’s customers in the relevant region, as well as the actions taken during similar past incidents and potential customer behaviours. It was assessed that the impact on LCR would remain extremely limited, at around 2 bps.

**Operational Risk:** The operational risk impact of climate change on the Bank’s physical assets was simulated according to 3 different frequency degrees, i.e., 1/10, 1/25 and 1/100 years. Scenario-based impacts caused by operational factors, such as damage to or non-useability of the Bank’s locations (branches, data centres, etc.), process interruptions, customer complaints and regulatory fines were assessed as part of the study. According to the analyses based on the end-of-2024 exchange rate data, the estimated losses under these scenarios are projected to be 32 million TRY (0.86 million EUR), 63 million TRY (1.72 million EUR), and 119 million TRY (3.23 million), respectively. According to the results of studies, the said losses are below the materiality threshold.

Transition and/or physical risks were assessed in the climate risk scenarios. As a result, it was evaluated that the financial impacts on the Bank would be limited in the short term. In the long term, risks are expected to rise gradually as the severity of the impact of climate change on life and the economy increases. These scenario analyses are integrated into the Bank’s decision-making processes and contribute to the risk appetite and risk policies, stress testing methodologies, capital planning and reporting processes. In addition, the scenario outcomes are reported to senior management as part of the Internal Capital Adequacy Assessment Process (ICAAP) and are regularly updated.

The level of detail in the Bank’s customer-specific portfolio data, the developments in international and national climate policies and regulations, publicly available national climate data, and uncertainties regarding the severity and type of climate events are considered within the limitations of the scenario

analyses. For each scenario, the areas in which the Bank could be affected were identified, and efforts continue to enhance scenario diversity and analysis methodologies in line with international standards.

This holistic structure enables ING Türkiye not only to identify sustainability-related risks and opportunities, but also integrate them into its strategic planning, loan allocation processes, product development decisions, capital adequacy analyses and ICAAP reports. Portfolio flexibility and financial resilience are tested by assessing scenarios with varying severities hand-in-hand with area of activity breakdowns and temporal impacts, thus enabling to shape decision-making mechanisms from an ESG and climate risks perspective and supporting a corporate governance structure that aligns with sustainability targets. Further information regarding the governance of risks and opportunities is presented in [Chapter 1](#).

## 4. Metrics and Targets

### 4.1. Metrics

In line with paragraph 46 of the TSRS, an entity is expected to disclose the metrics for monitoring sustainability-related risks and opportunities that could reasonably be expected to affect their future financial prospects. The climate-related transition risks, physical risks and assets for opportunities were analysed qualitatively within ING's business model and value chain. In the current period however, no data were produced other than amount- and ratio-based (quantitative) information on these assets and activities included in this report. Accordingly, it is contemplated that the data collection infrastructure for calculating relevant metrics can be developed, and work on defining such data and methodologies can be disclosed in the next reporting period.

In accordance with paragraph 55 of the TSRS 1, the report refers to the disclosure topics in the SASB standards published by the Sustainability Accounting Standards Board, and considers their applicability to ING Türkiye as well as its subsidiaries.

### Emission Data

ING Türkiye's greenhouse gas emission (arising from operational activities) calculations were made in the framework of the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) and the ISO 14064-1:2018 standard (an international standard offering detailed requirements and guidance for quantifying and reporting greenhouse gas emissions at the organizational level). The operational control approach described in the Greenhouse Gas Protocol and Article 5.1(a) of the ISO 14064-1 standard was adopted in determining the organizational limits for emissions. Since, in accordance with the transition provisions of the TSRS, entities are not obligated to disclose Scope 3 greenhouse gas emissions for their first two reporting periods, ING Türkiye made use of its exemption right and did not include Scope 3 emission data for the current reporting period. However, after the relevant data collection processes are completed, it is planned to strengthen the infrastructure to include the financed Scope 3 emissions in the calculations in the future.

