

Türkiye Sigorta
2024 Sustainability Report

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE INFORMATION OF TÜRKİYE SİGORTA A.Ş. and IT'S SUBSIDIARIES PRESENTED IN ACCORDANCE WITH THE TURKIYE SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Türkiye Sigorta A.Ş.,

We have been assigned to perform limited assurance on the information (“Sustainability Information”) presented in accordance with the Türkiye Sustainability Reporting Standards 1 “General Requirements for Disclosure of Sustainability-related Financial Information” and Türkiye Sustainability Reporting Standards 2 “Climate-Related Disclosures” of the Sustainability Report of Türkiye Sigorta A.Ş. for the year ended 31 December 2024.

Limited Assurance Conclusion

Based on the procedures we have performed as described under “Summary of the work we performed as the basis for our assurance conclusion” and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information of the Company's Sustainability Report for the year ended 31 December 2024, has not been prepared, in all material respects, in accordance with the Türkiye Sustainability Reporting Standards (“TSRS”), as published by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (“POA”) in the Official Gazette dated 29 December 2023 and numbered 32414(M).

Inherent Limitations in the Preparation of Sustainability Information

Sustainability Information is subject to structural uncertainties arising from gaps in scientific and economic knowledge as explained under the heading “About This Report”. The inadequacy of scientific data leads to uncertainties in the calculation of greenhouse gas emissions. Additionally, due to the lack of data regarding the likelihood, frequency, and impacts of potential physical and transition climate risks, the Sustainability Information is subject to uncertainties related to climate-related scenarios.

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INDEPENDENT AUDITOR'S REPORT



Responsibilities of Management and Those Charged with Governance Regarding Sustainability Information

The Company’s Management is responsible for:

- Preparing the Sustainability Information in accordance with the principles of 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;
- Additionally, the Company Management is responsible for selecting and implementing appropriate sustainability reporting methodologies as well as making reasonable assumptions and suitable estimates.

Those charged with Governance is responsible for overseeing the Company's sustainability reporting process.

Responsibilities of the Independent Auditor Regarding the Limited Assurance of Sustainability Information

We are responsible for the following:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained and inform the Company management of the conclusion we have reached.
- Performing risk assessment procedures to understand the Company's internal control structure and to identify and assess the risks of material misstatement of sustainability information, whether due to fraud or error, and not for the purpose of expressing an assurance conclusion on the effectiveness of the Company's internal control.
- Designing and implementing procedures to identify and address areas of the Sustainability Information that may contain material misstatements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusive transactions, forgery, willful failure to record transactions or intentional misstatements to the auditor, or a violation of internal control.

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

Since we are responsible for providing an independent conclusion on the Sustainability Information prepared by 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 performed a limited assurance engagement in accordance with the Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.



Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Independent Auditors (including International Independence Standards) (Code of Ethics) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, issued by the POA. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control 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 independent auditors, 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 Company's climate and sustainability-related risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work We Performed as the Basis for Our Assurance Conclusion

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

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

- Face to face interviews were conducted with the Company's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period;
- The Company's internal documentation was used to assess and review sustainability-related information;
- The disclosure and presentation of sustainability-related information was evaluated.
- Through inquiries, an understanding of Company’s control environment, processes and information systems relevant to the preparation of the Sustainability Information was obtained. However, the design of particular control activities was not evaluated and evidence about their implementation was not obtained or their operating effectiveness was not tested.
- It was evaluated whether Company’s methods for developing estimates are appropriate and had been consistently applied. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Company’s estimates.
- The Company's sustainability reporting processes and the processes for identifying risks and opportunities that are identified as financially material are understood.

The procedures performed 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 we performed a reasonable assurance engagement.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Tolga Sirkecioğlu
Partner

İstanbul, 22 April 2025

CONTENTS

5 About TSRS Report

6 Sustainability Governance

10 Our Sustainability Strategy

26 Sustainable Risk Management

27 Climate-Related Metrics And Targets

28 TSRS Index

ABOUT TSRS REPORT

Report Scope

This report has been prepared in line with Türkiye Sustainability Reporting Standards (TSRS 1 and TSRS 2) for the financial reporting period of January 1 through December 31, 2024.

The terms “the Company” and “our Company” in this report refer to Türkiye Sigorta. Unless otherwise stated, data on social and environmental performance covers Turkey operations, which constitute the largest part of the Company's operations. The Report includes all environmental and social aspects of the Company's operations.

The TSRS was developed by the Public Oversight, Accounting and Auditing Standards Authority (KGK), taking as its basis the international standards set by the International Sustainability Standards Board (ISSB). The TSRS report is organized around four main categories—governance, strategy, risk management, and metrics and targets—that represent the fundamental components of companies’ activities.

Audit

The sustainability-related disclosures have undergone a limited assurance audit conducted by DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. under the standards GDS 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information,” and GDS 3410, “Assurance Engagements on Greenhouse Gas Statements.” The limited independent assurance statement is included in the report. This audit process, conducted in line with TSRS 1 and TSRS 2, reinforces the principles of transparency and accountability for Turkey Sigorta's sustainability reporting and includes best practices for disclosing the impact of climate-related risks on the entity's cash flows, access to financing and cost of capital. Türkiye Sigorta maintains its commitment to measure and report its sustainability performance in accordance with international standards. Sustainability data, verified through an independent audit process, provides a reliable and comprehensive source of information for investors and other stakeholders.

SUSTAINABILITY GOVERNANCE



As Türkiye Sigorta, we have clearly identified our responsibilities to all stakeholders by taking into account how global and local sustainability approaches affect our insurance operations.

Supported by strong commitment and ownership at the senior management level, we integrate economic, environmental, social, and governance factors into our business processes and decision-making mechanisms. We aim to effectively manage the risks and opportunities associated with these factors. By placing sustainability principles at the core of our business strategies, we strive to manage our ESG impacts in the best possible way and create long-term value for our stakeholders.

With the objective of monitoring the implementation of corporate governance and sustainability principles within our Company—overseeing the Investor Relations department’s efforts from a corporate governance standpoint, and offering recommendations to the Board of Directors on improving corporate governance practices—we established the Corporate Governance and Sustainability Committee. Under the responsibility of this Committee, sustainability activities are conducted with the oversight of the Board of Directors. The Committee is tasked with monitoring, supervising, and submitting for Board approval any decisions concerning sustainability activities.

Türkiye Sigorta has also formed sub-committees under the Corporate Governance and Sustainability Committee to support sustainability management. Within the framework of the Capital Markets Board’s (CMB) Communiqué on Corporate Governance, this Committee additionally fulfills the functions of the Nomination Committee and the Remuneration Committee. Accordingly, the Committee identifies and evaluates candidates to be presented to the Board of Directors, formulates the remuneration principles for senior executives, and evaluates feedback from relevant business units pertaining to sustainability activities, reporting its findings to the Board.

The Corporate Governance and Sustainability Committee is composed of at least two non-executive Board members appointed by the Board of Directors. The Committee Chair must be chosen from among the Independent Board Members. The head of the Investor Relations department serves as a member of this Committee. If the department head steps down, a replacement must be assigned within 30 days.

Except in compulsory circumstances, the Committee generally meets at least once every three months or whenever necessary. Decisions made at these meetings are documented in writing, signed by Committee members, and kept on record. Resolutions are passed by majority vote among attending members; in the event of a tie, the resolution is adopted according to the Committee Chair’s vote.

Click [here](#) to access our Company’s Corporate Governance and Sustainability Committee Regulation.The Investor Relations department regularly updates the Committee on the progress of sustainability projects and conducts analyses and reporting to ensure compliance with national and international sustainability standards. Throughout these processes, we continue to carry out our sustainability activities in a transparent and accountable manner.

Türkiye Sigorta has adopted a comprehensive governance framework to effectively monitor, manage, and supervise climate-related risks and opportunities. Our primary role is to proactively address climate risks in line with our Company’s sustainability strategies, capitalizing on the associated opportunities by integrating them into our corporate objectives. In the regular risk assessment processes we conduct to monitor and manage climate risks, we take into consideration both internal and external factors related to our operational and strategic activities, and we determine necessary measures accordingly.

We track climate-related issues using performance indicators defined under our sustainability strategy, reporting to the Board of Directors on a regular basis. Within this scope, we have prioritized topics such as reducing our carbon footprint, improving energy efficiency, managing waste, and developing sustainable business models, which we incorporate into our governance processes under management’s purview.

