

Sustainable Banking Activities



Albaraka Türk Participation Bank
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1.SECTION



Three Dimensions of Sustainability

1. SECTION: THREE DIMENSIONS OF SUSTAINABILITY

ESG is a framework that helps stakeholders understand how an organization is managing risks and opportunities related to environmental, social, and governance criteria. ESG takes the holistic view that sustainability extends beyond just environmental issues.

Environmental

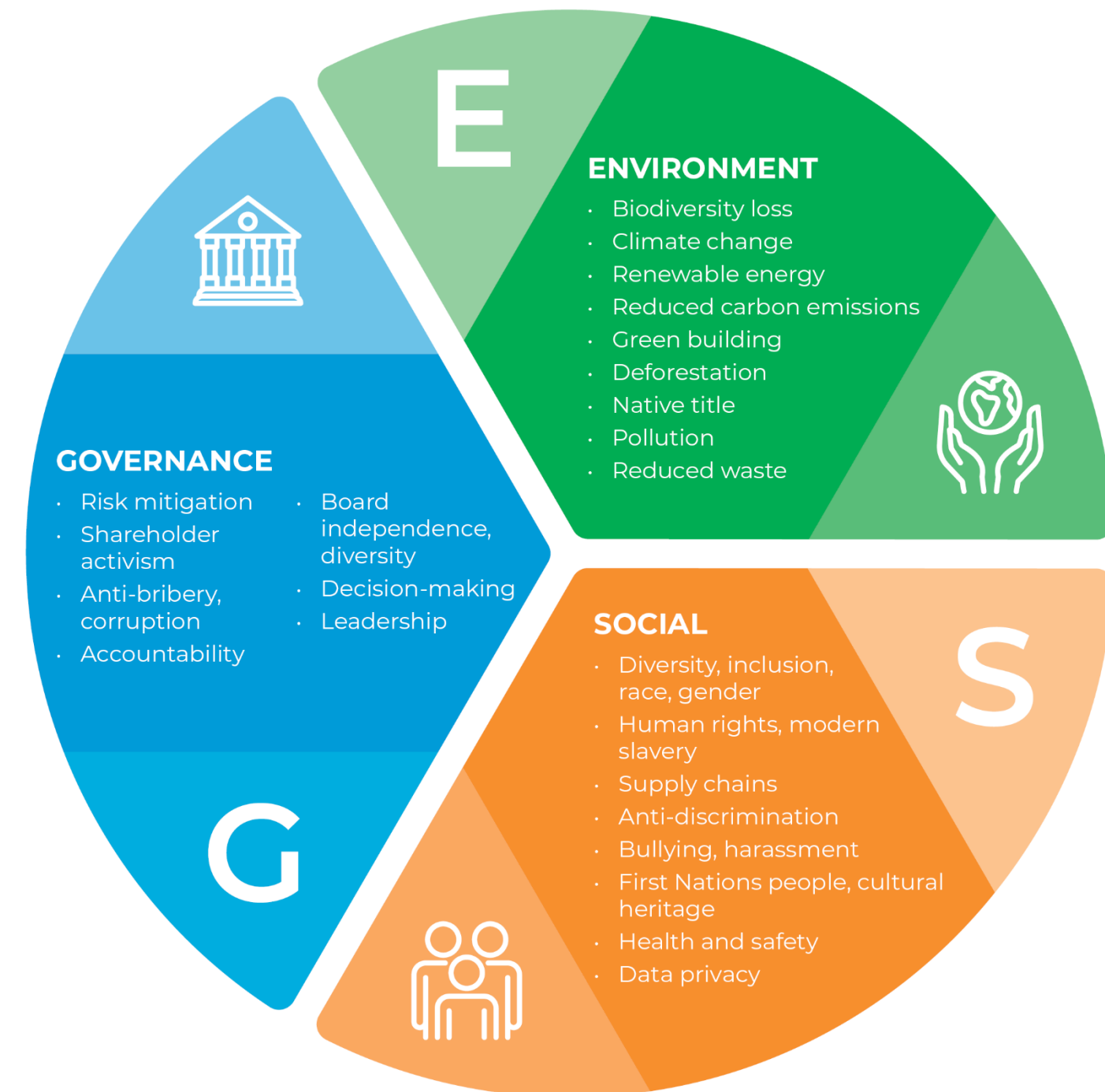
Refer to an organization's environmental impact(s) and risk management practices.