In line with its long-term commitments to reduce its environmental impacts in all countries in which it operates, ING Group has been reporting as part of the Global Environment Programme since 2009. The reports, which were initially formulated on a yearly basis, began to be presented semi-annually as of 2019 for internal purposes, and the reporting frequency was reduced to quarterly periods starting from

2022. However, externally, reporting is still conducted annually. This approach enables the regular and close monitoring of carbon footprints, presenting an opportunity to make tangible progress in achieving the emissions reduction targets. The designated unit responsible for calculating and monitoring the performance of indirect and direct emissions arising from operational activities at ING Türkiye is the Real Estate and Facility Management Department. Scope 1 emissions cover data relating to generator, cooling gas, and fuel consumption of company cars. ING Türkiye meets the majority of its electricity needs through renewable energy purchase agreements. Additionally, a portion of its electricity consumption is generated via rooftop solar power systems.

In 2024, ING Türkiye sourced approximately 95% of its total electricity needs from renewable sources. Indirect emissions resulting from the consumption of electricity sourced from non-renewable resources have been matched with renewable energy certificates (EACs) since 2021. As a result of energy efficiency initiatives, total electricity consumption in 2024 decreased by 19% compared to 2023.

ING Türkiye monitors the activity data included in its emissions accounting through various departments (Facility Management, Procurement, Human Resources, Finance) and obtains the accounting factors it uses from internationally recognized and reliable sources. These data are centrally processed by ING Group through the Environmental Management System. This approach minimizes the margin of error in making various assumptions. For calculations of Scope 1 and 2 emissions, such inputs as natural gas, diesel fuel, heating oil and electricity consumption are considered; where data are not complete, assumptions based on internationally recognized methodologies are applied such as average consumption per FTE, run-rate estimates, and consumption per square meter. The emission factors so applied are obtained from reliable agencies such as DEFRA and International Energy Agency (IEA). The emission values, including those of ING Türkiye's subsidiaries, are presented below.

Greenhouse Gas Emissions, 2024		
Scope	Unit	2024
Scope 1	tCO <sub>2</sub> eq	502.11
Scope 2 <sup>12</sup>	tCO <sub>2</sub> eq	0
Total	tCO <sub>2</sub> eq	502.11

The Bank's subsidiaries operate in the same General Directorate building, for which the usage ratio of total space is 0.52% for Movable, and 0.39% for Leasing. ING European Financial Services (financial services) based in Ireland is a small-scale subsidiary and not included in emission calculations.

ING Türkiye has been obtaining IREC renewable energy certificates, verified by independent third-party organizations. We plan to continue with this practice since 2015. IREC certificates are considered as a complementary instrument in achieving the objectives of emissions emanating from operations.

ING Group has adopted the net-zero-target in combating climate change. This target not only involves carbon reduction, but also making use of carbon offsetting mechanisms. Accordingly, ING Türkiye

<sup>12</sup> All of our electricity consumption is supplied from renewable resources or covered by Energy Attribute Certificate (EAC). Therefore, Scope 2 emissions are zero.

implements, in line with the Group's targets, a greenhouse gas reduction roadmap that includes the following elements:

- **Target type and nature:** Targets set according to the baseline year 2014 are absolute values. For Scope 1 and 2 emissions, 90% reduction is aimed by 2030.
- **Target scope:** These targets cover all units in the scope of operational control.
- **Temporary milestones:** Interim monitoring is conducted against 75% reduction compared to the baseline year 2014 in Scope 1 and 2 emissions by the end of 2025.
- **Target application:** These targets were calculated by taking 2014 as the baseline year. In the context of net-zero-target, renewable energy certificates are used.
- **Compliance with international agreements:** These targets are set in line with the Paris Agreement and Science-Based Targets Initiative (SBTi) criteria.
- **Verification:** The methodology employed in setting the targets is verified by SBTi.
- **Monitoring and performance:** The data compiled by the ING Group's data management system and consolidated through the Master Evidence File (MEF) are assessed annually and approved by the relevant committees. Emission trends are monitored by internal management panels, and targets are updated as necessary.

Emissions reported by ING Türkiye are monitored against these targets, and disclosed annually in the publicly available reports.