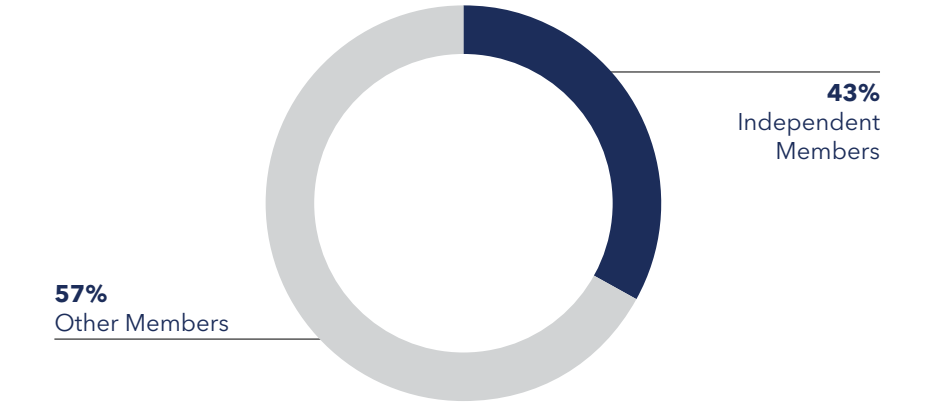
Within the Company’s environmental risk management, we identify, analyze, and carry out reporting on climate-related risks in accordance with our established policies. By means of these controls, we ensure that our activities comply with environmental regulations and internal procedures. Through our internal audit mechanisms, we plan to periodically review our sustainability practices and plan to submit any necessary improvement suggestions to the Corporate Governance and Sustainability Committee.

Committees	Committee Members	Title of Committee Members	Role in the Committee
Corporate Governance and Sustainability Committee	Prof. Dr. Murat AKBALIK	Independent Member	Committee Chairman
	Bilal BEDİR	Member	Committee Member
	Şahika BALBAY DEMİROĞLU	Director of Investor Relations	Committee Member

Committee Chair Prof. Dr. Murat Akbalık, serving as an independent member, has developed in-depth expertise in the fields of corporate governance, strategic management, and sustainability throughout his academic and professional career. Prof. Dr. Akbalık closely follows national and international developments related to sustainability and brings his accumulated knowledge to the committee’s work. One of the committee members, our Board Member Bilal Bedir, has assumed a strategic role in the company’s operational

processes and has actively participated in efforts to create sustainable value. His sectoral experience contributes significantly to integrating sustainability principles into business processes. As the Director of Investor Relations, Şahika Balbay Demiroğlu provides leadership in the coordination and reporting of sustainability-related activities. Her knowledge in the formulation of sustainability policies and the implementation of environmental, social, and governance (ESG) principles plays a crucial role in achieving the company’s strategic goals.

Rate of Independent Members on the Board of Directors



SUSTAINABILITY GOVERNANCE

We adopt a remuneration approach that integrates ESG performance into our corporate values and implement a model that encourages our Board of Directors and Senior Executives to achieve sustainability goals.

In addition, we facilitate inter-departmental coordination to achieve our sustainability objectives, managing compliance with both national and international sustainability indices and reporting standards. By establishing effective decision-making processes within our governance structures, we aim to enhance our sustainability performance, closely track developments in the sector, and update Company policies as needed.

As Türkiye Sigorta, we shape the remuneration policy for our Board of Directors and Senior Executives in line with our long-term sustainability objectives. This policy is built on a fair, competitive, and sustainable model, incorporating environmental, social, and governance (ESG) criteria. In addition to financial performance, we aim to motivate contributions to our sustainability strategies.

Every year, we evaluate our Board Members and Senior Executives based on ESG targets defined under these sustainability strategies, and we initiate the remuneration process according to the outcomes of that assessment. Our ESG targets include mitigating climate-related risks, reducing our carbon footprint, improving energy efficiency, and supporting social responsibility projects. At the end of the year, we shape the remuneration process by considering the degree to which managers have contributed to these objectives, creating variable pay components tied to performance on

specified sustainability criteria. Our Board of Directors and Corporate Governance & Sustainability Committee monitor progress toward these targets through the OKR (Objectives and Key Results) performance management system. By clearly defining goals and key outcomes, OKRs allow us to effectively manage both measurable metrics and qualitative evaluations.

In reflecting remuneration for senior executives in our financial statements, we set the weighting of ESG-based incentives in accordance with the Company's strategic priorities. While designing our remuneration policy by factoring in sectoral competition and the scale of Türkiye Sigorta, we provide a structure that fosters the adoption and execution of sustainability-focused strategies through ESG-based pay components.

Our Board of Directors periodically reviews remuneration policies that include ESG factors, making decisions that support meeting our sustainability-oriented objectives. We embrace a remuneration approach that integrates ESG performance with our corporate values, and we implement a model that encourages Board Members and Senior Executives to achieve their sustainability goals.



The processes of determining our Company's sustainability targets are discussed in detail on pages 42-43 of the [Türkiye Sigorta Integrated Annual Report](#).

Our Company's remuneration policy and principles are discussed in detail on page 144 of [Türkiye Sigorta Integrated Annual Report](#).

You can access our ESG remuneration policy from the relevant [link](#).

You can access our Remuneration Policy for Board Members and Senior Executives from the [link](#).

We continue to update our knowledge and capabilities in sustainability, thereby supporting the Company's strategic management in this domain. Our

Committee members regularly attend seminars on sustainability management, climate change risks, environmental performance measurement, and sustainable finance. Through these trainings, offered by both national and international expert organizations, we aim to integrate best practices from the sector into our processes. For details on training metrics, see the training table on page 150 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

Additionally, we receive regular updates on sustainability reporting standards and global frameworks such as the Sustainable Development Goals (SDGs). This process bolsters our strategic decision-making mechanisms by contributing a high level of expertise.

At Türkiye Sigorta, we consider climate-related risks and opportunities a key component of our strategic decision-making processes. As the Corporate Governance and Sustainability Committee, we continuously review climate risks in line with our long-term strategies and play a critical role in shaping major transactions and risk management policies.

We periodically assess our operations in parallel with evolving market conditions, evaluating climate-related risks under core risk categories—such as insurance, credit, and market risks. To ensure compliance with climate-related regulations, the Committee regularly proposes policy and strategic recommendations, applying sustainability-focused risk management principles to our investment and business processes.

OUR SUSTAINABILITY STRATEGY

As Türkiye Sigorta, we have designated sustainability as a strategic priority by integrating environmental, social, and governance (ESG) considerations into all our operational processes, thereby aiming to create long-term value. Aware of critical issues such as climate change, social welfare, and corporate responsibility, we act with the mission of contributing to a sustainable future. In this context, and for the first time in line with the Türkiye Sustainability Reporting Standards TSRS 1 and TSRS 2, we have identified our climate-related risks and opportunities. In the coming years, we plan to expand these risks and opportunities, manage them according to their importance, and thus further strengthen our sustainability strategy.

Our sustainability approach not only seeks to minimize our environmental impacts but also aspires to foster value-driven relationships with our stakeholders and benefit broad segments of society. Guided by the principles of transparency, accountability, and continuous improvement, we have formulated this strategy to provide a clear roadmap for the future through short-, medium-, and long-term goals.

Climate-Related Risks and Opportunities

Climate change profoundly affects not only the global economy but also our country's economy. Because Türkiye Sigorta has a broad customer portfolio and operates on a nationwide scale, we directly face the repercussions of this shifting reality. Damage caused by extreme weather events (floods, droughts, storms, etc.) places a significant burden on both our policyholders and the company.

In the transition to a low-carbon economy, major structural changes are taking place in our industry. New regulations, technological developments, and shifts in consumer behavior compel us to reevaluate our insurance products and services. Policies aimed at combating climate change, moving toward renewable energy sources, and meeting sustainability targets create both risks and new business opportunities.

As Türkiye Sigorta, we closely monitor how climate change influences both our company and our policyholders, and we refine our strategies accordingly. We will continue to assess climate risks, develop new products and services, and work toward our sustainability objectives. Our goal is to adapt to evolving climate conditions, safeguard our policyholders, and assume a leading role in our sector.

We are aware that climate change is not merely a risk but also a crucial factor shaping our business model. Our company's operations are both affected by climate change and have an influence on it. Consequently, we engage in various efforts aimed at mitigating its negative impacts and leveraging the opportunities that arise.

Our Company's improvements in climate-related processes are discussed in detail on pages 45-89 and 97 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

Our Company's sustainability approach and organization, which takes into account climate-related risks and opportunities, are discussed in detail on pages 41-42 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

Our Company's journey towards sustainability and combating climate change, which it laid the foundation in 2021 and aims to continuously improve, is presented on page 88 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

In order to better understand the long-term impacts of climate change and build a more resilient structure against those risks, we conduct analyses based on different climate scenarios. These analyses enable us to evaluate the potential effects of temperature increases, rising sea levels, and extreme weather events on our portfolio. We especially concentrate on scenarios that include the measures necessary to reach the 1.5°C warming target. Through this approach, we aim to strengthen the future security of both our policyholders and the company against possible risks.



We conduct analyses on different climate scenarios in order to better understand the long-term impacts of climate change and build a more resilient structure against risks. These analyses enable us to assess the potential impacts of climatic changes such as temperature increase, sea level rise and extreme weather events on our portfolio. We focus on the scenarios identified by the IPCC, which include the necessary steps to stay below a 1.5°C temperature increase by 2030. In this way, we can better protect the future of both our policyholders and our company against potential risks.