Social

Refers to an organization's relationships with stakeholders. Focusing on supply chain partners, labor standards, NGO's inclusion.

Governance

Refers to how an organization is led and managed.



2. SECTION



Environmental Role of Banking

2. SECTION: ENVIRONMENTAL ISSUES AND THE FINANCIAL SECTOR

The Environmental Dimension of Sustainability

Banks generally address climate and risk management issues within the environmental dimension of sustainability. The environmental impact is defined here by considering the bank's direct and indirect impact on the environment.

Direct Environmental Impact

- Regulatory Requirements
 - TSRS Reporting (Climate Risk and Strategy)
 - Carbon, Water, and Product Footprint Calculations
 - Targeting with Environmental Performance Indicators
 - Scenario Analysis
- Volunteer Programs
 - CDP Reports
 - LSEG Reports

Indirect Environmental Impact

- Regulatory Requirements
 - TSRS Reporting (ESG Credit Risk Policy)
 - Green Asset Ratio Reporting
 - Green Products
 - Sustainable Finance Framework

2. SECTION: ENVIRONMENTAL ISSUES AND THE FINANCIAL SECTOR

Green / Sustainable Products

The sustainable use of natural resources, energy efficiency, reduction of carbon emissions, investment in environmentally friendly technologies, waste management, and reduction of environmental pollution are among the key objectives of the green transition.

The financial ecosystem is also being used as **a tool to support green products** by reducing the risk of overuse of resources and fossil fuels.