## Sustainable Finance Metrics

Efforts to increase financing for sustainable investments throughout ING Group include ING Türkiye, as well. In this context, the corporate and wholesale banking data which include the mobilization figures realized by ING Türkiye are summarized below.

ING Group Sustainable Finance Mobilization Data (million EUR)	
Category/Year	2024
Corporate Banking <sup>13</sup>	3.824
Wholesale Banking	159

ING Türkiye's sustainable finance mobilization data are compiled in line with the Sustainable Finance Methodology developed by ING Group, and based on the European Union Sustainable Finance Taxonomy (EU Taxonomy), BRSA sustainable finance criteria, and ING's internal classification systems. The said methodology has not clearly been defined in activities defined in the scope of EU Taxonomy and regulations, but set up as two distinct groups to include activities accepted by ING as sustainable (non-

<sup>13</sup> Corporate Banking sustainable finance volumes cover the transactions listed in ING Türkiye's balance sheet as well as the sustainable finance transactions coordinated/mediated by ING Group.

EUT). ING Türkiye assesses its own loan portfolio in line with such grouping, and conducts, for each transaction, an analysis of compliance with sustainable finance criteria. Such data are classified based on both EU Taxonomy and ING's internal classification methodology.

## TSRS 2- Appendix Volume-16 Commercial Banking Metrics

Activity Metrics	Value	Unit
Number of personal checking and savings accounts	5.141.104	pcs
Number of small business <sup>14</sup> checking and savings accounts	7.157	pcs
Value of personal checking and savings accounts	89.432.445.655	TRY
Value of small business checking and savings accounts	1.292.296.387	TRY
Number of personal loans	384.914	pcs
Number of small business loans	5.901	pcs
Number of corporate loans	13.513	pcs
Amount/value of personal loans	15.320.818.145	TRY
Amount/value of small business loans	1.981.889.431	TRY
Amount/value of corporate loans	48.095.539.956	TRY

<sup>14</sup> The scope of small businesses was determined in the framework of the SME criteria established by BRSA.

## 4.2. Targets

ING Group sets short-, medium- and long-term targets to mitigate its environmental impacts, in line with its sustainability and climate vision. ING Türkiye's approach to sustainability is shaped in line with ING Group's global net-zero targets, which aim to boost resource efficiency in operational processes as well as taking responsibility against the global climate crisis. In setting its targets, ING Türkiye, in parallel with ING Group, considers international policies and regulations such as the European Green Deal (EGD), the Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM), as well as Turkish policies and strategies. The targets set and the progress made in this context are presented below. In alignment with the targets, ING Türkiye's environmental performance is continuously monitored, improvement opportunities are identified and reported in a transparent manner. In line with TSRS 1 paragraph E3 and TSRS 2 paragraph C3, this report contains no comparative data for the targets, and no amendments due to it being the first reporting year.

ING Group's Targets and ING Türkiye's Strategic Compliance						
Term	Target	Target Description	Target Type	Metric	Monitoring Method	Responsible Unit
Medium-Term Targets (2025)	Consolidated emissions absolute reduction for own operations <sup>15</sup>	75% reduction -compared to 2014- was targeted in ING Group's overall operational emissions by 2025; and achieved in 2024.  CO <sub>2</sub> as operational footprint taken into account	Absolute target	75% reduction compared to the baseline year 2014 in Scope 1 and 2 operational emissions (tCO <sub>2</sub> e)	GHG Protocol, and ISO 14064-1:2018 standard  Group's sustainable finance reporting	Targets for reduction of carbon emissions from operations  - Assistant General Manager for Financial Control and Treasury  - Assistant General Manager for Operations
	Renewable energy financing	It is targeted to provide 7.5 billion EUR in financing for renewable energy projects by 2025.		Volume of financing delivered annually (billion EUR)		Sustainable finance targets; corporate and wholesale banking business lines
	Sustainable economy investments	It is aimed to diversify sustainability-driven investments and increase financial support.				Financed emission target: Sector-based teams in Wholesale Banking
Long-Term Targets (2030 and beyond)	Emissions reduction	90% reduction -compared to 2014- is targeted in ING Group's Scope 1 and 2 absolute operational emissions by 2030.	Absolute target (*)	- 90% reduction compared to the baseline year 2014 in Scope 1 and 2 operational emissions by 2030 (tCO <sub>2</sub> e)	GHG Protocol, and ISO 14064-1:2018 standard	
	Net-zero emission intensity target	ING Group aims to steer the most carbon intensive parts of our loan book toward net zero emissions by 2050.		- Achieving net-zero Sector based carbon intensity targets aligned with ING Group	ING Terra based portfolio monitoring, PCAF data	