As Türkiye Sigorta, we have conducted a comprehensive risk analysis to better understand the impacts of climate change on our insurance sector. In this analysis, the main risk factors related to climate change were identified for each insurance branch. These risk factors are categorized as transition risks such as technological developments, regulatory changes, changes in consumer behavior and physical risks such as floods, droughts and forest fires.

The opinions of our industry experts, current scientific studies, TCFD (The Task Force on Climate-related Financial Disclosures) and SASB standards were taken into consideration in determining the risks. In this way, potential climate-related risks and opportunities that may affect our insurance portfolio in the short, medium and long term were identified. For example, property insurances in coastal areas due to rising sea levels, agricultural insurances due to extreme weather events and insurances in sectors dependent on water resources due to drought are among the branches most affected by climate change.

OUR SUSTAINABILITY STRATEGY

This risk analysis will enable us, as Türkiye Sigorta, to adapt to climate change and be better prepared for future risks. In line with our findings, we will update our products and services and provide more comprehensive protection to our policyholders. We will also consider climate risks in our investment decisions and invest in a sustainable future.

At Türkiye Sigorta, we structure our operations according to “short-term”, “medium-term” and “long-term” periods to support our business strategies and decision-making processes. These periods constitute a basic reference point for both budget planning and determining our strategic targets. Recognizing that the impacts of climate change and related risks may occur at different levels of intensity and uncertainty over time, we develop separate strategies for these periods.

Prioritization of Climate Risks

As Türkiye Sigorta, we closely monitor the impacts of climate change on the insurance sector and continue to take strategic steps to manage these risks. In this context, we are strengthening our sustainable insurance approach by prioritizing climate-related risks.

Our company’s evaluations and management strategies regarding climate risks are discussed in detail on pages 46-47 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

Time Frame	Year	Description
Short	0-3	As Türkiye Sigorta, we carry out our budget and strategic planning within this period. During this process, we maintain climate-related risks at a predictable and manageable level by utilizing past data. Our short-term strategies focus on integrating these risks into our existing business processes.
Medium	4-7	In the medium term, we aim to implement policies and technological advancements related to climate-related risks. During this period, we strive to strengthen our adaptation processes to climate change and reduce the uncertainties that may arise. We plan to enhance our operational efficiency through new technology adoption and climate risk management strategies.
Long	8+	In the long term, climate-related risks are expected to become more pronounced and severe globally. Accordingly, to mitigate the impacts of such risks, we aim to adopt a comprehensive risk management model and support our sustainable business processes with proactive strategies.

These time frames are directly linked to the planning periods used in our strategic decision-making processes. Our budget, risk management, and sustainability policies are shaped in line with these periods, and a time-based approach is adopted to integrate them into our business processes.

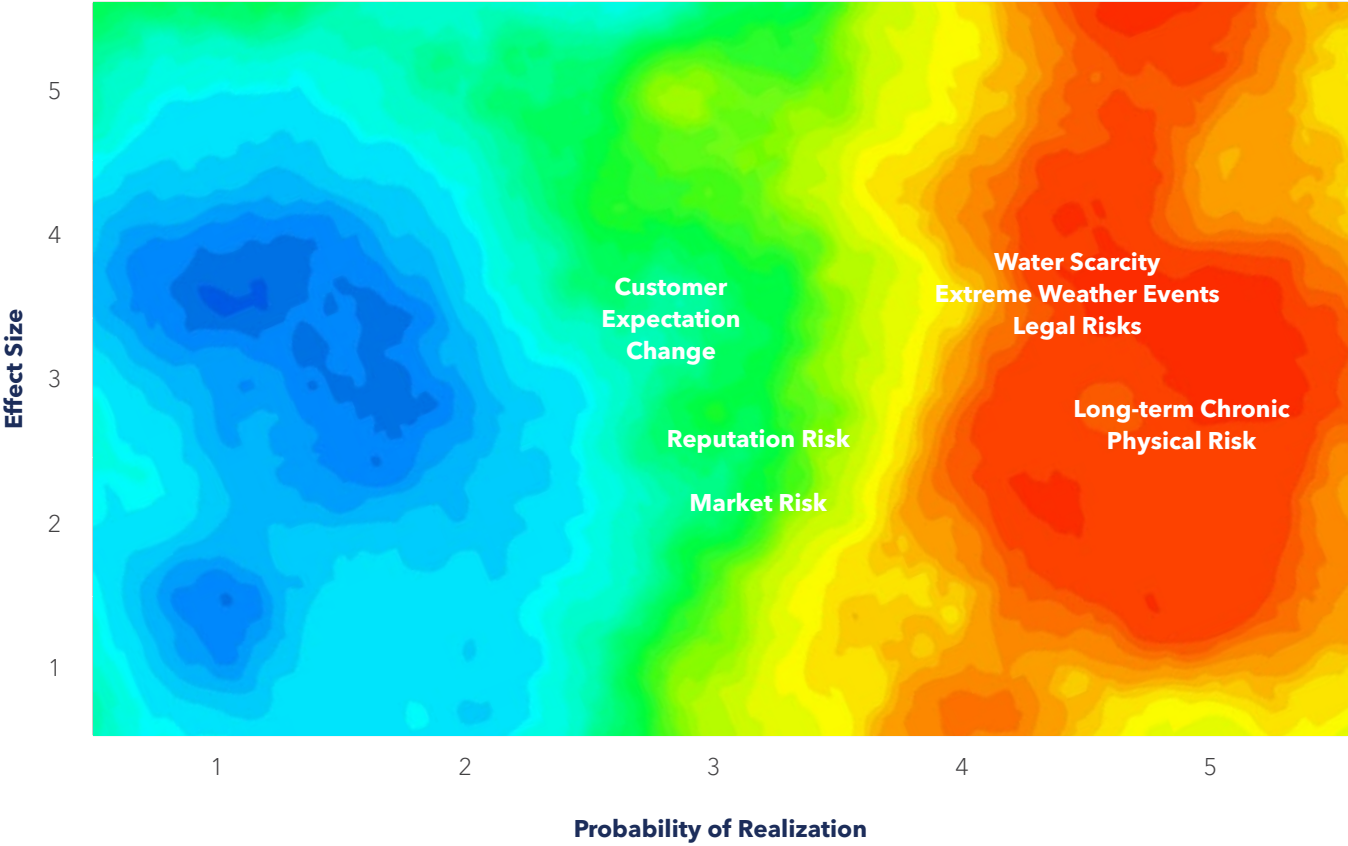
Financial Impact Level	Impact on Revenue	Definition
Low	0-1%	Based on the 2024 revenue figures.
Medium	1-5%	
High	5%+	

The financial materiality threshold is set at 5% of revenue and all impacts exceeding this threshold are considered financially significant and are recognised as “high” in the statement of risks and opportunities.

As Türkiye Sigorta, in alignment with TSRS 1 and TSRS 2 standards, we have successfully completed the process of identifying our climate-related risks and opportunities. Within this process, we initially identified potentially significant risks and opportunities for our company based on SASB (Sustainability Accounting Standards Board) framework, TCFD, national resources, and sectoral research.

We evaluated climate-related risks and opportunities by rating them from 1 to 5 (1: Lowest - 5: Highest) according to the criteria of Likelihood of Occurrence and Magnitude of Impact (Financial & Operational). We have determined the total impact of risks and opportunities by multiplying their probability of occurrence by their magnitude of impact. We have classified risks and opportunities that exceed the threshold value we have determined as 'significant'. In this direction, we have integrated our climate-related risks and opportunities that are considered significant into decision-making processes by submitting them to the Board of Directors for approval.

This comprehensive approach enables the effective management of climate-related risks and opportunities in line with our company’s strategic objectives.



OUR SUSTAINABILITY STRATEGY

Climate Risk and Opportunity Assessment Matrix

Acute Physical Risks

Extreme Weather Events

Risk Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Weather-related events such as severe storms, floods, droughts or heat waves caused by climate change cause loss of life and property.	Proportion of insured assets in natural disaster risk areas in the total portfolio (%)	0.61	Medium Term	Medium
	Ratio of assets affected by risks such as floods and storms to total insurance amount (%)	0.58		
	*Proportion of company operations that could be affected by extreme weather events (property damage) (%)	-		
Impacts on Business Strategy and Decision-Making Mechanism	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/ to be provided for actions
Strategic measures need to be taken to ensure the sustainability of the financial structure due to increasing loss payments and provisions. In addition, risk analysis processes and pricing policies should be reviewed to ensure long-term resilience.	Increase in claim payments, increase in provisions, decrease in profitability, pressure on CAR, changes in investor and customer behavior		Revising insurance policies to reduce loss frequency and size, diversifying the product portfolio, using risk transfer mechanisms (such as reinsurance agreements), developing sustainable insurance products	Financial resources, reinsurance agreements, risk modeling tools, technology investments, climate change scenario analysis, employee training
Current Financial Impact (TRY 191,255,354)		Projected Financial Impact**		
		Optimistic Scenario: (TRY 219,943,657)		
		Average Scenario: (TRY 248,631,960)		
		Pessimistic Scenario: (TRY 277,320,263)		
		Risk Fully Realized: (TRY 15,070,956,772,563)		

**Calculations are based on 1 assumption:
1. While the cost of climate-related disasters on a global scale to insurance companies increased by 15-20 percent in 2023, insurance companies had to raise premiums to cover costs. While housing insurance premiums in regions with frequent floods increased by up to 30 percent compared to low-risk regions, flood risk was excluded from housing policies in the US state of Florida due to frequent flooding.
*The calculation was not realized because it requires too much effort and cost.

