QNB FAKTORİNG

SUSTAINABILITY REPORT 2024

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Sınıflandırma: Genel / Kişisel Veri İçermez

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Introduction

About the Report

QNB Faktoring A.Ş. (QNB Faktoring) operates as a leading organization that fuses innovative and reliable solutions in financial services to address customers' needs, while regarding it a principle to contribute to society, the environment, and the economy with a focus on sustainability. Boasting a robust corporate infrastructure and visionary strategies, the Company shapes not only the present business landscape but also its future.

Published for the first time this year, the sustainability report further reinforces QNB Faktoring's endeavors in strategic and sustainable financing for commercial enterprises and seeks to transparently disclose its relevant commitments to its stakeholders. The report outlines the activities and commitments undertaken in various areas, including the economy, environment, corporate governance, and social domain. It details the Company's goals for generating long-term value in sustainability.

By facilitating rapid cash flow through factoring transactions, QNB Faktoring supports the sustainable growth of businesses while also strengthening the Company's efforts to effectively communicate its sustainability vision to customers, employees, investors, and society. With this comprehensive approach towards sustainability, QNB Faktoring aspires to make a difference and lead the industry, setting a foundation for shared future goals and progress measurement. By taking measurable steps and closely monitoring sustainability trends, the Company establishes itself not only as a key player in the industry but also as a leader in guiding sustainable development.

This report puts forward the strategies, goals, and policies of QNB Faktoring, a subsidiary of QNB Group, regarding its environmental, social, and governance performance from January 1, 2024, to December 31, 2024. To mitigate sustainability risks, create new business opportunities, and boost brand reputation, the Company has identified three key pillars: “Sustainable Finance,” “Sustainable Operations,” and “Corporate Social Responsibility.” Success in these areas fosters stronger stakeholder relationships and contributes to a sustainable future.

Compliance with Global Standards

This report describes the key elements of QNB Faktoring's sustainability strategy and highlights the most pressing sustainability issues affecting the corporate structure, organized under three main building blocks. In an attempt to address these issues in a globally consistent manner, the Company utilized established global sustainability standards and guidelines. Comprehensive studies were conducted in line with these standards and guidelines, ensuring the report's reliability and compliance through independent audit processes.

The International Labor Organization's (ILO) "Declaration on Fundamental Principles and Rights at Work" serves as a framework for the Company's commitments to advancing employee rights and working conditions. The United Nations (UN) "Global Compact" ensures adherence to transparency and accountability standards within corporate sustainability. The UN's "Guiding Principles on Business and Human Rights" outline principles aimed at mitigating and improving the human rights impact of the Company's operations. Additionally, the World Bank's "Environment, Health and Safety Guidelines"

offer guidance on fulfilling the Company's obligations to minimize environmental impacts and enhance occupational health and safety.

QNB Faktoring adopted a Sustainability Policy, which entered into force in 2024, designed to manage the Company's environmental and societal impacts while maximizing its positive contributions. This policy received approval from the QNB Faktoring Board of Directors before its execution. The Sustainability Committee oversees this process, ensuring that the Company's activities align with the sustainability strategy.

The reporting process was led by internal stakeholders, while external stakeholders were engaged to ensure inclusion and transparency. The Sustainability Committee guided the relevant departments and facilitated the report's development with input from specialized employees.

Individuals in Charge of Reporting

Position
Executive Vice President of Financial Control / Fund Management – Customer Relationship Management - Operations
Financial Control and Fund Management Director (CFO)
Financial and Statutory Reporting Manager
Head of Human Resources, Internal Communications & Administrative Affairs
Head of Loans
Marketing Manager
Head of Internal Control and Internal Audit
Information Technologies Manager
General Accounting and Procurement Manager
Head of Operations

You may share your thoughts, suggestions, or feedback on the Sustainability Report and the Company's initiatives in this area by emailing us at **sustainability@qnbfaktoring.com.tr.**

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Message of the Chairperson

Esteemed Stakeholders,

Sustainability represents more than just our responsibility to the environment and society; it signifies hope for the future, a gift for generations to come, and a lasting commitment that contributes to the life cycle of our world. As QNB Faktoring, we strive to make a meaningful impact on all our stakeholders by creating long-term value through a transformative approach to business. Our first Sustainability Report serves as a tangible reflection of this vision, allowing us to assess our past actions and outline a robust roadmap for the future.

In 2024, we took the opportunity to reevaluate our sustainability vision in response to both global and local economic conditions, and we made significant strides in this direction. Despite the challenges posed by restrictive financial policies, inflationary pressures, and geopolitical risks, the factoring industry emerged as a vital support for companies, offering flexible solutions in this demanding environment. Numerous uncertainties marked the global economic outlook for 2024, as the tight monetary policies implemented in the US and Europe since 2022 have contributed to a slowdown in economic growth. China and other emerging economies successfully reduced inflation; however, elevated interest rates negatively impacted economic activity. On the geopolitical front, the ongoing conflict between Russia and Ukraine, the potential spillover effects from conflicts in the Middle East, and escalating tensions in Taiwan have compounded the risks to the global economy. Additionally, widespread economic sanctions and protectionist measures that restrict international trade have exerted a more pronounced influence during this period.

These developments substantially impacted the factoring industry—and the slowdown in global trade and the rising liquidity needs of companies have underscored the importance of factoring. Despite high interest rates, businesses increasingly turned to factoring, which provides much more flexible and expedited solutions compared to traditional financing methods. Given its crucial role in facilitating access to financing for SMEs, the factoring industry has turned out to be an effective tool for navigating economic challenges.

The Turkish economy has benefited from a tight monetary policy and macroprudential measures that have facilitated macroeconomic rebalancing and boosted confidence in the Turkish lira among both domestic and foreign investors. A decline in the country risk premium, coupled with upgrades to Türkiye's credit ratings by various credit rating agencies, has further improved the economic outlook. Additionally, the reduction in the current account deficit, the conversion of domestic savings into the Turkish lira, and increased capital inflows from abroad have contributed to this positive trajectory; the growth in the Central Bank's foreign exchange reserves was yet another indicator of economic stability. Although inflation has been on a downward trend since peaking in May, primarily due to the base effect, it continues to exceed targeted levels. Throughout this period, however, the economic administration has actively supported improvements by means of fiscal policy measures alongside monetary policy. In light of these economic conditions, the financing needs of companies have begun to rise.

At the same time, financing solutions that provide flexibility beyond traditional methods have raised companies' resilience against economic uncertainties. Investments in digitalization and operational efficiency have been crucial in delivering faster services and establishing a

competitive edge. These innovations across the industry have become vital tools for navigating economic challenges**.**

Economic rebalancing and heightened investor confidence positively impacted our industry. During this time, QNB Faktoring concentrated on offering innovative solutions and swiftly adapting to our customers' evolving needs, which helped us maintain our industry leadership with robust performance. The year 2024 was marked by financial stability and operational transformation for our Company. Our total assets surged by 72% from the previous year to TL 27 billion 545 million. Factoring receivables rose by 75% to TL 26 billion 849 million, and our net profit reached TL 1 billion 346 million. A focus on cost management significantly increased efficiency, propelling the Company to the second place among private firms in the industry in terms of performing receivables, attesting to our sustainable success.

The gains from focusing on digitalization in our operational processes were instrumental in achieving this strong financial performance. Enhancements to our system infrastructure minimized the need for printed documents, allowing us to conserve resources and expedite our processes. Our investments in digitalization not only boosted operational efficiency but also advanced our sustainability goals.

In addition to global and local economic risks, climate change has emerged as an escalating concern for the factoring industry. Stricter regulations and natural disasters linked to climate change have particularly undermined the payment capabilities of SMEs, challenging financial sustainability. As digitalization processes accelerated, data security risks became a significant issue, while the potential loss of reputation from engaging with industries that have negative environmental and social impacts posed additional challenges. However, amid these risks, green financing projects and funding solutions for environmentally friendly business models have created extensive opportunities. Furthermore, digitalization has enhanced operational efficiency, improved risk analysis based on ESG criteria, and revitalized financing conditions, bringing new dynamism to the industry.

In 2024, QNB Faktoring redefined its sustainability approach and transformed its business processes with a focus on environmental, social, and governance (ESG) impacts. We reshaped our sustainability roadmap in alignment with the principles of environmental sensitivity, social responsibility, and robust governance. During this process, we established impactful business partnerships through green energy initiatives and took significant steps to raise environmental awareness within our customer portfolio.

In pursuit of our commitment to gender equality, we took strategic steps to improve women's representation among our employees. Our CEO, Ms. Nergis Ayvaz Bumedian, was ranked among the "50 Powerful Women CEOs" per Ekonomist magazine, which served as a testament to our Company's vision for leadership. As we increased the representation of women at the management level, we continued to support educational projects aligned with our mission to deliver societal benefits. Addressing the educational needs of children remained a priority among our social responsibility initiatives this year.

Through our projects supporting sustainable development, we steadfastly contribute to economic growth, financial inclusion, and environmental sustainability goals. With the strategies developed in alignment with the United Nations' Sustainable Development Goals (SDGs), we aim to make a significant impact in our industry and directly contribute to both local and global development objectives. Our primary goals include raising the employment

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creation capacity of SMEs by facilitating their access to finance, in support of Decent Work and Economic Growth (SDG 8); promoting projects that empower women entrepreneurs in business life, in alignment with Gender Equality (SDG 5); financing environmentally sustainable business models focused on Responsible Consumption and Production (SDG 12); and reducing carbon emissions by supporting climate-friendly initiatives under Climate Action (SDG 13). The green financing projects, digital transformation solutions, and social investments we offer in pursuit of these goals form the foundation of our sustainability strategies. As QNB Faktoring, we are dedicated to creating long-term value for all our stakeholders by placing sustainability at the core of our business strategies and striving to lead sectoral transformation.

Our top priorities for 2025 and beyond include expanding our environmentally conscious projects, improving access to financing for SMEs, and deepening our efforts to promote gender equality. Additionally, we will advance our digitalization efforts by strengthening our technological infrastructure, and we will maintain our strong leadership in the industry by consistently providing faster and more effective solutions to our stakeholders.

I extend my sincere gratitude to all our employees for their contributions to our achievements, and to our customers, business partners, and valuable stakeholders for putting their trust in us. Recognizing how crucial your support and contributions are in every step we take towards building a sustainable future together, I am most grateful to you for taking this journey with us.

Best regards,

Ömür Tan
Chairperson of the Board of Directors

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Message of the CEO

Esteemed Stakeholders,

Our future depends not only on our current achievements but also on a sustainable vision and innovative actions. As QNB Faktoring, we have maintained our strong performance and innovative approach over the years, preserving our position in the industry while steadily raising our growth targets.

As of 2024, we stand among the top three private companies in the industry, while also setting ambitious goals for even higher rankings. We have strengthened our financial stability by exceeding both the industry average and our immediate competitors in key performance ratios. Our investments in digitalization and technology infrastructure have contributed to customer satisfaction by transforming our operational processes. We provide faster and more effective solutions through process improvements that boost operational efficiency. Our innovative approach enables us to address today's challenges while creating opportunities for the future.

Thanks to our innovative solutions and strong, trust-based relationships with our customers, we achieved impressive financial results in 2024, centered on our sustainable growth objectives. By the end of 2024, our performing factoring receivables soared by 75%, and our asset size grew by 72% compared to the previous year. A significant cash capital injection of TL 1 billion from our main shareholder, QNB Türkiye, boosted our shareholders' equity by 154%, reaching TL 3 billion 872 million. As well as positioning us ahead of our competitors, this financial strength enabled us to refine our services with greater flexibility and innovation. Additionally, we experienced a productive year in profitability, with our net profit rising by 43% to TL 1 billion 346 million in 2024. These results reaffirmed the validity of our strategic decisions and our confidence in the future.