Corporate Products

Green Transformation Capital

Financing Products

Green Sukuk

Green Investments

- Grey Water Systems
- Green Energy
- Emission Reduction
- Systems

Individual Products

Credits Green Certificate
Purchase Credits

Electric and Hybrid Vehicle

Carbon Emission Calculation
Modules

Credits Green Housing

Water Recovery Systems

3. SECTION

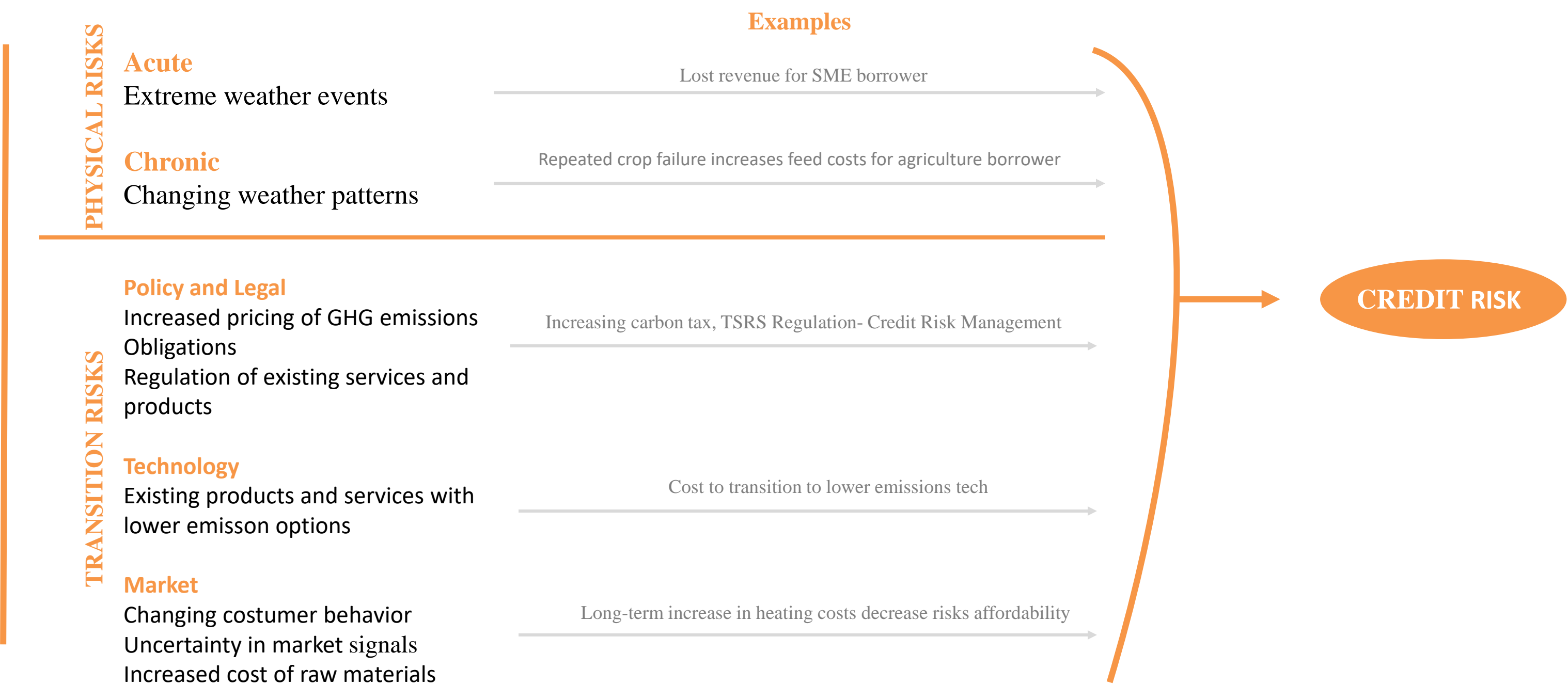


Environmental and Social Risk Assessment in Credits



3. SECTION: ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT IN CREDITS

The environmental and social risk impact assessment that banks conduct on companies during their credit allocation processes. This assessment is a process that is carried out in parallel with the banks' ESG strategies. By requiring certain environmental and social commitments in credits, there is an indirect impact on sustainability through our customers' credit preferences.



Source: We manage climate risks – Credit Union Development Association

4. SECTION



What do we do at Albaraka Türk?



4. SECTION: WHAT DO WE DO AT ALBARAKA TURK?

Funding: Used as a tool to contribute to companies' green transformation through investments in renewable energy or reducing energy consumption, and to improve their business models using sustainable methods.

→ Fund Building

Environmentally Friendly Islamic Financial Instruments:

- **Green Sukuk**

Financing renewable energy, green buildings, sustainable agriculture, waste management.

Sustainable Finance Framework

Long-term investments in ESG projects.

- Green Finance Instruments
- Social Finance Instruments
- Sustainable Finance Instruments
- Blue Finance Instruments

[\(sustainable-finance-framework-document-1.pdf\)](#)

- **ESG Funds (IFC, EBRD)**

Diversified investments aligned with ESG criteria.

4. SECTION: WHAT DO WE DO AT ALBARAKA TURK?

→ Fund Use

Products in the Participation Finance Ecosystem:

- Individual
 - Grey Water/Environmental Financing
 - Grey Water Recovery Systems
 - Solar Energy Systems
 - Transition to Central Heating Systems, Building Thermal Insulation, Pollution Prevention Filtration Systems, Household Natural Gas Conversion Financing
 - Environmentally Friendly Vehicle Financing
 - Green Housing Financing
 - Special Sustainability Fund Pool Participation Account
- Corporate
 - Rooftop Solar Power Plant Credits
 - Renewable Energy Source Credits
 - Green Vehicle Financing
 - Bereket Participation Fund