Acute Physical Risks

Water Stress

Risk Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Water stress is increasing pressure on the agricultural sector, water-intensive industries and health insurance. Climate change and declining water resources may reduce productivity in agriculture, increasing insurance claims. Water-intensive industries face higher risk premiums, while health problems linked to water stress can put additional burden on the insurance sector. This situation necessitates the activation of water management and the development of new products by insurance companies to address risks arising from water stress.	*Ratio of Assets Exposed to Water Stress in Insurance Portfolio (%)	-	Medium Term	Medium
	*Rate of Increase in Insurance Claims in Water Intensive Industries (%)	-		
	*Health Insurance Claims Due to Water Stress (%)	-		
	*Ratio of agricultural damage claims to total claims (%)	-		
	Proportion of agriculture and livestock policies in total insurance portfolio (%)	19.84		
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/to be provided for actions
Increasing pressure on the agricultural sector, water-intensive industries and health insurance. There is an increase in insurance claims and operational sustainability risks due to climate change. Insurance companies need to create strategic plans in line with this situation	Proportion of assets exposed to water stress in the insurance portfolio, rate of increase in insurance claims in water-intensive industries, health insurance claims arising from water stress, ratio of agricultural damage claims to total claims.		Development of new insurance products to minimize risks related to water stress, creation of integrated business models with sustainable projects for water management, information activities to increase customer awareness	Financial analysis tools, water management strategies, sustainable insurance products, technology investments, risk assessment models
Current Financial Impact (TRY 1,164,025,302)		Projected Financial Impact**		
		Optimistic Scenario: (TRY 1,338,629,098)		
		Average Scenario: (TRY 1,513,232,893)		
		Pessimistic Scenario: (TRY 1,687,836,689)		
		Risk Fully Realized: (TRY 2,200,925,766,023)		

**Calculations are based on 1 assumption:
1. While the cost of climate-related disasters on a global scale to insurance companies increased by 15-20 percent in 2023, insurance companies had to raise premiums to cover costs. While housing insurance premiums in regions with frequent floods increased by up to 30 percent compared to low-risk regions, flood risk was excluded from housing policies in the US state of Florida due to frequent flooding.
*The calculation was not realized because it requires too much effort and cost.

OUR SUSTAINABILITY STRATEGY

Chronic Physical Risks

Sea Level Rise and Drought

Risk Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Sea level rise and drought are chronic physical risks to the insurance industry, which can lead to loss of life and property in the long term.	*Proportion of insured assets located in coastal regions in total portfolio (%)	-	Long Term	Medium
	Proportion of agriculture and livestock policies in total insurance portfolio (%)	19.84		
	*Ratio of insured assets located in landslide risk areas to total portfolio (%)	-		
	Proportion of insurance claims arising from excessive rainfall in total claims (%)	0.50		
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/ to be provided for actions
Strategic measures need to be taken to ensure the sustainability of the financial structure due to increasing loss payments and provisions. In addition, risk analysis processes and pricing policies should be reviewed to ensure long-term resilience.	Increase in claim payments, increase in provisions, decrease in profitability, pressure on CAR, changes in investor and customer behavior		Revising insurance policies to reduce loss frequency and size, diversifying the product portfolio, using risk transfer mechanisms (such as reinsurance agreements), developing sustainable insurance products	Financial resources, reinsurance agreements, risk modeling tools, technology investments, climate change scenario analysis, employee training
Current Financial Impact Projected Financial Impact**				
(TRY 19,953,938,604) Optimistic Scenario: (TRY 36,023,662,974)				
Average Scenario: (TRY 29,963,699,748)				
Pessimistic Scenario: (TRY 23,903,736,522)				
Risk Fully Realized: (TRY 12,014,323,386,854)				

**Calculations are based on 2 assumptions:
1. While the cost of climate-related disasters on a global scale to insurance companies increased by 15-20 percent in 2023, insurance companies had to raise premiums to cover costs. While housing insurance premiums in regions with frequent floods increased by up to 30 percent compared to low-risk regions, flood risk was excluded from housing policies in the US state of Florida due to frequent flooding.
2. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.
*The calculation was not realized because it requires too much effort and cost.

Transition Risk

Legal Risk

Risk Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
In Turkey, compliance with IFRSs has been made mandatory and financial reporting is based on climate risks. In the future, the offering of some insurance products to sectors with high climate risk may be prohibited or restricted. - Increase in Provisions: Higher provision ratios to maintain financial balance due to payments related to climate litigation. - Decline in Profitability: Pressure on profitability from loss payments and provision increases. - Pressure on CAR: Negative impact on regulatory capital (CAR) due to reduced profitability.	Policy ratio for carbon-intensive sectors (%)	10	Long Term	Low
	*Ratio of fossil fuel investments in total portfolio (%)	-		
	Loss payments / Premium ratio (%)	2.91		
	*Rate of Climate Risk Related Claims (%)	-		
	Environmentally friendly policy rate (%)	1.37		
	Number of lawsuits (number)	0		
	Case loss rate (%)	0		
	*Compensation Cost ratio (%) = Compensation Amount / Total Revenue x 100	-		
	*Rate of increase in provision (%)	-		
		Ratio of sustainable investments to total investments (%)	1.7	
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/ to be provided for actions
In line with TSRS compliance requirements, financial reporting processes should be updated and business strategies should be restructured in sectors with high climate risk. Accordingly, the insurance portfolio should be reviewed and risk assessment processes should be strengthened.	Ratio of policies for carbon-intensive sectors, ratio of fossil fuel investments in total portfolio, ratio of claim payments/compensation, ratio of climate risk related claims, ratio of environmentally friendly policies, number of lawsuits, loss ratio, compensation cost ratio, provision increase ratio		Restructuring business strategies based on climate risk, developing insurance products in line with ESG criteria, ensuring sustainability-oriented transformation in the existing portfolio, taking measures to increase the company's financial resilience	Financial planning tools, environmental risk modeling systems, regulatory compliance consultancy, sustainability funds, training programs to increase employee awareness
Current Financial Impact Projected Financial Impact**				
(TRY 4,253,245,915) Optimistic Scenario: (TRY 3,444,790,725)				
Average Scenario: (TRY 5,084,160,589)				
Pessimistic Scenario: (TRY 6,723,530,453)				
Risk Fully Realized: (TRY 614,182,464,644)**				

**Calculations are based on 2 assumptions:
1. While the cost of climate-related disasters on a global scale to insurance companies increased by 15-20 percent in 2023, insurance companies had to raise premiums to cover costs. While housing insurance premiums in regions with frequent floods increased by up to 30 percent compared to low-risk regions, flood risk was excluded from housing policies in the US state of Florida due to frequent flooding.
2. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.
*The calculation was not realized because it requires too much effort and cost.

OUR SUSTAINABILITY STRATEGY

Opportunities

Expansion of insurance products

Opportunity Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Within the scope of combating acute and chronic climate-related risks, the use of insurance products by households, businesses and all other stakeholders is expected to contribute to the expansion of our Company's customer base.	Sales ratio of insurance products for climate risks (%)	1.7	Long Term	High
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/to be provided for actions
Households, businesses and other stakeholders will show more interest in insurance products due to the increase in climate-related acute and chronic risks, which will allow the customer base to expand. The Company will make decisions to meet the demand by determining appropriate strategies.	Products and Services, Market, Resilience		Development of new insurance products, product diversification for different sectors, creating risk management awareness	Marketing budget, customer analysis, digital insurance platforms, training programs, financial resources, human resources, technology and R&D resources
Current Financial Impact	Projected Financial Impact**			
TRY 1,391,127,502	Optimistic Scenario: TRY 2,504,029,503			
	Average Scenario: TRY 2,086,691,253			
	Pessimistic Scenario: TRY 1,669,353,002			

**Calculations are based on 1 assumption:
1. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.

Opportunities

Reflecting climate risk in crop prices

Opportunity Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Acute and chronic climate-induced events pose the risk of large-scale loss of life and property. This will create new product and pricing opportunities for climate risk events.	Ratio of Total Sales from Climate Risk-Based Products (%)	1.37	Long Term	High
	Number of Products Specialized for Climate Risk	2 (Green Motor and T- Motor)		
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/ to be provided for actions
Due to increasing climate events, it is necessary to review product pricing policies and determine the correct risk premium.	Products and Services, Market, Resilience		Strengthening actuarial analysis, revising pricing strategies	Risk modeling software, data analytics teams, market research
Current Financial Impact	Projected Financial Impact**			
TRY 1,391,127,502	Optimistic Scenario: TRY 2,504,029,503			
	Average Scenario: TRY 2,086,691,253			
	Pessimistic Scenario: TRY 1,669,353,002			