In 2024, amid continuously evolving economic and market dynamics, our primary focus areas included growth, profitability, risk management, digitalization, and customer acquisition. During this period, we not only improved our financial performance but also incorporated sustainability in all our strategies and thus raised awareness. We adopted a broader vision by integrating our sustainability goals into our business processes. We pursued these focus areas concurrently and achieved our goals with determination. As a company committed to environmental sensitivity and societal contribution, and sharing the same vision with its stakeholders, we have implemented exemplary practices that stand out in our industry as well as the broader business landscape. Guided by QNB Group, we are taking game-changing steps in the industry while focusing on both growth and development.

In tandem with these objectives, sustainability has become integral to our operations and foundational to our customer relationships. We have taken on the role of a proactive intermediary to raise awareness among our customers about the significance of sustainability. Accordingly, we organized comprehensive information sessions for the sales teams in our branches, focusing on industries that align with sustainability and providing guidance on incorporating these principles into their business practices.

Recognizing the role of digitalization in promoting sustainability, we undertook extensive efforts to increase digital utilization rates among our customers. In this regard, we continued to invest in IT developments in 2024 and upgraded our digital channels with the latest

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versions. These digital transformation initiatives advanced our Company, enabling us to deliver faster and more efficient services. Through our New Mobile Project, we established the infrastructure for our customers to complete end-to-end factoring transactions digitally, and we fine-tuned application processes by integrating a QR code feature into our existing mobile app. These innovative solutions boosted our customers' digital utilization rates and, via the Digital Bridge Platform, we diversified our offerings for SMEs. Subsequently, 449 SMEs chose to engage with us through our digital channels in 2024.

Our development efforts on our mobile and web channels contributed to operational convenience and also introduced innovative measures that support our environmental sustainability goals, including monitoring carbon and water footprints. We expedited the software development of our new mobile application, broadened the scope of digital approvals, and elevated the user experience. Additionally, we launched a zero-cost application for women entrepreneurs and green energy projects to encourage the adoption of sustainable practices. We also digitized our credit limit approval processes and integrated them with the Core Factoring application, significantly reducing paper usage.

With a commitment to environmental responsibility in every digital transaction, we sent the message "Thank You for Contributing to the Environment" to customers via our mobile platforms. Our onboarding communication processes encouraged customers to use digital channels more effectively, and we shared sustainability information in our monthly mass bulletins. We also revamped the "Sustainability" section on our website to raise environmental and social awareness. Furthermore, we established an internal sustainability committee, submitted it to the Board of Directors for approval, and strengthened our corporate structure in this area.

With these initiatives, we made digitalization sustainable while integrating sustainability into our digital strategy—embedding environmental and social responsibility into the way we operate.

Gender equality is not simply a responsibility on the path to inclusion; it is also a fundamental force behind meaningful transformation in the business world. As QNB Faktoring, we are proud of the work we have done to strengthen the presence of women in professional life. In this spirit, my inclusion on the "Most Powerful Woman CEOs" list in 2024 is more than just a tangible reflection of a personal milestone—it is a clear testament to our Company's commitment to gender equality.

In pursuit of this goal, we adopted QNB Türkiye's Gender Equality Guide and took firm steps toward increasing the representation of women in our workforce to 52%. The growing presence of women in both leadership and operational roles has brought greater diversity to our organization, helping us become a stronger and more inclusive company. At the same time, we continued to generate economic and social benefits through customized financing solutions and zero-cost initiatives aimed at supporting women entrepreneurs.

In the face of growing risks linked to the climate crisis, we have adopted an integrated strategy that allows us to minimize current threats while actively pursuing emerging opportunities. By placing environmental, social, and governance (ESG) principles at the heart of our business model, we are taking preventive measures against environmental risks and the effects of climate change. Our investments in energy-efficient technologies and carbon reduction affirm this ongoing commitment. We prioritize compliance with both national and

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international regulations and are continuing our preparations for upcoming frameworks such as the European Union's Carbon Border Adjustment Mechanism (CBAM). We are also assessing our customer portfolio through an ESG lens, giving priority to partnerships that help reduce environmental and social risks. In identifying new opportunities, we aim to deliver innovative products and services that align with environmental and social goals, particularly for SMEs, where we seek to create long-term sustainable value. Our digital platforms help streamline operations, reduce costs, and boost customer satisfaction. At the same time, we are building business models that align with our sustainability objectives, positioning us as a reliable partner for sustainability-focused investors. Our work in areas such as digital transformation and green finance strengthens our competitive edge while deepening our contribution to the broader goals of sustainable development. As we manage regulatory risks, we remain committed to full compliance with national and international standards and continue to assess our customer base according to ESG criteria.

Our roadmap, shaped by the 2053 Net Zero targets, not only addresses our environmental responsibilities—it also expresses our broader ambition to lead in the business world. As we push our digitalization efforts further, we aim to accelerate innovative initiatives that drive emission reductions. With the support of our internal sustainability committee, we will continue strengthening our organizational structure and forging deeper collaborations with stakeholders to deliver lasting impact in environmental and social responsibility.

I offer my sincere thanks to all our employees, business partners, and customers who have contributed to this journey of transformation. After a successful and focused year, the future looks even brighter, built on the foundations we are building together.

Sincerely,

Nergis Ayvaz Bumedian
CEO and Board Member

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Corporate Profile

About QNB Faktoring A.Ş.

Since its establishment in 2009, QNB Faktoring has transformed the financing sector by offering swift and reliable domestic and international factoring services. Backed by QNB Türkiye's robust 99% shareholding structure, the Company enhances financial stability and provides financial security, cash flow management, and operational efficiency through its team of banking and factoring experts.

While streamlining customers' business processes with short-term financing solutions and innovative digital platforms, QNB Faktoring has integrated into the global finance network as a member of F.C.I. (Factors Chain International), the leading international factoring organization. The Company offers guarantees, receivables management, and financing services, allowing businesses to assign their receivables from sales of goods and services through invoices and checks.

Headquartered in Istanbul, QNB Faktoring operates with 160 employees across 20 branches in various locations, including Adana, Ankara, Antakya, Antalya, Anadolu Commercial, Avrasya Commercial, Bursa, Denizli, Diyarbakır, Eskişehir, Gaziantep, Gebze, Halkalı, İzmir, Kayseri, Konya, Mersin, Ostim, Samsun, and Trabzon. These branches are distributed across four geographical regions and 17 provinces. In addition to its physical branches, the Company continually improves service quality by providing customers with easy access through digital channels, regardless of their location. QNB Faktoring caters to a diverse clientele, ranging from SMEs to large corporations, by offering short-term financing solutions that facilitate quick cash conversion and customized factoring packages tailored to individual customer needs. The Company ensures document delivery to customers across Türkiye through its extensive network of QNB Türkiye branches.

As of December 2024, QNB Faktoring's shareholders' equity stood at TL 3 billion 872 million, total assets reached TL 27 billion 545 million, and factoring receivables amounted to TL 26 billion 849 million. With a net profit of TL 1 billion 346 million, the Company increased its market share in total live factoring receivables to 9.3%, securing the 2nd position among private factoring companies. This success has solidified its status as one of the industry's leading companies across all key performance indicators, thanks to its ability to achieve sustainable and profitable growth even in volatile market conditions. The Company responded swiftly to customer needs through investments in digital channels while maximizing operational efficiency through effective cost management and process improvements.

The Company is committed to its successful financial performance through innovative practices, while steadfastly pursuing sustainability-focused initiatives. Aligned with its goal of fostering a more livable world, the Company remains attentive to environmental and social challenges. It prioritizes protecting nature, defending equal rights and freedoms, and developing solutions for the future of children as core principles.

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About QNB Türkiye

Finansbank A.Ş., founded in 1987, was acquired by Qatar National Bank S.A.Q (QNB Group), Qatar's largest bank, in June 2016. QNB Group is a leading financial institution in the Middle East and Africa, operating in 30 countries across three continents through its subsidiaries and affiliates. It offers a wide range of products and services via more than 1,200 branches and employs over 27,300 people. Since 2013, Bloomberg Markets has ranked QNB Group among the "World's Strongest Banks," and in the same year, Global Finance Magazine named it "One of the 50 Safest Banks in the World." Euromoney Magazine recognized QNB Group as the "Best Bank in the Middle East" in 2014 and 2015. In October 2016, the Bank was renamed QNB Finansbank and still operates under the name QNB as of October 2024.

QNB Türkiye is experiencing steady growth as one of Türkiye's largest private banks, focusing on retail, corporate, SME, and digital banking, along with corporate social responsibility and sustainability-focused initiatives. The Bank prioritizes supporting the development of the real sector and the national economy while also contributing to societal development through its size and financial strength. It engages in various social responsibility initiatives, particularly those aimed at benefiting children.

QNB Türkiye's subsidiaries—QNB Leasing, QNB Invest, QNB Asset Management, QNB Faktoring, QNB Insurance, IBTech, and QNB e-Finans—were established to diversify financial solutions and provide comprehensive services under one roof. As of year-end 2024, QNB Türkiye operates 427 branches and employs 11,949 people, delivering innovative, fast, and convenient solutions to meet all the financial needs of the customers. The 2024 financial results indicate a net profit for the period of TL 36 billion 174 million, net loans totaling TL 870 billion 388 million, total assets amounting to TL 1 trillion 511 billion 870 million, and customer deposits reaching TL 822 billion 653 million.

This robust financial performance, coupled with a strong corporate background, lays a solid foundation for projects that promote sustainable banking. The Company prioritizes a business culture centered on societal benefit, aiming to create added value in both economic and social dimensions. This approach strengthens long-term relationships built on stakeholder trust while advancing sustainability goals.

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Our Vision, Mission, Purpose, and Values

Vision
To be the most preferred partner for financial solutions that boost Türkiye's overall trade volume.

Mission
To deliver sustainable economic benefits to our customers, employees, shareholders, investors, and all other business partners by consistently creating added value.

Our Goals
1. Raising awareness for factoring transactions in and outside Türkiye and supporting trade development by providing essential insights into trade finance and receivables management.
2. Managing customer receivables and collections using effective models to ensure a steady cash flow.
3. Providing innovative, prompt, and effective solutions tailored to customer needs through accurate analysis and a proactive approach, contributing to sectoral growth.

Corporate Values
People First, Trust, Adaptability, Leadership, Growing Together

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Capital and Shareholding Structure

The Company's paid-in capital amounts to TL 1,065,000,000 with the shareholding structure distributed as follows:

Shareholder	Share in Capital
QNB Bank A.Ş.	99.9999976%
QNB Finansal Kiralama A.Ş.	0.0000006%
QNB Yatırım Menkul Değerler A.Ş.	0.0000006%
IBTech Uluslararası Bilişim ve İletişim Teknolojileri Araştırma, Geliştirme, Danışmanlık, Destek San. ve Tic. A.Ş.	0.0000006%
QNB Portföy Yönetimi A.Ş.	0.0000006%

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Our Journey of Sustainable Success

2009
Establishment

2011
Branching begins.

2017
The Company is named QNB Finans Faktoring A.Ş.

2017
Planning for in-house factoring software begins in collaboration with QNB subsidiary IB-Tech,

followed by the commencement of core factoring scope studies.