4. SECTION: WHAT DO WE DO AT ALBARAKA TURK?

→ Fund Use

Special Sustainability Fund Pool Participation Account

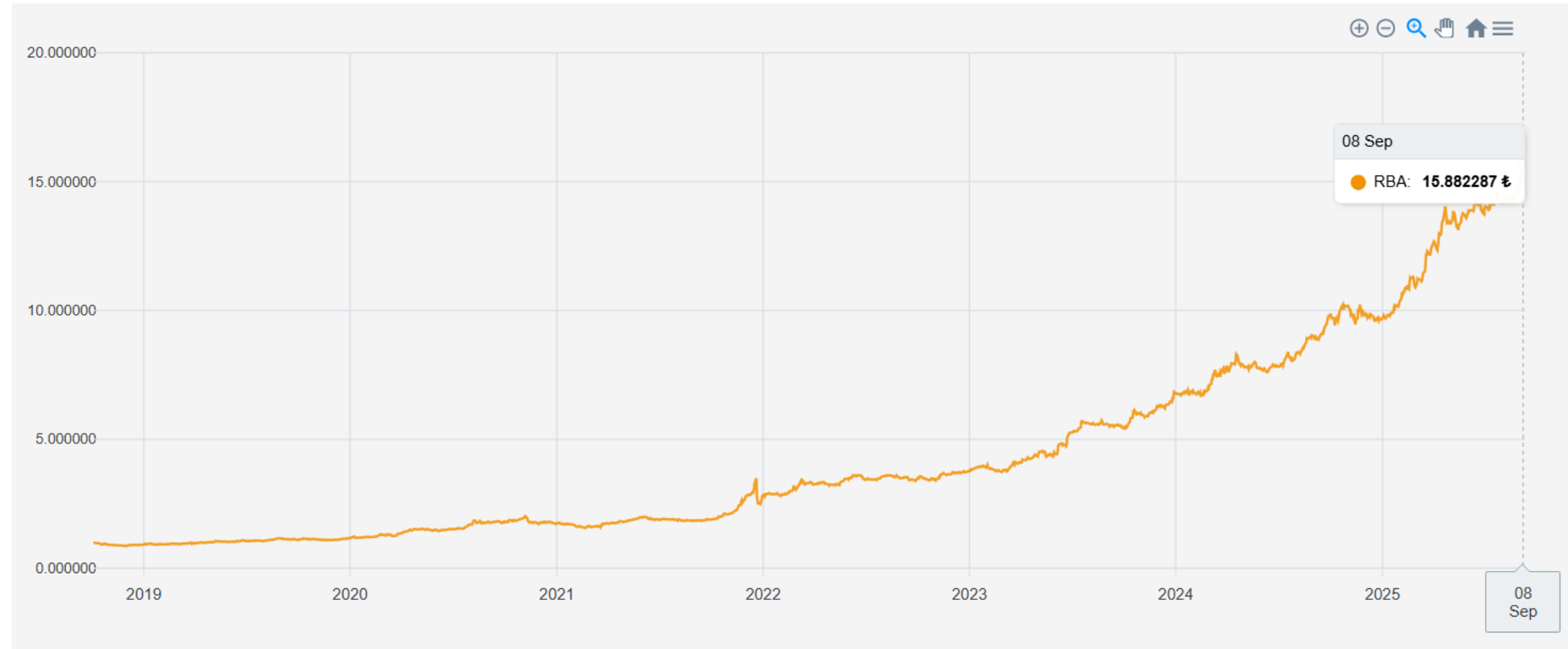
Based on profit & loss sharing

- TL deposits finance sustainability projects
- No fixed return, principal not guaranteed

Bereket Foundation Gold Participation Fund (Albaraka Portfoy Yonetimi A.S.)

80% continuously invested in gold & gold-based assets

- Managed under participation finance principles
- Target: stable and sustainable returns via gold-themed instruments



[Albaraka Portföy Bereket Vakfı'na Destek Altın Katılım Fonu](#)

4. SECTION: WHAT DO WE DO AT ALBARAKA TURK?

Robotic Process Automation (RPA)

RPA minimizes the energy waste and consumption resulting from manual processes by automating repetitive and time-consuming tasks. Automation enables digitized tasks to be completed faster and without errors, reducing the need for employees to be physically present in the office and lowering transportation-related carbon emissions.