**Calculations are based on 1 assumption:
1. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.

OUR SUSTAINABILITY STRATEGY

Opportunities

Resource Efficiency

Opportunity Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Increasing demand for energy-efficient and low-carbon products will create an opportunity for growth in policy volume.	Increase in the number of policies for energy-efficient products (%)	1.61	Long Term	High
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/ to be provided for actions
With the increasing demand for energy efficient products and services, necessary actions and studies will be carried out to seize new opportunities in the insurance sector.	Resource Efficiency, Energy Source, Products and Services		Creation of insurance packages for energy-efficient products	Sustainability experts, financing support, regulatory compliance consultancy
Current Financial Impact	Projected Financial Impact**			
TRY 1,033,841,905	Optimistic Scenario: TRY 1,860,915,430			
	Average Scenario: TRY 1,550,762,858			
	Pessimistic Scenario: TRY 1,240,610,286**			

**Calculations are based on 1 assumptions:
1. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.

Opportunities

Durability Market

Opportunity Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Inclusion in a sustainability index can enhance a company's long-term value creation potential by strengthening its reputation and brand perception in the eyes of investors and stakeholders.	Increase in sustainability index score (%)	28.2	Medium Term	Medium
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/ to be provided for actions
Efforts will be made to strengthen the Company's reputation with investors and customers by developing sustainability-oriented business strategies.	Resilience, Market		Increasing sustainability performance, ESG reporting, and regular index data entries	ESG consulting services, sustainability databases, green funds, sector research
Current Financial Impact	Projected Financial Impact**			
-	-			

Opportunities

Resource Efficiency

Opportunity Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
Investing in renewable energy and low carbon technologies can contribute to the company's sustainable growth by generating revenue growth through renewable energy products for the targeted year.	Share of renewable energy products in total sales (%)	1.02	Medium Term	Medium
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/to be provided for actions
The company aims to increase its market share by including renewable energy solutions in its insurance portfolio and to realize efforts to ensure sustainable growth.	Resource Efficiency, Energy Source, Market, Products and Services		Developing special insurance packages for renewable energy projects, increasing sector collaborations	Financing support, sustainability consultancy, R&D investments
Current Financial Impact	Projected Financial Impact**			
TRY 1,033,841,905	Optimistic Scenario: TRY 1,860,915,430			
	Average Scenario: TRY 1,550,762,858			
	Pessimistic Scenario: TRY 1,240,610,286			

**Calculations are based on 1 assumption:
1. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.

OUR SUSTAINABILITY STRATEGY

Opportunities

Products and Services

Opportunity Definition	Measurement Metric	Metric Value	Time Interval	Impact Level
To increase demand by adapting to consumer preferences through SDG (Sustainable Development Goals) related product promotion.	Share of total revenue from SDG-related products (%)	1.17	Medium Term	Medium
Impacts on Business Strategy and Decision Making	Climate Risk Focus Areas		Actions to be taken against the Risk	Resources provided/to be provided for actions
The Company aims to increase customer loyalty through sustainable products and take actions to increase brand value by introducing SDG-compliant products to the market.	Products and Services, Market, Resilience		Promotion of SDG-oriented insurance products, customer information campaigns	Marketing budget, corporate social responsibility projects, collaborations, incentives
Current Financial Impact	Projected Financial Impact**			
TRY 1,191,453,598	Optimistic Scenario: TRY 2,144,616,477			
	Average Scenario: TRY 1,787,180,398			
	Pessimistic Scenario: TRY 1,429,744,318			

**Calculations are based on 1 assumption:
1. A forecasting methodology was created by performing a trend analysis for the total industry production announced by TSB for 2021-2024.

Climate Scenario Analysis

As Türkiye Sigorta, we conduct comprehensive scenario analyses to evaluate the impacts of climate change on our company and enhance our strategic resilience. In these analyses, we use both the Network for Greening the Financial System (NGFS) and Representative Concentration Pathways (RCP) scenarios. NGFS scenarios allow us to analyze transition risks by examining energy transformation, carbon reduction policies, and the financial impacts of these changes, while RCP scenarios enable us to assess physical risks by studying the climate system’s responses under different levels of greenhouse gas emissions.

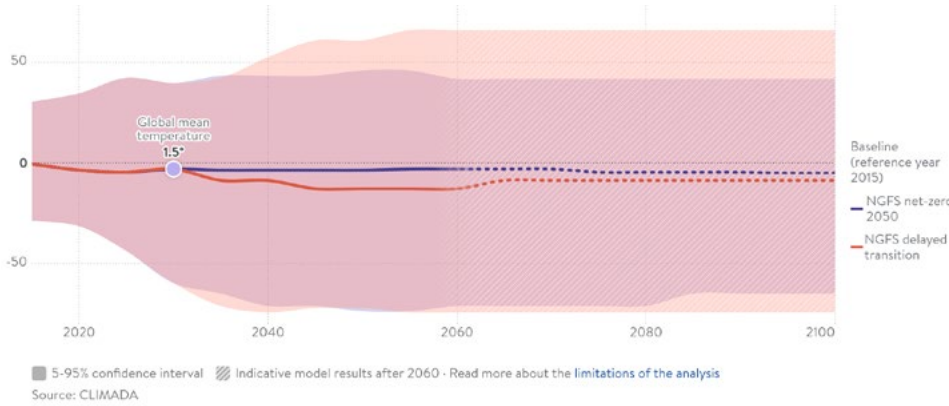
Our scenario analyses are designed to cover both transition and physical risks related to climate change. Accordingly, we use NGFS scenarios for transition risks and RCP scenarios for physical risks. Both scenario types have been developed in line with international regulations and the goals of the Paris Agreement, covering global temperature increase projections between 1.5°C and 4°C. This ensures that our company's climate-related assessments are consistent with the most up-to-date international agreements.

These approaches used in our scenario analyses enable us to test our company's resilience against climate-related changes, developments, and uncertainties. The analyses cover time periods extending up to 2050 to assess short-, medium-, and long-term impacts. Additionally, our scenario analyses encompass all business units and operational regions of our company. This holistic approach helps us understand how our activities will demonstrate resilience against climate risks across various geographies and sectors.

Information on analyses of risk indicators, stress tests and scenario analyses can be found on page 207 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

NGFS Scenarios

Flood Risk



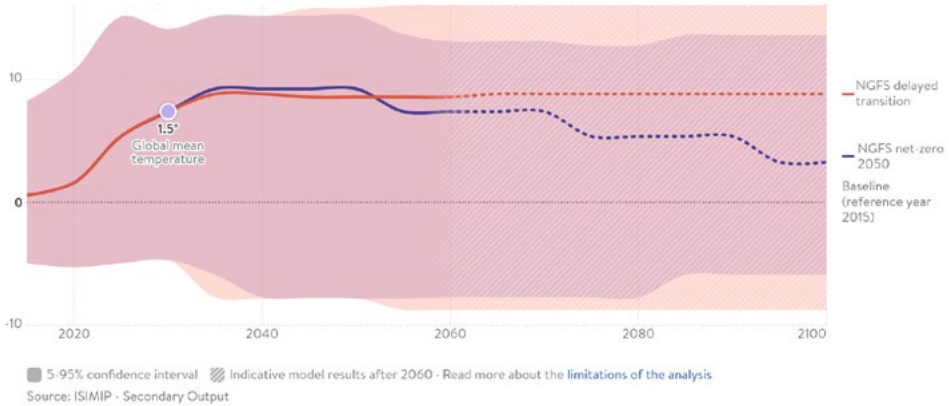
As Türkiye Sigorta, we use Network for Greening the Financial System (NGFS) scenarios in analyzing physical risks arising from climate change. As seen in the above graph, physical risks such as floods are expected to vary significantly between a scenario where greenhouse gas emissions are steadily reduced (for example, NGFS Net-Zero 2050) and a delayed transition scenario (NGFS Delayed Transition).

In regions of Türkiye where our operations are concentrated, flood risks associated with climate change are likely to increase. In this context, the NGFS Net-Zero 2050 scenario, which assumes carbon emissions are regulated in line with the 1.5°C target, indicates that damages from annual river flooding could remain at lower levels. On the other hand, the NGFS Delayed Transition scenario suggests that damages may rise significantly if there is a delay in carbon reduction.

Türkiye, as a country that regulates emissions and is likely to adopt stricter commitments in the future regarding carbon reduction, has pledged to comply with international agreements. Therefore, conducting our analyses under a scenario of a steady transition to a low-carbon economy, consistent with the latest international agreements on climate change, is among our strategic priorities.

Physical risks such as floods can directly affect not only our underwriting processes but also the sustainability of our operations and the adequacy of the coverage we provide to our customers. Consequently, our analyses based on climate scenarios serve as a critical guide for both optimizing current policy conditions and mitigating potential future losses. As Türkiye Sigorta, we aim to enhance the resilience of both our customers and our operations against these risks.