2018
Analysis efforts are initiated.

Software development is completed.

2019
User Acceptance Testing begins,

and the core factoring system goes live.

The Company ranks among the top five private factoring companies in the industry.

2020
Infrastructure is prepared to facilitate transaction requests through digital channels.

2021
An automated decision-making structure for scoring is implemented.

2022
The Company rises to the top three among private factoring companies in the industry.

2023
In addition to branch operations, web and mobile channels, along with Digital Bridge integrations, are established.

2024
A new mobile and web design process is launched in collaboration with IB-Tech,

and the Company name is changed to “QNB Faktoring A.Ş.”

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2024 Highlights

2024 has emerged as a pivotal year, with all stakeholders in the industry facing shared challenges amidst global economic uncertainties. A key factor contributing to this situation is the sluggish economic growth across many countries, driven by stringent policies enacted by the US and European nations, which are significant players in the global economy. Meanwhile, relatively robust growth in China and other emerging economies has helped to reduce inflation in several regions; however, elevated interest rates have dampened economic activity. Additionally, the ongoing conflict between Russia and Ukraine, rising tensions in the Middle East, and geopolitical risks in Taiwan have further heightened uncertainty in the global economy. These developments have substantially impacted the factoring industry. The slowdown in global trade and increased liquidity demands from businesses have led to a surge in the need for factoring services. Furthermore, widespread protectionist measures and sanctions in international trade have prompted companies to seek diverse financing options. Consequently, despite high interest rates, businesses are increasingly opting for more flexible and expedited solutions compared to traditional financing methods. The factoring industry, in particular, plays a crucial role in facilitating access to financing for SMEs, and a faster period of digitalization has opened up new avenues for innovation within the industry.

In Türkiye, a tight monetary policy and macroprudential measures have played a key role in maintaining macroeconomic rebalancing. Confidence among domestic and foreign investors in the Turkish lira has been bolstered by a decline in the country's risk premium and an upgrade in Türkiye's credit rating. This improvement is largely attributed to the shift of domestic savings into Turkish lira assets and ongoing capital inflows. Additionally, the Central Bank's accumulation of reserves and the reduction of the current account deficit are significant factors contributing to economic stability. Despite a significant reduction in inflation since the second half of the year, largely due to the base effect, inflation remains above targeted levels, indicating that monetary and fiscal policies will continue to be stringent. While a partial slowdown in the growth rate is expected in the short term, measures are anticipated to promote lasting stability in the medium and long term, leading to a permanent decrease in inflation and enhanced economic stability and growth.

Products and Services Developed by QNB Faktoring in 2024

This positive and dynamic environment in the factoring industry is evident in the new products and services offered by QNB Faktoring. With the addition of the “QNB Faktoring” barcode to the checkbooks of QNB Türkiye, it was aimed to streamline the financing processes for businesses. Additionally, improvements in scoring have enabled faster and more accurate risk analysis of customers. Collaborations with platforms like Figopara and Faturalab have allowed the Company to expand its reach within the digital ecosystem. Additionally, the introduction of the DDAS (State Supported Receivables Insurance) policy has enhanced the secured financing options available. These initiatives represent innovative practices that provide significant value to both customers and the industry.

In response to the limited approval from the BRSA for the factoring industry regarding remote identity verification and contract signing, the Company has planned to revamp its existing mobile application and has begun the necessary analysis. Once these developments are completed, a rapid increase in the number of customers, particularly in the micro segment, is anticipated.

2024: An Overview of the Sustainable Success Journey

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In 2024, QNB Faktoring continued its trajectory of sustainable and stable growth with unwavering determination. Ongoing improvements to technological infrastructure have further enhanced the ability to respond quickly to new customer needs. The Company has maintained high levels of profitability while minimizing risks, showcasing the effectiveness of its strong cost management policies. With a solid balance sheet bolstered by capital increases, QNB Faktoring secured its place among the top three private companies, rising to second position.

Key Financial Indicators

Data recorded in 2024 clearly demonstrates QNB Faktoring's strong performance. As of December 2024, total assets rose by 72% year-on-year to TL 27 billion 545 million. During the same period, factoring receivables increased by 75% to TL 26 billion 849 million, resulting in a 9.3% market share within the industry. Net profit amounted to TL 1 billion 346 million, further affirming QNB Faktoring's ability to generate sustainable income. Key factors contributing to this efficiency include the diversification of financing sources and a focus on cost management.

QNB Faktoring boasts a solid financial structure, supported by a robust capital structure and high return on equity. The Company effectively leverages its capital for trade finance activities while consistently maintaining its return on equity. Due to its strong main shareholder and successful financial performance, QNB Faktoring can secure loans from numerous banks both in Türkiye and abroad, as well as issue bonds. This diverse funding strategy not only provides cost advantages but also minimizes risks associated with maturity mismatches. QNB Group holds a significant position in Türkiye's financial markets, and its strong financial foundation is validated by high ratings from independent rating agencies.

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Key Financial Indicators

Summary Financial Information					
(TL million)	2020	2021	2022	2023	2024
Factoring receivables	2,131	3,708	9,512	15,335	26,849
Total Assets	2,207	4,063	9,745	16,058	27,545
Equity	213	274	584	1,523	3,872
Factoring Revenues	231	516	1,594	4,229	7,764
Net Profit for the Period	33	61	315	939	1,346
Return on Equity (%)	16.6%	25.3%	73.4%	89.2%	49.9%
Capital/Total Assets (%)	9.7%	6.7%	6.0%	9.5%	14.1%

Credit Ratings

Fitch Ratings	
Long-Term FX Issuer Default Rating	BB- / Stable Outlook
Long-Term TL Issuer Default Rating	BB- / Stable Outlook
Short-Term FX Issuer Default Rating	B
Short-Term TL Issuer Default Rating	B
Long-Term National Rating	AA (tur) / Stable
Shareholder Support Rating	bb-

Turk Rating	
Long-Term National Rating	TR AA (Stable)
Short-Term National Rating	TR A1 (Stable)

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Our Awards and Achievements

Ms. Nergis Ayvaz Bumedian, General Manager of QNB Faktoring, was once again recognized by Ekonomist magazine as one of the '50 Powerful Women CEOs' in 2024, marking her eighth consecutive year receiving this prestigious award since 2018. This enduring success is a testament to her leadership and vision, which significantly contribute to QNB Faktoring's sustainable growth objectives.

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Sustainability Governance

Our Sustainability Strategy and Organization

QNB Faktoring defines sustainability as a commitment to create long-term financial, environmental, social, and ethical value for customers, shareholders, employees, and society, in alignment with QNB Group's overall sustainability strategy. Set to encourage and implement contributions to the future of society, this report has been prepared in line with the QNB Group Sustainability Policy and is presented as a reflection of the QNB Faktoring Sustainability Policy. The policy articulates the Company's sustainability vision and its commitments to environmental, social, and governance (ESG) issues, addressing both the direct and indirect impacts of its operations. With this policy, a consistent and integrated sustainability approach is implemented across all operations.

While the Sustainability Policy outlines the Company's general ESG commitments, it is further supported by additional subject-specific policies, position statements, and guiding principles as needed. This framework ensures compliance with ESG regulations at the highest standards and is grounded in a commitment to internationally recognized sustainability principles, such as environmental protection, respect for human rights, improvement of working conditions, and anti-corruption. Consequently, QNB Faktoring has adopted a holistic approach that transcends financial services, addressing the climate crisis and the associated environmental, social, and economic risks that require collective global action.

The QNB Faktoring sustainability policy was established on June 6, 2024, under the code POL.019, and is designed to be updated as necessary. This policy serves as the cornerstone of the Company's sustainability strategy, guiding its long-term goals at both operational and strategic levels.

Sustainability Approach: Three Pillars

The sustainability approach is founded on three key pillars: ***Sustainable Finance***, ***Sustainable Operations***, and ***Corporate Social Responsibility.*** These pillars enable the Company to manage risks effectively, create new business opportunities, and enhance brand value. Additionally, they encompass commitments aligned with QNB Group's sustainability strategy and address material issues in accordance with international standards.

QNB Faktoring is dedicated to providing financial solutions in the Turkish factoring industry and making a lasting, positive impact on society and the environment. To achieve this, the Company focuses on minimizing its environmental footprint by promoting sustainable finance practices, enhancing operational efficiency, and contributing to society through social responsibility initiatives.

The Company's sustainability strategy is designed to address societal and environmental needs through strong dialogue and collaboration with stakeholders. Key goals include fulfilling environmental responsibilities, building social impact, and maintaining ethical business practices. QNB Faktoring is committed to a long-term sustainability approach, creating value for its stakeholders through innovative strategies integrated into all aspects of its operations.

Sustainable Finance: An Approach That Shapes the Future

Sınıflandırma: Genel / Kişisel Veri İçermez

Sustainable finance embodies QNB Faktoring's commitment to delivering long-term value to its customers by incorporating recognized environmental, social, and governance (ESG) criteria into its business processes. This approach transcends traditional financial services, aiming to manage environmental and social risks, bolster businesses that promote sustainable development, and create equitable opportunities for individuals and small to medium-sized enterprises (SMEs) with limited access to financing.

For QNB Faktoring, sustainable finance is the primary avenue for supporting both national and global development initiatives. It helps mitigate reputational risks, fosters the transition to a more environmentally friendly and inclusive economy, and maximizes business opportunities generated by this shift. In line with this vision, the Company is dedicated to fulfilling several key commitments in the realm of sustainable finance.

Environmental and Social Risk Management in Lending
QNB Faktoring systematically manages environmental and social risks by applying internationally recognized risk categorization to its financing transactions. By incorporating these principles into all evaluation processes (due diligence), the Company seeks to minimize potential negative impacts from financial transactions and enhance transparency.

Sustainable Loan Portfolio
QNB Faktoring has established methodologies and criteria for “green” and “social” loan portfolios in accordance with international standards to contribute to sustainable development goals. This ensures that the loan portfolio is continuously monitored and managed based on sustainability principles.

Sustainable Products and Services
: The Company creates innovative products and services designed to foster social and environmental impact, boost financial inclusion, and address global challenges such as climate change. By closely monitoring evolving technological trends, QNB Faktoring consistently improves its product and service offerings with a customer-focused approach.

Sustainable Investment:
QNB Faktoring strengthens its internal capacity to evaluate the ESG risks and opportunities associated with investments, contributing to customers' projects from a sustainability perspective. This strategy aids both the Company and its customers in achieving long-term financial and environmental objectives.

SMEs and Entrepreneurship
QNB Faktoring seeks to increase financing sources to support the growth of SMEs and entrepreneurs, while also reaching out to underserved segments lacking access to financial services in order to increase financial inclusion. This initiative is fundamental to promoting economic development and social equality.

Responsible Customer Communication and Marketing Activities
The Company upholds transparent and responsible communication principles, empowering customers to make informed financial decisions. In this regard, ethical values are prioritized in the financial services provided to customers.

Confidentiality of Customer Information and Data Security

QNB Faktoring is committed to safeguarding customer information and ensuring data security in accordance with applicable regulations. Protecting customer data and respecting privacy are among the Company's top priorities.

End-to-End Sustainability Management at QNB Faktoring
At QNB Faktoring, sustainability is managed within a well-structured organizational framework and is integral to corporate decision-making processes. The Company has established a comprehensive governance model to effectively coordinate sustainability initiatives and align them with strategic objectives. This model includes a Sustainability Committee, Sub-Working Groups, the Board of Directors, and Internal Systems.