Paperless Banking Initiative

It is now possible to complete the documents obtained from customers in branch transactions with digital approval. Within the scope of the project, a total of 75 documents in 30 different processes were approved through digital channels; by the end of 2024, 2,737,256 sheets of paper were saved and 330 trees were saved.

EasySign Platform

The EasySign platform enables customers to send instructions via e-signature or mobile signature, aims to reduce paper consumption by digitizing document and paperwork processes.

AI Project

Focusing on artificial intelligence gains in business processes and services, we are continuing our work for 2025 on the effective use of analytical and generative artificial intelligence in customer-facing and operational processes.

Fintechs

Albaraka Garaj, the world's first participation bank startup accelerator center, has launched operations. As a pioneer bank, it is steering its activities with the expertise of Turkey's first intech growth company, insha Ventures, and Albaraka Portfolio Investment Company in traditional investment.

4. SECTION: WHAT DO WE DO AT ALBARAKA TURK?

Our Social Collaborations



Water well construction in Tanzania

Drilled two water wells benefiting 500 villagers, contributing to reducing inequalities by providing clean access to water.



Access to energy through rooftop solar panels in Africa

Solving the electricity needs of 300 villagers with rooftop solar panels, we have helped reduce inequalities, promote responsible consumption, and contribute to clean energy production.



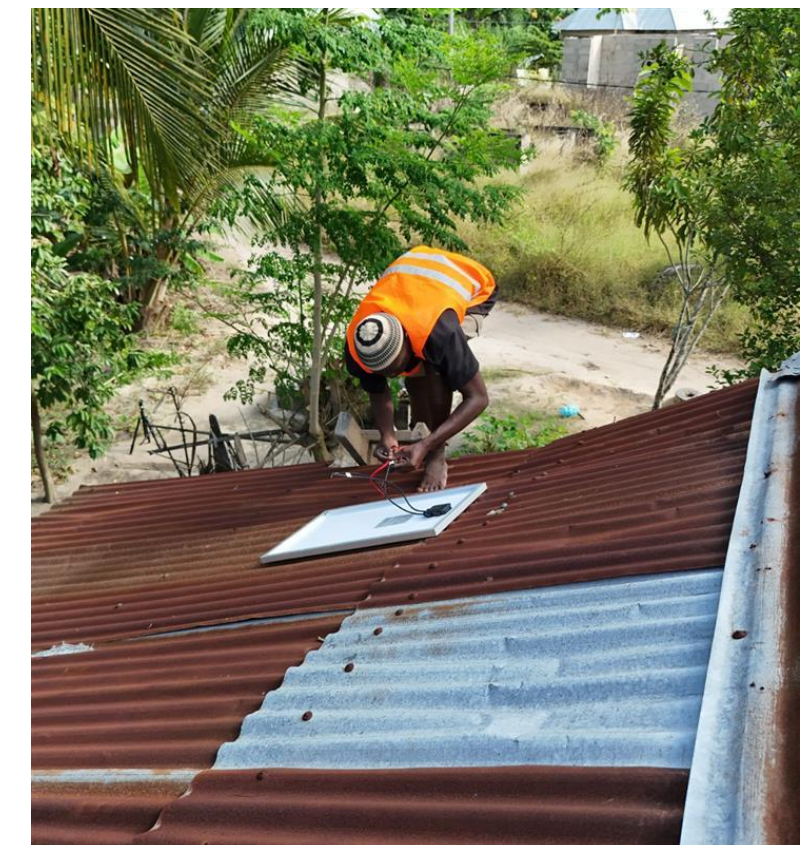
Albaraka Türk Fruit Garden

In Sanliurfa, we have begun the process of establishing an orchard that will be open for use by local residents. In this way, we are supporting both climate action and terrestrial life.



Albaraka Türk Social Responsibility Club

With a volunteer group of 20 people active in the Albaraka Türk Social Responsibility Club, we carry out aid activities in various locations across Turkey.





Thank You