Excessive Rainfall Risk:



As Türkiye Sigorta, we use Network for Greening the Financial System (NGFS) scenarios to analyze physical risks arising from climate change. As seen in the graph above, excessive rainfall risks show significant differences between a scenario in which greenhouse gas emissions are reduced in a steady manner (for example, NGFS Net-Zero 2050) and a delayed transition scenario (NGFS Delayed Transition).

OUR SUSTAINABILITY STRATEGY

In regions of Türkiye where our operations are heavily concentrated, excessive rainfall risks are likely to increase due to climate change. In this context, the NGFS Net-Zero 2050 scenario, foreseeing a future where carbon emissions are regulated in line with the 1.5°C target, suggests that risks stemming from excessive rainfall could remain at lower levels.

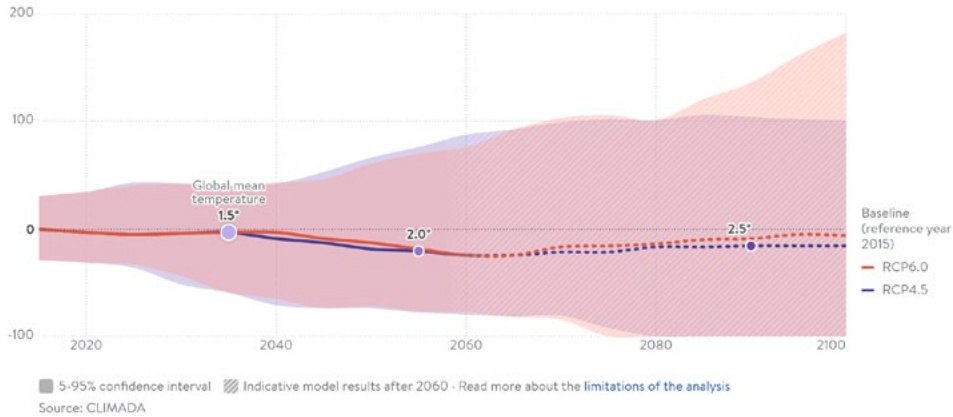
On the other hand, the NGFS Delayed Transition scenario indicates that, in the event of delays in carbon reduction, damages may increase significantly.

As a country where emissions are regulated and stricter commitments to carbon reduction are likely in the future, Türkiye has pledged to comply with international agreements. Therefore, conducting our analyses under a scenario of a steady transition to a low-carbon economy, in line with the most up-to-date international agreements on climate change, ranks among our strategic priorities.

The risk of extreme weather events not only directly affects our underwriting processes but also the sustainability of our operations and the adequacy of the coverage we provide to our customers. Hence, our analyses based on climate scenarios serve as a critical guide for both optimizing current policy terms and mitigating potential future losses. At Türkiye Sigorta, we aim to enhance the resilience of both our customers and our operations against these risks.

RCP Scenarios:

Flood Risk:



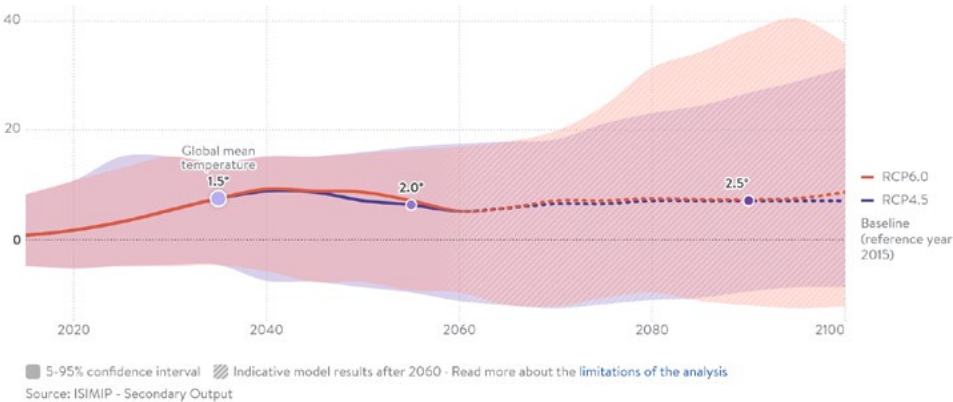
As Türkiye Sigorta, we use scenario analyses to understand and manage the impacts of climate change on our business and our customers. The graph above shows the projection of expected annual losses from river floods under two different scenarios (RCP 4.5 and RCP 6.0). While the RCP 4.5 scenario represents the transition to lower carbon emissions and tighter climate policies, the RCP 6.0 scenario depicts a future where emissions are reduced at a slower pace.

As seen in the graph, a steady transition toward carbon reduction (RCP 4.5) has the potential to keep flood losses at a more limited level. However, it is anticipated that in a situation of slower carbon reduction and lower climate policy compliance (RCP 6.0), damages arising from floods could increase significantly. This poses substantial risks for businesses, particularly in a geography like Türkiye, which is highly vulnerable to climate change.

While regulations on emissions and compliance with international agreements are expected to increase in Türkiye, we at Türkiye Sigorta align our strategy with a transition to a low-carbon economy. Floods are among the most significant physical risks for our customers and our policies. For this reason, we develop comprehensive risk management strategies to minimize the impacts of natural disasters such as floods and protect our customers.

We pursue a policy aligned with both national and international regulations to reduce the effects of climate change risks. Furthermore, by developing insurance products resilient to these risks, we optimize policy coverage in regions where flood risks are high. By taking into account scenarios for transitioning to a low-carbon economy, we not only ensure the sustainability of our business model, but also provide our customers with reliable and effective solutions. This approach enhances the resilience of both our company and our customers in the face of climate change impacts.

Excessive Rainfall Risk:



As Türkiye Sigorta, we use scenario analyses to understand and manage the impacts of climate change on our business and our customers. The graph above shows the projection of annual expected changes from excessive rainfall under two different scenarios (RCP 4.5 and RCP 6.0).

While the RCP 4.5 scenario represents a transition to lower carbon emissions and tighter climate policies, the RCP 6.0 scenario depicts a future where emissions are reduced more slowly and to a lesser extent.

As seen in the graph, a steady transition toward carbon reduction (RCP 4.5) may limit increases in excessive rainfall to a certain level. By contrast, in a situation of slower carbon reduction and lower climate policy compliance (RCP 6.0), it is anticipated that excessive rainfall could increase significantly in the coming years. This poses significant risks for businesses, particularly in a geography like Türkiye that is highly vulnerable to climate change.

While regulations on emissions and compliance with international agreements are expected to increase in Türkiye, we at Türkiye Sigorta align our strategy with a transition to a low-carbon economy. Excessive rainfall and floods are among the most significant physical risks for our customers and our policies. Therefore, we develop comprehensive risk management strategies to minimize the impacts of natural disasters such as floods and protect our customers.

We pursue a policy aligned with both national and international regulations to reduce the effects of climate change risks. Moreover, by developing insurance products resilient to these risks, we optimize policy coverage in regions with high risks of excessive rainfall and flooding. By taking into account scenarios for transitioning to a low-carbon economy, we not only ensure the sustainability of our business model, but also provide our customers with reliable and effective solutions. This approach enhances the resilience of both our company and our customers in the face of climate change impacts.

Scenario Analyses and Stress Tests

We carry out sensitivity and scenario analyses extending up to the year 2100, incorporating average warming scenarios ranging from 1.5°C to 4°C by the end of the century. Although the time frames considered in these analyses may vary depending on our business units, the wide range of scenarios we apply allows us to more effectively evaluate various risks associated with climate change.

Alignment with 1.5°C Scenarios

When conducting alignment analyses with 1.5°C scenarios, we adapt our scenario selections in line with the guidelines developed by the Net-Zero Asset Owner Alliance (NZAOA). These guidelines limit situations in which the 1.5°C warming threshold is exceeded in such a way that it minimizes the need to remove greenhouse gas (GHG) emissions from the atmosphere in the second half of the century.

External Impacts and Impact Scenario Analyses

When performing external impact scenario analyses, we use a broader range of scenarios in terms of temperature outcomes and characteristics. By making qualitative assessments, we explore the extent to which climate change risks affect various aspects of our business and through which channels. Although quantitative models have not yet been fully developed to cover all our business activities, these evaluations help us gain a more comprehensive understanding of climate risks related to our business processes.

Quantitative Assessments

We perform quantitative assessments to approximate our exposure to climate change risks. A top-down approach has been developed to evaluate the risks in our balance sheet. In addition, bottom-up modeling for the most significant exposures provides insights into climate change risks at the individual investment or insurance project level and supports the contextual evaluation of the top-down analysis results.

Limitations of Current Methods and Development Process

It is important to note that the analyses in this report reflect our current approaches to climate change risk assessments. The high levels of uncertainty inherent in long-term analyses and existing methodological and data constraints may limit the usefulness of some results in decision-making processes. Nevertheless, these approaches will evolve over time as climate scenarios advance, research progresses, methodologies mature, and best practices emerge in the industry. As Türkiye Sigorta, we aim to be prepared for climate change risks with these efforts and to increase the long-term resilience of our business strategy.