Sustainability Committee
The Sustainability Committee serves as the primary decision-making body for the implementation and management of QNB Faktoring's sustainability strategies. Its key responsibilities include reviewing the sustainability strategy and commitments, identifying material issues, assessing ESG-related risks and opportunities, and monitoring performance. The Committee reports to the Board of Directors on significant risks and opportunities as needed.

Established to guide sustainability initiatives on behalf of the Company, the Committee ensures effective execution of these activities, supported by a relevant Board Resolution. Under its purview, specialized working groups focus on various sustainability issues, contributing to the achievement of sustainability goals through processes in finance, marketing, digitalization, technology, operations, credit, legal compliance, and human resources.

The Committee is chaired by the General Manager of the Company, with the Vice Chairperson being the Executive Vice President of Financial Control and Fund Management, Customer Relationship Management, and Operations. In the General Manager's absence, the Vice Chairperson assumes the chair. If both executives are unavailable, any Committee member may take the lead. In alignment with a shared strategic sustainability vision, Committee members and sub-working groups collaborate to ensure QNB Faktoring meets its sustainability objectives.

Led by the General Manager, the Committee comprises the Company's top executives and at least two representatives from the Sustainability Management Team. Members are selected from managers across core functions, actively participating in the implementation and monitoring of sustainability strategies.
Committee members represent business units such as Financial Control and Fund Management, Customer Relationship Management, Sales and Marketing, Loans, Human Resources, Internal Communications and Administrative Affairs, Internal Control, Legal Compliance, and Risk Management. This diverse representation ensures that sustainability efforts are woven into all organizational processes, contributing to the Company's environmental, social, and governance goals. The Sustainability Committee plays a vital role in realizing QNB Faktoring's sustainability vision by identifying strategic priorities and taking necessary actions. The composition of the Committee may evolve in time based on organizational needs. If necessary, sub-working groups can be established by the Committee Chairperson or Vice Chairperson to report back to the Sustainability Committee. This flexibility optimizes the effectiveness of sustainability initiatives and fosters a dynamic organizational structure. Additionally, a representative from QNB Türkiye may attend

Committee meetings as an observer, promoting consistent implementation of the sustainability vision across the Group.

All Committee members are listed in the table below:

Members of the Sustainability Committee

Department
CEO/Board Member
Executive Vice President of Financial Control / Fund Management – Customer Relationship Management – Operations
Sales and Marketing, Executive Vice President
Loans, Executive Vice President
Financial Control and Fund Management Director
Head of Human Resources, Internal Communications & Administrative Affairs
Head of Internal Audit and Internal Control

Sustainability Team
The Sustainability Team manages sustainability initiatives at the operational level. Their responsibilities include establishing policies and procedures, managing stakeholder expectations, preparing sustainability reports, and addressing ESG-related inquiries. They oversee processes related to finance, marketing, operations, credit, legal compliance, and human resources that pertain to sustainability. Additionally, the team serves as a consultant to the Committee and senior management, ensuring that sustainability goals are integrated across the organization.

Board of Directors
The Board of Directors supports the achievement of the sustainability agenda in alignment with the Company's strategies. Regularly updated by the Committee, the Board evaluates the effectiveness of actions taken to meet sustainability goals and provides guidance to the Committee as needed.

Internal Systems and Risk Management
Internal Systems encompasses risk management, internal control, internal audit, and legal compliance units. These units support the Sustainability Team by guiding to ensure the proper implementation of sustainability policies across the Company. They play a crucial role in executing the Company's sustainability strategies at the operational level.

Assessment of Risks and Opportunities in Sustainability Governance
The Sustainability Committee is tasked with implementing the Company's sustainability strategies, assessing associated risks and opportunities, and directing operational actions. To achieve this, the Committee holds monthly meetings to discuss key sustainability-related issues and coordinates decision implementation by engaging sub-working groups when needed.

Sınıflandırma: Genel / Kişisel Veri İçermez

Additionally, the Committee updates the Board of Directors on TSRS compliance, as well as risks and opportunities related to sustainability. This process ensures that both short-term operational decisions and long-term strategic objectives align with sustainability principles, allowing for regular and effective evaluation of sustainability initiatives throughout the Company's management structure.

Our Sustainability Goals

A Strategic Roadmap

Sustainability goals serve as a roadmap for creating long-term value by integrating environmental, social, and governance (ESG) principles into strategic business processes. These goals establish a vital framework for enhancing financial stability and reputation while contributing to sustainable development.

The roadmap's cornerstones include building sustainability infrastructure and establishing short-term strategic foundations, transforming operational processes in the medium term, and making a significant impact in the industry in terms of sustainability in the long term. Management bodies regularly monitor the progress of these goals through meetings and performance evaluations.

The table below outlines the sustainable growth process, detailing the established goals and the strategic priorities that support them.

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Target Timeframe	Topic	Remarks
Short Term Targets	Policy and Strategy Formulation	Develop a corporate policy and strategy centered on sustainability.
	Reporting and Transparency	Prepare the first ESG-focused sustainability report and present it to stakeholders. Assess the sustainability risks associated with existing business processes and identify areas for improvement.
	Education and Awareness Initiatives	Organize training programs to increase awareness of sustainability issues among employees and customers. Adapt the concept of sustainability to financial products and services.
	Collaborations and Compliance	Engage in national and international sustainability initiatives to leverage best practices in the industry. Ensure compliance with regulations and stay updated on developments in this area.
Medium Term Targets	Sustainability in Products and Services	Offer factoring products and services that comply with ESG standards. Implement policies to finance environmentally friendly sectors and companies.
	Data and Performance Monitoring	Establish mechanisms for collecting and analyzing carbon footprints, environmental impacts, and similar data, and planning processes for customer sustainability performance. Integrate these processes into sustainability risk management strategies.
	Reputation and Brand Management	Leverage sustainability practices to differentiate the Company within the industry and raise brand awareness. Foster stronger relationships with stakeholders to build trust among investors and business partners.
	Digitalization and Use of Technology	Implement technological innovations to minimize environmental impact through enhanced energy efficiency and streamlined digital processes. Expand the customer base using

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		green financing tools and digital platforms.
Long Term Targets	Industry Leadership	Aim for a leadership position or higher ranking in terms of ESG performance within the industry.
	Carbon Neutrality and Climate Goals	Strive for carbon neutrality in company operations. Develop policies that support the carbon reduction targets of borrowing companies.
	Circular Economy and Innovative Models	Promote business models that contribute to the circular economy. Create specialized factoring packages that encourage sustainable business practices.
	Social Impact Creation	Support economic development by contributing to the sustainability transformation of SMEs and expanding financing services for women entrepreneurs, social enterprises, and disadvantaged groups.
	Sustainable Financing Portfolio	Optimize the Company's overall ESG impact by developing a significant portion of the factoring portfolio from environmentally and socially sustainable sectors.

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Stakeholder Engagement and Communication

Strong and effective communication with stakeholders is a cornerstone of QNB Faktoring's sustainability strategy. The Company views partnership with stakeholders not only as an operational necessity but also as essential for long-term business success and sustainability. To facilitate this, specialized communication strategies and platforms have been created for different stakeholder groups.

Stakeholder relations are a critical component of QNB Faktoring's sustainability and operational success. The Company engages a diverse range of stakeholders, including customers, employees, investors, and suppliers. These relationships are built on the principle of mutual benefit and are grounded in a foundation of cooperation.

Stakeholder Groups

Internal Stakeholders	Management Employees Shareholders
External Stakeholders	Customers Suppliers Public Institutions Civil Society Organizations Regulatory and Supervisory Authorities National and International Financial Institutions Media Rating Agencies Sectoral Associations and Organizations Society and Local Communities

Stakeholder Communication in 2024

In 2024, QNB Faktoring employed a variety of modern platforms and methods to engage with its stakeholders, utilizing both digital and traditional communication tools. A customer-oriented approach is a key element of QNB Faktoring's communication strategy, ensuring that customers benefit from rapid and easy access to information. Through digitalization and modern technologies, the Company has established a robust communication network grounded in transparency and accountability.

Platforms and Methods Used

Digital Platforms	The website and mobile applications enable customers to apply quickly and access

	information with ease.
Social Media	Up-to-date information was shared on social media channels, including LinkedIn, Instagram, Facebook, and YouTube, to boost customer interaction.
Physical Communication	QNB Faktoring's extensive branch network allows customers to obtain information and utilize services directly.
Other Channels	Tools such as telephone, email, SMS, press releases, customer meetings, and the Digital Bridge Customer Service Center were also actively utilized.

Customer Relationships and Strategic Approach
QNB Faktoring views its customers as a crucial stakeholder group and incorporates a customer-oriented approach into all its policies. This commitment drives the Company to prioritize understanding customer needs and providing tailored solutions. Flexible financial solutions are developed to address these needs quickly and effectively, while the customer experience is continually elevated through digitalization and modern technologies. By leveraging digital platforms, QNB Faktoring facilitates communication and improves service delivery, leading to faster results and increased customer satisfaction.

The Company offers specialized product and service packages designed to meet the diverse needs of businesses across various sectors, creating customized solutions for small-, medium-, and large-scale enterprises. Grounded in principles of transparency, ethical values, and reliability, QNB Faktoring strives to build strong, trust-based relationships and foster long-term cooperation with its customers. Additionally, the Company is dedicated to promoting sustainability awareness among its customers and supporting their transformation towards environmental and social responsibility through relevant products and services. Through these comprehensive and innovative strategies, QNB Faktoring continues to strengthen its connections with customers.

Stakeholder Group	**Stakeholders**	**Why Is It Important for QNB Faktoring?**	**Communication Channels**	**Communication Frequency**
External Stakeholders	Customers	QNB Faktoring implements its corporate strategy to fulfill its mission of maximizing customer satisfaction. With	Customer Solution Center Communication Channels, QNB Faktoring's corporate website, corporate social media accounts, branches,	Continuous

		a diverse customer base, the Company offers financing solutions to support sustainable growth.	Digital Bridge, Customer Service Center, press releases, customer meetings, telephone, email, and SMS	
	Suppliers Public Institutions Civil Society Organizations Regulatory and Supervisory Authorities National and International Financial Institutions Media Rating Agencies Sectoral Associations and Organizations Society and Local Communities	QNB Faktoring prioritizes adherence to legal regulations and the requests of official institutions, as well as important information and permission processes, alongside QNB Türkiye Group. QNB Faktoring actively participates in industry associations and organizations as a leading and pioneering company. It stands out as an organization that responds swiftly when needed, within the framework of social sensitivity and a strong sense of responsibility.	QNB Faktoring corporate website, corporate social media accounts, press releases, interviews, telephone, email, SMS, KEP address, official institution notifications, reports from rating agencies, and correspondence with the Association of Financial Institutions	
Internal Stakeholders	Management Employees Shareholders	QNB Faktoring's shareholders and investors bolster the Company's financial strength. By adopting a mutual value approach, QNB Faktoring fosters a positive corporate reputation. • Activities of the Investor Relations Unit • Annual Sustainability Reports • Investor Interviews • Investor Meetings • Public Disclosure Platform (KAP) Notifications (Annual and Quarterly)		

Collaboration with Stakeholders and Sustainability Projects
QNB Faktoring is committed to fostering a strong communication network with its stakeholders while creating a positive social impact through sustainability-focused projects and collaborations. The New Mobile Project, launched in 2024, aims to maximize customer satisfaction and promote sustainable financing by providing fast, easy, and environmentally friendly financial solutions through increased digitalization.