(\*) applies only ING's operational emissions

<sup>15</sup> Since no carbon credits or equivalent offset mechanisms are utilized, the reported figure reflects the gross emission reductions from our operational activities.

As part of the Terra Approach developed by ING Group, ING Türkiye supports the designated sectoral emission intensity reduction targets and acts in line with this strategic direction in its financing decisions. At present, the only sector that is not fully aligned with the net-zero target is shipping transportation. However, following the introduction of a net-zero scenario by the Poseidon Principles, of which ING is a signatory and which are recognized as the market standard for measuring financial institutions' shipping portfolios, a net-zero target for this sector is also planned to be set. The climate transition plan is being developed at ING Group level, and ING Türkiye follows this plan and carries out its activities in alignment with ING Group.

As one of the countries contributing to the targets set by ING Group, ING Türkiye continues to monitor and guide its portfolio development in this direction. In the context of Terra targets, the net-zero-target for each sector is based on greenhouse gas emission intensity reduction pathways, and the baseline year is generally 2019 or 2020 though varying by sector. The progress towards is monitored by Climate Progress Update reports published annually, and revised as necessary. ING Group's targets have been approved by SBTi as science-based, and are in compliance with the Paris Agreement.

**Emission Targets for Terra Sectors<sup>16</sup>**

<b>Sector</b>	<b>Timeline</b>	<b>Target Level</b>	<b>Latest Update</b>
<b>Power Generation</b>	2030, 2040	Net zero	2024
<b>Oil &amp; Gas: Upstream</b>	2030, 2040	Net zero	2023
<b>Oil &amp; Gas: Mid- and Downstream</b>	2030, 2050	Net zero	2023
<b>Cement</b>	2030, 2050	Net zero	2024
<b>Steel</b>	2030, 2050	Net zero	2022
<b>Aluminium</b>	2030, 2050	Net zero	2024
<b>Dairy</b>	2030, 2050	Net zero	2024
<b>Automotive</b>	2030, 2050	Net zero	2022
<b>Aviation</b>	2030, 2050	Net zero	2024
<b>Shipping</b>	2030, 2050	Well-below 2°C	2022
<b>Commercial Real Estate</b>	2030, 2050	Net zero	2024
<b>Residential Real Estate</b>	2030, 2050	Net zero <sup>17</sup>	2023

<sup>16</sup> The data were taken from the "ING Group Climate Progress Update 2024" report.

<sup>17</sup> Due to the significant role played by a wide range of factors and stakeholders, ranging from policies to homeowners, in achieving net zero in the Residential Real Estate (RRE) sector, a net-zero ambition was set for ING's RRE portfolio rather than a net-zero-aligned target.



ING Türkiye operates in full alignment with the sustainability targets set by ING Group. The criteria for such targets are set and monitored at Group level, and ING Türkiye provides data and contributes operationally to this process.

The final goal of ING Group's sustainability aim is to steer the most carbon intensive parts of our loan book toward net-zero by 2050, strengthen climate action, and assume an effective financial role in transition to low-carbon economy. These objectives also aim to reduce most carbon intensive parts of our loan book, increase resources directed to sustainable projects, and build a banking model resilient to climate risks.

Currently, these targets and target-setting methodologies have not been specifically verified by an independent third party in the case of ING Türkiye. However, data are collected in line with the methodologies defined by ING Group and integrated into the Group reporting. Thus, while the targets described in this report belong to ING Group, the report discloses ING Türkiye's compliance with the said targets, contributions, and integration processes.