SUSTAINABLE RISK MANAGEMENT

- The following points are included in our Risk Management and Strategy Policy: The Company provides the necessary information and guidance in a timely manner to minimize the frequency of damage and the devastating effects of climate change on stakeholders.
- Measures are taken to minimize the effects of practices that may increase the carbon footprint due to our activities. The Company's environmentally sourced consumption data are tracked, and efforts are carried out to achieve the committed emission targets.
- As part of responsible investment, efforts are made to include investment instruments in the portfolio that implement measures to minimize negative environmental and social impacts. Increasing the share of sustainability-themed investments in investment decisions is also a goal.
- Details related to the management of sustainability risks and opportunities are supported by various policies designed in line with the general framework set out in this policy.

Our Company is improving its processes to manage risks arising from climate change more effectively. In this context, work has begun on identifying data sources related to climate risk. Furthermore, the processes of creating and implementing scenarios for climate risk assessment are ongoing.

As Türkiye Sigorta, we carry out comprehensive scenario analyses to evaluate the risks and opportunities presented by climate change. In this process, we systematically analyze climate-related risks based on internationally recognized NGFS (Network for Greening the Financial

System) and RCP (Representative Concentration Pathways) scenarios.

Climate risks will be divided into two main groups as qualitative and quantitative risks, and the effects of these risks will be evaluated through scenario analyses.

Within the framework of TSRS 2 Governance Provisions, our Company will address climate risks in an integrated manner along with other risks to which it is exposed. Compared to the previous reporting period, significant progress has been made in our climate risk management processes. Accordingly, tasks and objectives related to climate risks have been added to the Risk Management and Strategy Policy document, strengthening our Company's strategic approach to climate risk.

Below is the text added to the Risk Management Strategy and Policies regarding climate change risk management:

General Principles and Procedures for Managing Climate Change Risk

- The Company ensures that the product structure is revised in consideration of climate change.
- In analyses of new product designs, it is ensured that the new product takes climate change risks into account.
- When the Company identifies processes in its activities that could exacerbate the negative impacts of climate change, it revises those processes to minimize these risks.
- The Company focuses on evaluating the risks posed by climate change in its insurance activities effectively, in a way that provides added value to stakeholders.
- The Company takes into account compensatory approaches to offset the negative effects of climate change on product pricing.

- The Company makes necessary notifications and provides guidance in a timely manner to minimize the frequency of losses and destructive effects of climate change on stakeholders.
- The Company takes measures to minimize the effects of practices arising from its activities that could increase the carbon footprint and thus contribute to climate change.
- The Company considers the impacts of working environments that could exacerbate the effects of climate change and takes physical measures against them.
- The Company also considers the risks and opportunities brought by climate change. When mitigating risks, it also takes into account alternative pathways that will not have adverse impacts.
- The Company fully complies with legal regulations in the activities carried out to compensate for the negative impacts of climate change.
- The Company also considers potential threats to its financial stability that could arise from the activities conducted to compensate for the negative impacts of climate change.
- Details regarding the management of risks and opportunities posed by climate change are included in the "Climate Change Policy," which is designed in line with the general framework set out in this policy.
- These matters are integrated into all relevant business models and processes of the Company.

Our Company's risk management process and procedures are discussed in detail on page 154 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

The Risk Management Policy, which we have updated accordingly, is given on page 167 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

CLIMATE-RELATED METRICS AND TARGETS

Emissions

A dedicated Environmental Management Team was established in 2023 at our Company for the identification of greenhouse gas sources, measurement of consumption levels, and calculation of emission values. This team closely monitors the consumption levels and emission values stemming from both our in-house and external activities, analyzes changes over the years, and continues energy efficiency efforts.

As of 2022, in addition to electricity, lighting, and water consumption in our Head Office building, all cooling units such as air conditioning systems, cold rooms, refrigerators, and water dispensers, as well as generators, circuit breakers, and fire extinguishers have been added to our measurement inventory and included in emission calculations. Furthermore, by thoroughly examining maintenance reports, all sources in our Head Office building have been included in the carbon emission calculation process. In addition, consumption from air travel, accommodations, employee shuttle services, and cargo services has been integrated into our emission calculations.

We calculate and report our carbon emissions in accordance with the GHG Protocol standard. In 2024, we expanded our Scope-3 emissions calculations by including our financed emissions, thereby further enhancing our contribution to combating climate change. Investment emissions refer to greenhouse gas emissions that are not caused directly by an organization's own operations but arise indirectly through its financial relationships. Calculating these emissions enables organizations to gain a more comprehensive understanding of their overall impact on climate change and to develop mitigation strategies.

Emissions (ton CO ₂ e)	2022	2023	2024
Scope-1	1,213	1,334	1,474
Scope-2 (Location-Based)			671
Scope-2 (Market-Based)	671	332	94
Total Emissions (Scope 1&2)	1,884	1,666	2,239
Emission Intensity (ton CO ₂ e/employee)	1.19	1.06	1.43

YEK-G certificates are a system enabling electricity suppliers to certify that they generate electricity from renewable energy sources and offer this electricity to consumers. As Türkiye Sigorta, by purchasing YEK-G certificates, we both supported renewable energy sources and offset our carbon footprint. Thanks to this, we increased our electricity consumption from YEK-G-certified production by 27% compared to the previous year. As a result, our Scope-2 Market-Based emissions for 2023 have been reduced by 72%.

We provide a shuttle service to ensure our employees, especially those residing in large cities, can reach the Company safely and comfortably while also reducing greenhouse gas emissions.

We use a computer-assisted application to determine the optimum number of shuttles and routes. By enabling our employees who live in the same areas to travel with a single shuttle, we boost efficiency and develop joint solutions to cut carbon emissions.

Our Company's environmental performance indicators "Energy and Emission", "Water" and "Waste" values are presented on pages 92-99 of the [Türkiye Sigorta Integrated Annual Report](#).

Our Company's emission calculation methodology and the standards used are discussed in detail on page 93 of the [Türkiye Sigorta Integrated Annual Report](#).



CLIMATE-RELATED METRICS AND TARGETS

Our Short-Term Goals

Within the scope of our short-term goals, we are placing emphasis on our efforts to measure our Scope 1, 2, and 3 greenhouse gas emissions, and we aim to finalize this process with a Greenhouse Gas Emission Report in compliance with GHG Protocol standards by the end of the year. In order to increase the use of renewable energy, we are taking concrete steps toward reducing our carbon footprint by procuring energy from YEK-G-certified sources.

Also, to make our sustainability performance more visible on international platforms, we are implementing a comprehensive work plan to raise our performance in the Refinitiv Index and S&P Global Index. In our operational processes, in order to support our zero-waste target, we continue to strengthen waste management in our offices and maintain compliance with Zero Waste Certificate standards, and as of 2024, we have successfully obtained this certificate these efforts are a reflection of our determination to minimize our environmental impacts and advance our sustainability approach further.

Our Medium-Term Goals

In order to increase our commitment to globally recognized principles, as a company that has signed on to initiatives such as the United Nations Global Compact (UNGC), the Women’s Empowerment Principles (WEPs), and the Principles for Responsible Investment (UNPRI), we integrate these principles

into our business processes. Our aim is to establish a more inclusive and sustainable business model and ensure a fair working order.

Also, under the Türkiye Sustainability Reporting Standards (TSRS S2), we are identifying our climate-related risks and opportunities in detail. Through this work, we plan to both strengthen our financial reporting and effectively manage the impacts on our business processes. Our medium-term goals reflect our efforts to align our Company’s sustainability activities with international standards.

Our Long-Term Goals

Among the long-term goals of our sustainability strategy, integrating a sustainability approach into our supply chain holds an important place. In this regard, through the supplier evaluation surveys we have developed, we analyze our business partners’ environmental, social, and ethical sensitivities. By collaborating with our suppliers, we aim to establish a sustainability ecosystem in key areas such as occupational health and safety, emission reduction, customer satisfaction, and human rights.

You can find the result of the survey we conducted in 2024 to measure the sustainability performance of our suppliers [here](#).

Currently, our emission reduction targets are not verified, and determining our carbon reduction targets and obtaining international approval in line with the Science Based Targets initiative (SBTi) is

one of the cornerstones of our long-term strategy. In this context, we commit to becoming carbon neutral by 2053 and increasing energy efficiency by 15% by 2030. In addition, in line with our environmental sustainability goals, we plan to gradually end our ties with carbon-intensive sectors and limit our insurance and investment activities toward these sectors. With this approach, we reinforce our determination to reduce our carbon footprint and adopt a more eco-friendly business model.

These efforts aim not only to minimize our environmental impacts but also to increase social benefit and contribute to a sustainable future. As a company, we carry out all these processes in adherence to the principles of transparency, accountability, and continuous improvement, and we continue to create long-term value together with our stakeholders.