As part of its social responsibility initiatives, the Company has undertaken significant projects in partnership with the Hope Foundation for Children with Cancer (KAÇUV) and the Educational Volunteers Foundation of Türkiye (TEGV). The climate awareness training organized in collaboration with TEGV seeks to educate children about environmental issues, while support for KAÇUV is aimed at fostering social solidarity and awareness.

Additionally, the practice of gifting thermos cups to employees on their birthdays not only deepens internal stakeholder communication but also promotes environmental awareness and boosts employee engagement.

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Corporate Memberships and Supported Initiatives

QNB Faktoring reinforces its leadership in the finance industry and commitment to sustainability through robust corporate memberships and significant initiatives. As a member of the Association of Financial Institutions (FKB) since 2024, the Company actively contributes to improving industry regulations and elevating standards in financial services.

Additionally, as a member of the Financial Literacy and Access Association (FODER), QNB Faktoring supports initiatives aimed at improving financial literacy and empowering individuals in their financial decision-making. The Company is involved in projects that strive to provide access to financial services for all walks of life.

On the international stage, QNB Faktoring’s membership in Factoring Chain International (FCI) enables it to deliver factoring services that meet global standards while fostering international collaborations. These memberships and initiatives are crucial for promoting innovation and inclusion in the finance industry, aligning with the Company's sustainability strategies.

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Priority Issues and Prioritization Analysis

	QNB Group Key Sustainability Principles
1	Corporate Governance and Risk Management
2	Legal Compliance and Business Ethics
3	Sustainable Financial Performance
4	Cybersecurity and Customer Privacy
	Very High Priority
5	Customer Experience and Satisfaction
6	Employee Satisfaction and Engagement
7	Operational Excellence and Business Continuity
8	Combating Climate Change and Environmental Compliance
	High Priority
9	Sustainable Finance
10	Digital Transformation and Innovation
11	Sustainable Value Chain Management
12	Financial Inclusion
	Material
13	Social and Community Investment
14	Equal Opportunity, Diversity and Gender Equality

ENVIRONMENTAL
SOCIAL
GOVERNANCE
ECONOMIC

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Sustainable Development Goals We Contribute to

QNB Faktoring's Priority Issues in 2024 QNB Group Key Sustainability Principles	SDGs
Corporate Governance and Risk Management	
Legal Compliance and Business Ethics	
Economic Sustainable Financial Performance	
Cybersecurity and Customer Privacy	
Customer Experience and Satisfaction	
Operational Excellence and Business Continuity	
Digital Transformation and Innovation	
Sustainable Value Chain Management	
Social Employee Satisfaction and Engagement	
Financial Inclusion	
Social and Community Investment	
Equal Opportunity, Diversity and Gender Equality	
Environmental	

Combating Climate Change and Environmental Compliance

Sustainable Finance



Corporate Sustainability

Board of Directors, Senior Management and Committees

Board of Directors

The Board of Directors is made up of seven members, including one independent member. All members are experienced and respected professionals who have held senior executive positions at QNB Türkiye. The Chairperson of the Board also serves as the General Manager of QNB Türkiye.

Board Members and Their Respective Experience

	Name	Title
Board of Directors	Osman Ömür Tan	Chairperson of the Board of Directors
	Nergis Ayvaz Bumedian	CEO and Member
	Adnan Menderes Yayla	Member
	Bülent Yurdalan	Member
	Engin Turhan	Member
	Okay Yıldırım	Member
	Osman Reha Yolalan	Member (Independent)

Member of the Board of Directors	Term of Office
Osman Ömür Tan	2 years
Nergis Ayvaz Bumedian	15 years
Adnan Menderes Yayla	15 years
Bülent Yurdalan	10 years
Engin Turhan	3 years
Okay Yıldırım	3 years
Osman Reha Yolalan	3 years

Osman Ömür Tan - Chairperson of the Board of Directors

Born in 1971, Ömür Tan graduated from Ankara Atatürk Anatolian High School and earned a bachelor's degree in Statistics from Hacettepe University, followed by an MBA from Bilgi University. He began his banking career as a Management Trainee at Yapı ve Kredi Bank in 1995 and joined Finansbank A.Ş. in 1998. Over the years, Mr. Tan has held various roles in corporate branches, including Corporate Branch Manager, Head Office Key Account Management Group Manager, and Group Manager in charge of Corporate Banking. In 2011, he became the Executive Vice President of Corporate and Commercial Banking, overseeing Project Finance, Cash Management, and Foreign Trade Finance. He was appointed General Manager of QNB Finansbank in January 2022 and currently serves as Chairperson of the QNB Faktoring Board of Directors and Vice Chairperson of the QNB eFinans Board of Directors.

Nergis Ayvaz Bumedian - General Manager and Board Member

Nergis Ayvaz Bumedian graduated from Boğaziçi University with a degree in Economics in 1992. She worked in Corporate Marketing at Yapı ve Kredi Bankası from 1992 to 1995 and at Demirbank T.A.Ş. from 1995 to 1997. Ms. Ayvaz joined Finansbank A.Ş. in 1997 as

Corporate Marketing Assistant Vice President, later becoming Branch Manager in 1998 and Commercial Banking Group Manager in 2000. She served as Executive Vice President of Commercial Banking at Finansbank from January 1, 2008, until June 8, 2009, when she was appointed General Manager of QNB Faktoring. Ms. Ayvaz has also been a member of the Board of Directors of QNB Faktoring since November 4, 2009.

Adnan Menderes Yayla - Board Member
Adnan Menderes Yayla graduated from the Faculty of Political Sciences at Ankara University with a degree in Economics in 1985. He completed his MBA at the University of Illinois at Urbana-Champaign, USA, from 1992 to 1994. Mr. Yayla began his career at the Ministry of Finance, where he served as Assistant Finance Inspector and Finance Inspector from 1985 to 1995. He then worked as the Head of the Project Valuation Department at the Privatization Administration from 1995 to 1996. Following this, he held various positions at PriceWaterhouseCoopers in Istanbul and London, advancing from Manager to Senior Manager and eventually Partner between 1996 and 2000. From 2000 to 2008, he was the Executive Vice President at Türk Dış Ticaret Bankası A.Ş. (Fortis), overseeing the Financial Control Group and Risk Management. On May 20, 2008, Mr. Yayla joined Finansbank A.Ş. as Executive Vice President and Group CFO. He has been a member of the Executive Committee and Group CFO of QNB Türkiye A.Ş. since August 2008 and has served on the Board of Directors of QNB Faktoring A.Ş. since June 8, 2009.

Bülent Yurdalan - Board Member
Bülent Yurdalan graduated from the Eskişehir Academy of Economic and Commercial Sciences, Kütahya Faculty of Management Sciences in 1980. He began his banking career at Pamukbank in 1982 and later worked at Citibank Türkiye. In early 1988, Mr. Yurdalan joined Finansbank A.Ş., where he held senior roles in branch operations, the Board of Inspectors, Treasury Operations, General Accounting, Internal Control departments, and various foreign and domestic Fiba Group banks. He was appointed Chief Audit Officer in 2003, became the Head of Internal Systems in October 2013, and was named a Board Member in September 2014.

Engin Turhan - Board Member
Born in 1980, Mr. Turhan graduated from Marmara University, Faculty of Economics and Administrative Sciences, with a degree in Economics. He holds a master's degree in International Economics, Politics, and Business Administration. Mr. Turhan began his banking career at Finansbank A.Ş. in 2003 as a Management Trainee. After working in various roles in the Credits Department until 2005, he transitioned to Project Finance, where he worked as a specialist and manager in Project Monitoring, Project Evaluation, Corporate Finance, and Syndications. In 2012, he was appointed as Corporate Banking Structured Finance and Syndication Group Manager, and in 2014, he took on the Derivatives Sales function as Director. In 2015, he added Commercial Banking to his responsibilities, and as of June 2016, he serves as Executive Vice President, overseeing Commercial Banking and Project Finance. Since January 2022, Mr. Turhan has continued as Executive Vice President in charge of SME and Commercial Banking, Cash Management, and Foreign Trade, while also serving as a Board Member of QNB Faktoring A.Ş.

Okay Yıldırım - Board Member
Okay Yıldırım graduated from Ankara University, Faculty of Political Sciences, Department of Finance in 2000 and began his banking career at Garanti Bank as a Management Trainee the same year. He has held various managerial positions at TEB and QNB Finansbank in

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Commercial Banking, SME Banking, Retail Banking, Cash Management, and Foreign Trade Departments. In 2018, he became the General Manager of QNB eFinans, the e-transformation Fintech of QNB Finansbank Group. Currently, Mr. Yıldırım serves as the Managing Director of Service Banking and Digital Bridge at QNB Group and holds Board Memberships at QNB Faktoring as well as other QNB subsidiaries.

Osman Reha Yolalan - Board Member
Mr. Yolalan holds a Bachelor's degree in Industrial Engineering from Istanbul Technical University and a Master's degree in Industrial Engineering from Boğaziçi University. He earned his PhD in Management Sciences from Laval University in Quebec, Canada, and was designated as a University Associate Professor in Operations Research in 2000. He began his banking career in 1991 as a Specialist in the Strategy Planning Department at Yapı ve Kredi Bank. From 1994 to 2000, he served as the Head of the Corporate and Economic Research Department, followed by his role as Executive Vice President in charge of Financial Analysis and Credit Risk Management from 2000 to 2004. Mr. Yolalan was the General Manager and a Member of the Board of Directors at Yapı ve Kredi Bankası from 2004 to 2005, and he served on the Board of Directors of Eurobank Tekfen A.Ş. from 2006 to 2012. Between 2006 and 2019, he held the position of Vice President in charge of Corporate Affairs at Tekfen Holding and has been serving as Vice President in charge of Financial Affairs since March 2019. Additionally, he was an Independent Board Member at QNB Finansbank A.Ş. from 2016 to 2021. With 30 years of experience, Mr. Yolalan has been teaching banking as a part-time lecturer at various universities in Türkiye and has published articles in international journals focused on banking management. As of March 2022, Osman Reha Yolalan has been appointed as an Independent Board Member at QNB Faktoring A.Ş.

Senior Management

Senior Management Members and Their Respective Experience

	Name	**Title**
Senior Management	Nergis Ayvaz Bumedian	CEO and Board Member
	Kudret Sarsan	Executive Vice President, Financial Control & Fund Management, Customer Relationship Management & Operations
	Çağrı Ali Ekmekci	Executive Vice President, Sales & Marketing
	Sinan Güvensoy	Executive Vice President, Loans

Senior Management Member	Total experience at QNB Faktoring (in Years):
Nergis Ayvaz Bumedian	15 years
Kudret Sarsan	15 years
Çağrı Ali Ekmekci	15 years
Sinan Güvensoy	5 years

Kudret Sarsan – Executive Vice President, Financial Control and Fund Management, Customer Relationship Management, and Operations
Kudret Sarsan, born in 1965, graduated from Istanbul University's Faculty of Business Administration in 1989. She completed her master's degree in Banking at Yeditepe University from 2000 to 2002. Ms. Sarsan began her banking career in 1988, holding various positions at Yapı ve Kredi Bankası A.Ş. until 1995. She then served as the Assistant Manager of Foreign Relations at Demirbank T.A.Ş. from 1995 to 1997, and as the Assistant General Manager of Operations at Yapı ve Kredi Finansal Kiralama A.O. from 1997 to 2000. From 2000 to 2008, she was a Team Leader at Citibank A.Ş. Since 2009, Ms. Sarsan has worked at QNB Faktoring A.Ş., initially as Domestic and International Operations Manager, then as Operations Director. Since 2017, she has held the position of Executive Vice President, overseeing Financial Control and Fund Management, Customer Relationship Management, and Operations.

Çağrı Ali Ekmekci - Executive Vice President, Sales and Marketing
Born in 1972, Mr. Ekmekci graduated from the Department of Finance at Uludağ University in 2003. He began his banking career at Bank Ekspres A.Ş. in 1998 and continued at Tekfen Bank A.Ş. from 2003 to 2004. From 2004 to 2009, he held various positions in the Sales and Marketing Department at QNB Türkiye A.Ş., culminating in his role as Branch Manager. Since 2009, Mr. Ekmekci has been with QNB Faktoring A.Ş., where he has served as Executive Vice President in charge of Sales and Marketing since 2017.

Sinan Güvensoy – Executive Vice President, Loans
Mr. Güvensoy, born in 1977, graduated from Istanbul University with a degree in Economics in English in 1998. He completed his master's degree in Financial Economics at Bilgi University from 2010 to 2012. Mr. Güvensoy began his banking career as an Inspector at QNB Türkiye A.Ş. in 2002 and subsequently worked at Tekstil Bank A.Ş. from 2005 to 2008. He continued his career at Fortis Bank A.Ş. between 2008 and 2009 before returning to QNB Türkiye A.Ş. in 2009. Since then, Mr. Güvensoy has held various positions within the Loans Department at QNB Türkiye A.Ş. and, as of 2019, he has been serving as the Executive Vice President in charge of Loans at QNB Faktoring A.Ş.

Committees
QNB Faktoring has established various committees that concentrate on distinct areas of expertise to support the Company's strategic objectives, manage risks, and enhance the efficiency of operational processes. Each committee plays a vital role in the corporate structure by assuming specific responsibilities aligned with the Company's governance and sustainability principles. These committees operate across a broad spectrum of areas, including internal regulations and information security.

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Committees at Board Level

Committee	Description	Name	Title
Credit Committee 1	To evaluate and approve credit limits up to a specified amount.	Osman Ömür Tan	Chairperson of the Board of Directors
		Nergis Ayvaz Bumedian	CEO and Member
		Sinan Güvensoy	Executive Vice President, Loans
Credit Committee 2	To evaluate and approve all credit limits without an amount restriction.	Credit Committee 1	Members of the Credit Committee 1
		Board of Directors	Members of the Board of Directors
Risk Committee	The primary purpose of the Committee is to support the Board of Directors in fulfilling its oversight responsibilities regarding credit, market, operational, liquidity, and reputational risks, as well as other risk management activities.	Engin Turhan	Member
		Bülent Yurdalan	Member
Procurement Committee	Established to ensure more effective control over spending and procurement policies.	Osman Ömür Tan	Chairperson of the Board of Directors (Chairperson of the Committee)
		Nergis Ayvaz Bumedian	CEO and Member
		Adnan Menderes Yayla	Member

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Senior Management Level Committees

Committee	Description	Title
Disciplinary Board	Evaluates behaviors that violate company regulations, general principles, customs, or directives, and applies penalties for irregularities as defined under "Disciplinary Actions."	CEO and Board Member
		Executive Vice President, Financial Control & Fund Management, Customer Relationship Management & Operations
		Executive Vice President, Sales & Marketing
		Executive Vice President, Loans
		Head of Internal Audit and Internal Control (Chairperson of the Committee)
		Head of Human Resources, Internal Communications & Administrative Affairs
Information Security Committee	Directs, coordinates, and evaluates information security activities to protect information assets.	CEO and Board Member (Chairperson of the Committee)
		Executive Vice President, Financial Control & Fund Management, Customer Relationship Management & Operations
		Head of Internal Audit and Internal Control
		Information Technologies Manager (Vice Chairperson of the Committee)
Sustainability Committee	It is in charge of managing the Company's overall sustainability endeavors in an adequate, effective, and strategic manner; monitoring sustainability performance; and guiding and aiding the progress of the sustainability projects as planned.	CEO and Board Member (Chairperson of the Committee)
		Executive Vice President, Financial Control & Fund Management, Customer Relationship Management & Operations (Vice Chairperson of the Committee)
		Executive Vice President, Sales & Marketing
		Executive Vice President, Loans
		Financial Control and Fund Management Director
		Head of Human Resources, Internal Communications & Administrative Affairs
		Head of Internal Audit and Internal Control

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Organizational Chart

BOARD OF DIRECTORS
HEAD OF INTERNAL AUDIT AND INTERNAL CONTROL
SELİM TARI

COMPLIANCE UNIT

CEO
NERGİS AYVAZ BUMEDİAN

EXECUTIVE VICE PRESIDENT, SALES AND MARKETING
ÇAĞRI ALİ EKMEKCİ

EXECUTIVE VICE PRESIDENT, FINANCIAL CONTROL AND FUND MANAGEMENT, CUSTOMER RELATIONSHIP MANAGEMENT AND OPERATIONS
KUDRET SARSAN

EXECUTIVE VICE PRESIDENT, LOANS
SİNAN GÜVENSOY

HEAD OF HUMAN RESOURCES, INTERNAL COMMUNICATIONS & ADMINISTRATIVE AFFAIRS
SEVDA ERGÜL

HEAD OF INFORMATION TECHNOLOGIES
CEM TEKER

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Corporate Governance and Risk Management

QNB Faktoring aligns its corporate governance approach with the Company's strategic objectives, emphasizing transparency and accountability. In 2024, the Company reviewed its corporate policies and risk management strategies to strengthen the effectiveness of governance bodies, minimize risks, and boost operational efficiency. Key policies introduced in 2024 include sustainability initiatives, risk management policies, ethical guidelines, and governance procedures. These policies are designed to raise operational efficiency while ensuring the Company meets its environmental, social, and financial responsibilities.

Management Principles and Policies

QNB Faktoring's corporate governance is carried out within the framework of the stated core values:

Legal Compliance and Business Ethics: All activities are conducted in accordance with applicable laws and Company policies.

Accountability and Transparency: The Company fosters a transparent operation, taking responsibility towards all stakeholders.

Continuous Development: Business processes and policies are regularly assessed and refined.

Sustainability Policy

QNB Faktoring's sustainability policy aligns with the QNB Group's overarching framework. This policy is designed to create long-term value for customers, shareholders, employees, and society by incorporating environmental, social, and governance (ESG) criteria into all business processes.

The sustainability policy is built upon three foundational pillars: "Sustainable Finance," "Sustainable Operations," and "Corporate Social Responsibility." These pillars provide a strategic framework that supports the Company's objectives of risk mitigation, new business opportunities, and improved brand value.

The core principles underlying the Company's sustainability policy have been established within the framework of internationally recognized agreements and guidelines, including the United Nations Global Compact, the World Bank's Environment, Health, and Safety Guidelines, and the International Labor Organization's core principles on labor rights.

QNB Faktoring's sustainability policy aims to align with international standards in key areas such as environmental protection, human rights, labor rights, and anti-corruption, while integrating these values into its business processes. More detailed information about the Company's sustainability policy can be found here.

Activities of the Board of Directors and Risk Committee

The Board of Directors meets six times a year, while the Risk Committee convenes four times annually to oversee high-level risk management processes. During these meetings, market, credit, and operational risks are thoroughly assessed. Decisions are made regarding measures to address market fluctuations and action plans to resolve issues identified in operational processes. Additionally, the outcomes of these meetings and the implementation

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follow-up are regularly reviewed. Aligned with the vision of being a reliable business partner for stakeholders, all necessary mechanisms for accurately identifying, prioritizing, and effectively managing risks are appropriately administered.

Risk Management Strategy
QNB Faktoring employs a comprehensive and proactive risk management strategy that encompasses market, credit, operational, environmental, and social risks. This approach aims to foster a risk culture aligned with sustainability goals while ensuring financial stability. The strategy is overseen by senior management and relevant department heads. Regular evaluations of existing risks and the measures taken are conducted based on ongoing analyses, with additional actions implemented as needed. The risk management process is supported by methodologies and scenarios that are continuously updated to reflect market conditions.

Management of Market Risk
Market risks, including interest rate risk, currency risk, and liquidity risk, are managed according to the limitations set by the Board of Directors. Continuous monitoring and measurement of these risks are conducted using scenario analyses and methodological support from QNB Risk Management. Prepared simulations address sudden fluctuations in interest rates or changes in foreign exchange rates, enhancing the Company’s resilience against these risks. Methodologies are updated regularly to mitigate market-related uncertainties and protect the Company's financial stability.

Management of Credit Risk
Effective credit risk management is crucial for the Company's financial sustainability. QNB Faktoring effectively manages credit risks by establishing concentration limits based on customer, group, industry, and borrower profiles. For instance, loans to customers in high-risk industries are monitored continuously within established limits. Additionally, detailed analyses of borrowers' financial status, payment history, and industry performance are conducted to minimize risks in loan allocation. The Company's loan portfolio is diversified, and risk management activities are regularly updated to raise their effectiveness and maintain financial stability.

Management of Operational Risk
Annual risk control self-assessments are essential for managing operational risks. This process begins with identifying risks associated with business unit processes and evaluating the current control environment. When necessary, new control mechanisms are added to mitigate these risks. Additionally, operational losses are reported to QNB Türkiye Risk Management, and actions are taken according to QNB's operational risk methodology. Past operational losses are analyzed to implement process improvements that prevent similar occurrences. Efforts are made to ensure that the actions taken emphasize preventive measures, thereby enhancing operational resilience.

Policy and Procedure Management
QNB Faktoring employs a systematic approach to maintain all policies, procedures, and directives in a complete and up-to-date manner. Personnel are expected to revise the procedures related to their responsibilities throughout the year. At the start of the year, the Internal Audit and Internal Control Department initiates efforts for employees to review the practice directions relevant to their roles. Necessary updates are made to policies to ensure compliance with internal regulations and maintenance of operational standards.

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Internal Audit and Internal Control Mechanisms
The Internal Audit and Internal Control Department, reporting to the Board of Directors, operates in line with the annual internal audit plan. The internal audit processes assess whether the Company's operations align with principles of effectiveness and efficiency, provide guidance, and enhance the reliability of these processes. Audit activities evaluate the effectiveness and efficiency of internal control and risk management systems through an independent and objective approach.

Internal control activities ensure that the Company's operations comply with applicable legislation and internal regulations, are conducted effectively and efficiently, generate complete and reliable reports, and protect the Company's assets. Routine control activities are conducted regularly within this framework.

Internal Audit and Control Activities Conducted in 2024
In 2024, the following internal audit and control activities were completed:

Compliance with Information Systems Legislation: The Company successfully conducted one internal audit study as part of the information systems legislation compliance program.

Compliance Program Audit: In accordance with the MASAK regulations applicable to the Company, the compliance program implemented within the Company must be audited once a year. No findings were identified during the audit conducted within this scope.

Periodic Internal Control Activities: Four internal control studies were performed quarterly, covering all areas of the Company's operations.

Reporting and Monitoring of Results
Internal audit reports generated from audit activities are presented to the Board of Directors, along with recommendations for addressing the findings. Action plans are developed for the issues identified during the audit process, and the Internal Audit and Internal Control Department monitors these plans until completion.