As Türkiye Sigorta, we have adopted the internationally recognized GHG Protocol standards to measure greenhouse gas emissions. These standards ensure consistency, reliability, and comparability in measurement and reporting processes. In particular, by covering both direct (Scope 1) and indirect (Scope 2) emissions within financial and operational boundaries, they enable us to accurately calculate our carbon footprint. We base the development of a strategy aligned with our sustainability goals on this approach.

You can find the details of our relevant sustainability goals in the “Our Sustainability Goals” table on pages 50-53 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

Inputs and Their Reasons

As Türkiye Sigorta, we use basic inputs such as energy and fuel consumption in emission calculations. Consumption data for energy sources like electricity and natural gas are of critical importance for calculating the carbon emissions arising from our operational activities. While fuel consumption data for our company vehicles contribute to understanding emissions from transportation, waste management data enable a holistic evaluation of the environmental impacts of our operational processes.

Details on our policies to combat climate change and our environmental sustainability practices can be found in the “Environmental Management and Combating Climate Change” section on page 90 of [Türkiye Sigorta 2024 Integrated Annual Report](#).

Assumptions and Their Reasons

The emission factors used in converting data such as energy consumption and vehicle fuel use into emissions stand out as a significant assumption. As Türkiye Sigorta, we carry out our calculations by using locally or internationally

recognized emission factors. It is assumed that the average fuel consumption data of vehicles represent our entire fleet, and the carbon intensity of energy sources is evaluated based on grid emission factors. These assumptions play a critical role in enhancing the accuracy of the calculations and ensuring the reliability of the processes. During the reporting period, no changes were made in the measurement approach, inputs, or assumptions.

Detailed information on our Company's efforts to combat climate change can be found on page 89 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

Management of Physical and Transition Risks

Transition Risks

Investments in fossil fuels and carbon-intensive sectors are considered vulnerable assets in terms of transition risks. A quantitative evaluation of these risks is possible through the following metrics:

- The ratio of policies aimed at carbon-intensive sectors (%): 10

- The ratio of fossil fuel investments in the total portfolio (%): -
- The insurance coverage ratio of potential assets that may be affected by natural disasters (%): 0.61

Physical Risks

Assets that may be affected by natural disasters can be identified through agriculture and livestock insurance, assets in tourism and coastal areas, and energy and infrastructure insurance. The metrics that can be used for measuring physical risks are listed below:

- The ratio of insured assets located in natural disaster risk regions to the total portfolio (%): 0.61
- The ratio of assets affected by risks such as floods and storms to the total insured amount (%): 0.58
- The ratio of agriculture and livestock policies in the total insurance portfolio (%): 19.84
- The ratio of agricultural damage claims to the total amount of compensation (%): -
- The ratio of insured assets located in coastal areas to the total portfolio (%): -
- The ratio of insured assets at risk due to rising sea levels (%): -
- The ratio of insured assets in the energy sector to the total portfolio (%): 1.17
- The impact of energy infrastructures affected by climate events on total insurance claims: -
- The ratio of company operations that may be affected by extreme weather events (%): 0.58

Actions to be Taken to Reach the Target

- Mapping insured assets in natural disaster risk regions may enable better management of vulnerabilities.
- By applying risk-based pricing methods in physical risk regions, the burden of compensation can be alleviated.
- Risks can be shared through reinsurance (reinsuring) methods in high-risk regions.



CLIMATE-RELATED METRICS AND TARGETS

Sectoral Opportunities

Insurance Services Provided to Renewable Energy Projects

Insurance solutions for projects such as wind and solar power plants provide both environmental and financial benefits. The share of insurance policies for these projects in the total portfolio should be monitored.

Green Insurance Products

Policies aimed at energy-efficient buildings, eco-friendly vehicles, and sustainable businesses respond to the increasing customer demand. Green building insurance and electric vehicle insurance can be measured by their share within total insurance products.

In order to encourage sustainability and responsible behavior, we use statistical pricing models in the tariff structure of our Casco product, which is among our leading products under our directorate, that differentiate electric and hybrid vehicles. Through this implementation, we aim to separate vehicles with eco-friendly engine technology from those using fossil fuels and thereby support sustainability.

In addition, we have developed another distinct product called “Fiat Connect Kasko” under our Casco product group. With this product, in annual casco policies, we aim to enable our customers to benefit from the advantages arising from less usage by distinguishing vehicles that are used less throughout the year from others. Since vehicles that are used less during the year have a lower risk of damage and a reduced carbon footprint, we plan to refund part of the premiums paid by our customers.

In this scope, we are initially collaborating with the Fiat brand. Our product has only recently been launched and is still in its development phase. We need a bit more time in order to measure the real performance of the product and make the necessary improvements.

Our Company's sustainable product portfolio and the sustainable development goals it contributes to through this portfolio are presented on pages 72-79 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

In line with our environmentally friendly insurance approach, we aim to reduce the carbon footprint and achieve decarbonization with our Green Motor and T-Motor products. These innovative insurance solutions help minimize our impact on nature by supporting vehicle owners who are environmentally conscious.

Our Company's sustainable product portfolio and Green Motor / T-Motor premium production amounts are discussed in detail on page 78 of the [Türkiye Sigorta 2024 Integrated Annual Report](#).

ESG-Compliant Investments

Investments aligned with Environmental, Social, and Governance (ESG) criteria provide long-term financial returns and contribute to sustainability goals. The share of ESG-compliant investments in the total investment portfolio is significant.

Climate-Compatible Technological Transformation

Innovative products should be developed for climate risks by using data analytics and artificial intelligence. The ratio of these investments within the budget can be used to determine strategic priorities in line with sustainability goals.

Climate-Related Targets

Türkiye Sigorta's 2053 Net Zero Carbon target aims at reducing carbon emissions and adapting to climate change. This target, determined in line with the sustainability roadmap, includes Scope 1, Scope 2, and Scope 3 emissions reported under the Greenhouse Gas Protocol. Within the scope of the energy efficiency target, it is aimed to reduce the total amount of energy consumed by 15% by 2030. In this regard, the reduction in energy consumption is supported by sustainable operational processes and the transition to renewable energy sources.

The net zero carbon and energy efficiency targets set forth encompass all operations of Türkiye Sigorta. Primarily the head office buildings, along with regional directorates and other business units, are included in these targets. In all operational processes and within the value chain of the Company, efforts are made to reduce greenhouse gas emissions, and actions are taken in accordance with sustainability principles.

Valid as of 2024, Türkiye Sigorta's 2053 Net Zero Carbon target is a long-term commitment, and the energy efficiency target is valid until 2030. Progress is made through short-, medium-, and long-term plans, with sustainability performance evaluated periodically each year. During this period, energy saving, reducing the carbon footprint, and transitioning to green energy are prioritized.

The base year used to measure the progress of these targets is 2022. In 2022, a comprehensive inventory of carbon emission sources was established, and emissions from operational processes were reported in detail. As of 2023, energy consumption

and emission reduction efforts have been followed, and performance indicators are regularly reviewed. Data will be presented in comparison with 2023.

It is aimed that annual electricity consumption with YEK-G production be at 60% or more of total consumption. It is aimed to expand the calculation scope for Scope-3 Category 15 Investments (financed emissions).

The targets set by Türkiye Sigorta are both quantitative and qualitative, based on absolute and measurable criteria, and these criteria are prioritized. The net zero carbon target is an absolute target aiming at zeroing greenhouse gas emissions. The energy efficiency target is based on an absolute reduction strategy, foreseeing a measurable decrease in consumption.

Türkiye Sigorta complies with the Paris Climate Agreement and Türkiye's national contribution declaration (NDC) with its set 2053 Net Zero Carbon target. The targets are shaped in line with national and international sustainability standards and reported in accordance with the Greenhouse Gas Protocol Corporate Standard, consistent with TSRS. Company policies determined within the scope of Türkiye's 2053 net zero commitment are carried out in parallel with the country's policies.

The review of these targets is carried out periodically by Türkiye Sigorta's sustainability committees and relevant units. They are evaluated within the scope of annual integrated reports,

sustainability performance indicators, and environmental impact analyses. Sustainability teams, working under the Board of Directors, monitor progress in operational processes and ensure the updating of the targets. In the review process, the effectiveness of the actions taken regarding carbon reduction and energy efficiency is evaluated, and necessary revisions are made in line with strategic alignment.

No verification has been obtained for the specified targets.

Metrics used to monitor progress toward the target:

- Total carbon emission amount (tCO₂e): Annual monitoring of Scope 1, 2, and 3 emissions,
- Energy consumption (GJ): Use of electricity, natural gas, and fuel,
- Ratio of renewable energy use (%): The share of energy from renewable sources within total energy consumed,
- Energy efficiency ratio (%): The status of achieving the 15% energy efficiency target by 2030,
- Waste recycling rate (%): Waste reduction and recycling rates at the head office and regional directorates,



TSRS INDEX

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

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

TSRS 2: Climate-Related Disclosures

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

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