Quarterly internal control reports are submitted to the Board of Directors. These reports detail significant findings, consultancy activities, unresolved issues, and compliance with the internal audit plan. This approach ensures regular monitoring of the Company's internal control and audit processes, fostering continuous improvement.

QNB Faktoring's internal audit and control activities are designed to enhance operational efficiency while proactively identifying and managing risks. The Company is committed to upholding corporate governance standards at the highest level, ensuring business continuity through all its initiatives.

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Legal Compliance and Business Ethics

QNB Faktoring operates with a strong commitment to legal compliance and ethical principles. Employees are expected to align their actions with the Company's values and their responsibility to society. Ethical principles and values are communicated transparently within this framework.

The Company's ethical standards and code of conduct are thoroughly outlined in the Employee Code of Conduct Directive and the Code of Ethics for Finance Professionals. These documents cover fundamental ethical values, including compliance with the law, safeguarding company assets, promoting teamwork, and protecting both company and customer confidentiality. They also provide detailed policies and directives on critical issues such as anti-bribery and anti-corruption, and preventing conflicts of interest.

To ensure ongoing adherence to these ethical guidelines, employees receive regular reminders via email. During the recruitment process, new hires are required to sign a form committing to comply with the code of ethics. These measures facilitate the effective adoption and maintenance of QNB Faktoring's ethical principles and values.

Ethics Hotline, Notifications, and Ethics Disclosure Processes

Since 2011, QNB Faktoring has maintained an active Ethics Hotline to promote the reporting of internal irregularities and ensure appropriate actions are taken. This hotline allows employees and other stakeholders to report unethical behavior or irregularities. As of 2024, no reports have been received through the Ethics Hotline.

Regular awareness and training activities are conducted to embed ethical principles among employees. New hires receive comprehensive information about ethical standards and behaviors through the Personnel Compliance Statement, and routine reminder emails raise this awareness. QNB Faktoring personnel agree and undertake to fully comply with the Company's policies, procedures, and legal regulations. Employees are expected to diligently implement essential regulations such as the Policy on *Prevention of Laundering Proceeds of Crime and Financing of Terrorism*, *the International Sanctions Directive*, *the Personal Data Protection and Processing Policy*, and the *Employee Code of Conduct Directive*, along with ethical principles and disciplinary rules.

Personnel pledge to act in accordance with these regulations throughout their employment, confirming they have read and understood the relevant documents and will fully meet their responsibilities outlined therein. They also agree to uphold the principles of business ethics and protection of competition, avoid actions that could be perceived as competition violations, and stay informed about any changes within this framework. In this regard, employees consistently align their actions with all policies, procedures, and directives from QNB Faktoring, renewing their commitments to uphold the Company values and comply with legal regulations.

Transparency, Reporting, and Auditing

Most members of the Board of Directors are senior executives from QNB Group, and the Board convenes at least six times a year. Financial information is provided to Board members through detailed reporting sets, while the Risk Committee meets four times a year to discuss risk indicators. These practices align with our commitment to transparency.

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The Company's financial statements undergo audits twice a year by independent audit firms in compliance with the Banking Regulation and Supervision Agency (BRSA) legislation and are reported accordingly. Critical financial data, including annual reports, bond issuance details, and rating outcomes, is publicly accessible on the Company's website and its Information Society Services page. Access to these resources can be obtained through the QNB Faktoring Investor Relations and Information Society Services links.

Compliance Processes with Legal Regulations and Industry Standards
The Company regularly receives updates on legal regulations and industry standards from relevant departments within QNB Group and the Association of Financial Institutions (AFI). Additionally, information shared through the Public Electronic Mail (PEM) system and sectoral information-sharing platforms is closely monitored by the Company's departments. Updates on legislative changes are promptly communicated to the appropriate business units, which then take necessary actions to guide their processes.

Legislative changes impacting various departments are discussed in meetings organized among department representatives. This collaborative approach ensures the comprehensive implementation of legal regulations. The Company employs regular communication and coordination methods to enhance the effectiveness of these processes.

The primary directives governing legal compliance and business ethics are as follows:

1. Code of Ethics for Finance Professionals
2. Employee Code of Conduct Directive
3. Procedure for Reporting Internal Irregularities and Employee Whistleblower Hotline
4. Conflicts of Interest Policy
5. Unfair Competition Guideline
6. Competition and Compliance Guideline
7. Anti-Bribery and Anti-Corruption Policy
8. Anti-Bribery and Anti-Corruption Directive
9. Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism
10. Prevention of Laundering Proceeds of Crime and Financing of Terrorism Directive
11. International Sanctions Directive
12. Internal Audit and Internal Control Department – Code of Ethics for Internal Audit Directive
13. Policy on the Protection and Processing of Personal Data
14. Directive on the Protection of Personal Data
15. Personal Data Retention and Destruction Policy
16. Directive on the Protection and Processing of Sensitive Personal Data

QNB Faktoring's regulatory compliance processes extend beyond merely adhering to regulatory bodies and industry standards; they are also reinforced by the Company's internal regulations and policies. These processes, aimed at meeting legal requirements, have been structured sustainably through diligent management oversight and proactive employee involvement. In this framework, all units of QNB Faktoring actively contribute to legal compliance by swiftly addressing legislative changes in their business processes, thereby enhancing the Company's reliability and reputation within the industry.

Anti-Bribery and Anti-Corruption
The Employee Code of Conduct Directive and the Code of Ethics for Finance Professionals form the foundation of the Company's business ethics principles. These documents address

key issues such as employees' legal compliance, protection of company assets, fostering team spirit, and maintaining customer confidentiality. Additionally, there are detailed policies and directives regarding conflicts of interest, bribery, and corruption. QNB Faktoring operates in full compliance with applicable laws, regulations, and standards. In this regard, the Internal Audit and Internal Control Department, along with the Legal Department, identify and assess risks associated with non-compliance and outline necessary actions to ensure the Company operates within the legal framework. The management team and business units are tasked with monitoring and ensuring compliance with legislation in their respective areas. Each new employee is required to sign a Personnel Compliance Statement, affirming their commitment to adhere to the relevant policies and directives.

The Company's anti-bribery and anti-corruption policy goes beyond mere legal compliance, encompassing comprehensive regulations aimed at the prevention of laundering proceeds of crime and financing of terrorism. Led by the Compliance Unit, these initiatives ensure that all business units operate in line with regulations aligned with “know your customer” principles. The established written procedures serve as a thorough guide and primary reference for all Company activities.

Ethics and Compliance Trainings

In 2024, QNB Faktoring organized extensive ethics and compliance training programs for its employees. These programs are designed to help employees fully adhere to the Company's policies, legal regulations, and ethical standards. Topics covered included Corporate and Personal Information Security, Personal Data Protection Law, Business Continuity, Occupational Health and Safety, Prevention of Laundering Proceeds of Crime and Countering the Financing of Terrorism, Competition Law, Occupational Health and Safety at Home, and Basic Sustainability. The training programs achieved a high participation rate of 98%, ensuring robust employee engagement.

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Sustainable Operations for the Future

Customer Experience and Satisfaction

QNB Faktoring employs a professional, reliable, and innovative service approach focused on customer satisfaction and experience, aiming to continuously enhance its customer relationships. The Company's customer portfolio primarily consists of micro and SME businesses, which make up 91% of its total customers, alongside an 8% commercial segment and a 1% corporate segment.

Effective communication with customers is maintained through multiple platforms, including telephone, email, meetings, the corporate website, and social media channels. Throughout 2024, the Company concentrated on developing digital channels, refining operational processes, and launching special campaigns to boost customer satisfaction. Additionally, the customer experience was further enhanced through third-party collaborations such as Digital Bridge, Supplier Platform, Figopara, and Faturalab.

While no formal customer satisfaction survey was conducted during the reporting period, all customer feedback was addressed promptly. Complaints received via the BRSA's e-complaint portal were responded to within the established timeframe, and evaluations were conducted for process improvements. Feedback from marketing and sales teams was integrated into processes to enhance service quality. Notably, no complaints were reported through social media channels.

QNB Faktoring reinforces its commitment to customer satisfaction through continuously improved service processes and robust collaboration networks, consistently creating added value for its customers.

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Digital Transformation and Innovation

QNB Faktoring's Approach to Digital Transformation and Innovation

QNB Faktoring prioritizes digital transformation and innovation as a key strategic focus, aiming to deliver cutting-edge and effective solutions to its customers in response to technological advancements. The Company shapes the efforts undertaken in this field, pursuing a series of priority actions including the optimization of customer experience, acceleration of processes, and establishment of environmental sustainability.

2024 Digital Transformation and Innovation Projects

In 2024, QNB Faktoring implemented several projects aimed at digital transformation. Notable innovations include the integration of QR codes into the mobile application and the development of a new mobile app, both designed to simplify customer transactions. Additionally, key activities during this period comprised automated pricing, the digitization of document delivery processes, and integration with the IYS system.

Digital Channel Utilization and Growth Rates

Data indicates that QNB Faktoring received 26,993 customer applications through its web and mobile platforms, resulting in 1,031 completed transactions. The Digital Bridge Platform facilitated applications from 449 SMEs, and supplier financing was extended to 8 SME companies via the FaturaLab platform.

Utilization of digital channels grew by 15% compared to 2023, reflecting the positive impact of the projects aligned with QNB Faktoring's digital transformation vision.

Year	2023	2024	Change
Number of Applications	23,500	26,993	15%

Landmark Efforts in Innovation

The new mobile application is designed to facilitate the receipt of customer documentation with digital approval and to enable remote transactions. Additionally, we have effectively utilized supplier financing platforms such as FaturaLab and Figopara, and developed email features to expedite processes for marketing personnel.

As of 2024, we established partnerships with third-party companies to address the security needs of the mobile application. Initiatives such as increasing digital applications, expanding digital approval processes, and reducing the number of required documents not only boost operational efficiency but also support environmental sustainability. In 2024, QNB Faktoring achieved significant advancements in its mobile application projects aimed at improving user experience. Through the New Mobile Project, customers can now complete end-to-end factoring transactions by logging in to the mobile application. This project involved collaboration with third-party companies to ensure the mobile application's security.

Innovation and Future Goals

Looking ahead, QNB Faktoring aims to speed up digital customer acquisition and broaden its presence in digital channels. Planned improvements include further development of digital approval processes within the mobile application, integration of two-factor authentication to

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meet legal standards, and the complete execution of loan processes on digital platforms. The new mobile application will also allow customers to track their carbon and water footprints.

Digital Transformation and Innovation Team
The Digital Transformation and Innovation Team consists of seven members: five from digital channels, including two interns, and two from information technologies. This team represents 4% of the total workforce.

Sustainable Steps in Digitalization
QNB Faktoring is committed to making its products and services more environmentally responsible and nature-friendly through digital transformation and innovation. To support this goal, several significant steps have been taken in alignment with sustainability strategies:

***Increasing Digital Applications*:** Expanding digital application processes for customer transactions has reduced paper consumption and expedited transaction times.

Digital Approval Processes: The new mobile application has enhanced digital approval processes, allowing customers to complete transactions without physical documents.

Environmentally Conscious Notifications: Informative messages, such as "Thank you for your contribution to the environment," have been added to the result screens of web-based transactions to raise awareness.

Reducing E-mail Pollution: Unnecessary e-mail traffic has been minimized by issuing price approvals through the Core Factoring system, thereby contributing to a lower carbon footprint.

Future Plans and Goals in Digital Transformation and Innovation

Expansion of Digital Approval Scope: The new mobile application will allow customers to submit documents through a digital approval system and facilitate remote transactions. This initiative aims to streamline and expedite transactions via digital channels.

Increasing Digital Customer Acquisition: The Company intends to broaden its customer base by enhancing acquisition efforts through digital channels.

Monitoring Carbon and Water Footprint: Developments in the mobile application will support environmentally friendly initiatives, such as monitoring carbon and water footprints.

Compliance with Legal Requirements: A new mobile application is being developed to implement two-factor authentication, a necessary legal requirement in digital approval processes.

Increasing Operational Efficiency: Enhancements will be made to reduce the volume of documents customers need to provide, allowing for quicker initiation and completion of loan extension through mobile and web platforms.

Operational Excellence and Business Continuity

QNB Faktoring seeks to fine-tune its processes to improve customer satisfaction and maximize operational efficiency, aligning with its goals of operational excellence and business continuity. The Company regularly assesses its service processes, implementing improvements to enhance operational efficiency and reduce costs. This approach delivers innovative solutions that improve the experience for both internal and external customers.

Technology and digitalization are foundational to QNB Faktoring's operational excellence strategy. The Company's investments in technology support the automation and digitalization of business processes, ensuring fast, reliable, and uninterrupted service delivery. Online transaction platforms and automation systems improve process speed and reduce error rates. Additionally, training and development programs are designed to minimize human errors by boosting employee competencies, allowing them to engage in operational processes more effectively and efficiently.

Business Continuity Approach

QNB Faktoring employs a comprehensive risk management and crisis planning strategy to ensure business continuity. This strategy includes preventive measures aimed at mitigating operational and financial risks. The Company utilizes robust data backup systems and a strong cybersecurity infrastructure to prevent service interruptions and ensure operational continuity. Additionally, the remote working infrastructure and alternative systems developed during the pandemic allow for continued business operations even in unforeseen circumstances.

To mitigate legal risks, QNB Faktoring fully complies with regulations and regularly reviews its activities in this area. The Company's agile and flexible organizational structure enables swift adaptation to changing market conditions, fostering resilience against potential crises.

Customer-Focused Strategies

QNB Faktoring's operational excellence and business continuity strategies are crafted with a customer-centric approach. These strategies aim to deliver uninterrupted, high-quality service under all circumstances. By integrating customer feedback into process design, the Company improves its existing processes and develops new service models. Such an approach establishes QNB Faktoring as a reliable player within the industry, while fostering long-term relationships with customers.

Operational excellence and business continuity strategies of QNB Faktoring not only underpin the Company's sustainable growth targets, but also sharpen its competitive edge.

Operational Projects in 2024

QNB Faktoring is committed to continuous improvement by thoroughly analyzing its operational processes. Each process is evaluated step by step to identify and eliminate unnecessary or repetitive tasks. Innovative solutions are developed for stages that either slow down operations or consume excessive resources, while standardization helps minimize error rates.

Technology and digitalization are essential for maximizing operational efficiency. By automating repetitive manual transactions, the Company allows employees to concentrate on strategic tasks. The CORE Factoring software, utilized for end-to-end monitoring and

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management of operational processes, not only boosts operational efficiency but also helps identify process inefficiencies. Insights gleaned from data are effectively applied to drive process improvements.

Projects Implemented During the Reporting Period
In 2024, several innovative projects were successfully implemented to refine operational processes and increase efficiency. These initiatives improved customer satisfaction and optimized operational costs.

Operational Continuity and Quality Control
Daily, weekly, and monthly checklists are implemented to maintain the continuity of operational processes. These control measures are designed to prevent disruptions and ensure that operations proceed as planned. Additionally, scenario-based strategies are developed for potential crises, and systems are backed up regularly.

Operational Investments
To achieve operational excellence, QNB Faktoring introduced a new in-house factoring system software that incorporates the latest technological advancements. Developed in collaboration with IBTech, the Bank's technology subsidiary, this software aims to digitize operational processes and enhance efficiency. The initial investment for this system, known as CORE Factoring, is approximately TL 20 million. This significant investment represents a strategic initiative aimed at enhancing operational processes. The Company intends to further its technological investments by introducing new services and developments that align with its sustainable growth objectives.

Process Improvement Efforts and Committee Activities
The Company has established a Process Improvement Committee that meets weekly, led by the Executive Vice President. This Committee reviews suggestions from all departments, actively addresses challenges, and prioritizes development processes. IBTech participates actively in the Committee, where a wide range of suggestions, developments, and solutions to problems are discussed, documented, and prioritized.

Training and Opportunities for Employee Development
QNB Faktoring provides regular training programs designed to sharpen employees' competencies in operational excellence and business continuity. These training programs include:
1. Prevention of Laundering Proceeds of Crime and Countering the Financing of Terrorism
2. Corporate and Personal Information Security
3. Personal Data Protection Law (KVKK)
4. Occupational Health and Safety
5. Occupational Health and Safety at Home
6. Competition Law
7. Business Continuity
8. Basic Sustainability

Sustainability in Operational Processes: Challenges and Solutions

***Customer Risk Management*:**
Accurately assessing customers' ability to pay and minimizing risks are critical for operational sustainability. Economic fluctuations and market uncertainties can heighten credit

risk. To address these challenges, advanced risk analysis systems are employed, and potential risks are proactively managed by regularly monitoring customers' financial statuses.

Technology and Digitalization:
Keeping up with rapidly evolving financial technologies and digitizing operational processes requires ongoing investments. In this context, repetitive manual tasks have been automated, automation systems expanded, and processes streamlined by providing online services to customers. Advanced digital solutions have been integrated for end-to-end process monitoring and efficiency analysis.

Customer Trust and Satisfaction:
Sustaining customer satisfaction hinges on a reliable and transparent service approach. Communication channels have been strengthened, prompt and effective solutions provided, and a proactive strategy adopted to anticipate customer needs.

Compliance with Regulatory Authorities and Laws:
To comply with the frequently changing regulations in the financial industry, legal, and compliance teams have raised employee awareness. A culture of legal compliance has been reinforced throughout the Company via training programs and consultancy services.

Operational Efficiency:
Data analytics and automation systems have enhanced the efficiency of operational processes despite increasing business volume. Continuous improvement efforts and standardized processes have led to reduced operational costs while also boosting speed and quality.

Environmental and Social Sustainability:
To minimize environmental impacts, digitalization strategies were implemented, and paper usage was reduced. Investments in social responsibility projects and the integration of environmentally friendly practices into operational processes were also prioritized.

Success Indicators for Measuring Operational Efficiency
Operational efficiency is vital for an organization’s success, with effective process management playing a strategic role in areas ranging from customer satisfaction to financial sustainability. Achieving positive outcomes requires prompt action, solution-oriented approaches, and higher levels of awareness through training in operational process improvement. To facilitate this, QNB Faktoring employs detailed key performance indicators (KPIs) to continually monitor and enhance operational processes. Metrics such as transaction speed, automation rate, financial performance, employee productivity, and training hours are essential for measuring and improving process effectiveness.

1. **Transaction Speed**: Customer satisfaction improves by tracking metrics such as the approval time for factoring applications and collection times.
2. **Automation Rate**: The extent of process automation reflects the success of digitalization efforts.
3. **Financial Performance:** Analyzing the risk/collateral ratio ensures financial sustainability.
4. **Employee Productivity:** Measuring the number of transactions per employee helps boost labor productivity.
5. **Training Hours:** Annual training hours per employee are monitored to support personnel development.

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6. **Technology Performance**: The goal is to maintain uninterrupted operation of the infrastructure, ensuring 100% continuity.
7. **Environmental and Social Impact:** Efforts to reduce paper usage, minimize stationery consumption, and support social responsibility initiatives fall under this category.

Cybersecurity and Customer Privacy

QNB Faktoring operates on the principles of Confidentiality, Integrity, and Accessibility to safeguard customer information and ensure system security. Access to information is restricted to users with legitimate business needs, and is managed through systems organized by criticality levels and protected by digital firewalls. All system activities are logged, and unauthorized access is monitored to facilitate prompt intervention against potential threats. This strategy is reinforced by mandatory annual information security training for all employees.

In compliance with Personal Data Protection Law (KVKK), both technical and administrative measures have been implemented, along with biannual data destruction processes. These initiatives raise employees' understanding of legal regulations. Data Loss Prevention (DLP) systems, overseen by the Internal Audit and Internal Control Department, proactively identify data leaks and enable immediate corrective actions.

Cyber Security Policies

The Company's information security policies align with QNB Türkiye's global security standards, given its status as a subsidiary of the bank. All systems undergo comprehensive penetration testing annually, and updates are made based on the findings. These policies are regularly reviewed and communicated to all employees.

The Company's cybersecurity strategy adheres to the BRSA Information Systems Regulation and internationally recognized standards such as ISO 27001, NIST, and COBIT. Compliance is ensured through systematic audits, forming the foundation of security policies. ISO 27001 provides a framework for information security management systems (ISMS), emphasizing confidentiality, integrity, and availability. NIST offers control and framework recommendations for cybersecurity using a risk-based approach. COBIT serves as a reference for information technologies management and governance, aiming to improve the effectiveness and efficiency of processes.

The Company fully complies with the BRSA's regulations governing the Management of Information Systems of Factoring and Financing Companies. Additionally, necessary procedures are consistently implemented in line with the Banks' Information Systems Regulation.

Cyber threats are monitored using intelligence products, and potential cyber-attacks are continuously tracked by the 24/7 Security Operations Center (SOC), which initiates actions as needed. By adhering to established standards and employing robust monitoring systems, QNB Faktoring continually enhances its security policies, adopts a proactive stance against cyber threats, and ensures compliance with legal regulations.

Technologies and Software Used

A range of advanced technologies is employed to uphold high security standards for all traffic originating from the external network. DDOS (Distributed Denial of Service Attack Protection) solutions are implemented to maintain uninterrupted system operations during large-scale attacks. IPS (Intrusion Prevention Systems) analyze network traffic in real time to detect threats and implement preventive measures. WAF (Web Application Firewall) bolsters the security of critical business applications by blocking attacks on web applications. Firewall

solutions create control points between internal and external networks to prevent unauthorized access, ensuring the effective implementation of network security policies.

In addition, Sandboxing technology safeguards systems from potential threats by analyzing suspicious files and code within an isolated environment. Endpoint Detection and Response (EDR) solutions monitor unusual traffic patterns, continuously surveying endpoints to detect anomalies and facilitate rapid threat responses. With constantly updated threat intelligence and 24/7 active monitoring services, QNB Faktoring maintains a proactive, solution-oriented information security strategy against potential cyberattacks.

Protection of Personal Data and Data Security
The processes for protecting customer and employee data are managed in compliance with legislation such as KVKK (Personal Data Protection Law) and GDPR (General Data Protection Regulation). Access is restricted to authorized users based on their job descriptions, and regular audits are conducted. To prevent data loss, Data Loss Prevention (DLP) and data tagging solutions have been implemented. All processes are conducted in line with the VERBIS Guidelines and the provisions outlined in Article 73 of the Banking Law.

We carefully manage the processes for protecting customer and employee data in compliance with national and international regulations, including the KVKK (Personal Data Protection Law) and GDPR (General Data Protection Regulation). Access is restricted to authorized users based on their job descriptions, and regular audits are conducted to minimize the risk of unauthorized access and strengthen access protocols. Regular audits are aimed at minimizing the risk of unauthorized access and strengthening access protocols.

To prevent data loss, Data Loss Prevention (DLP) solutions have been deployed. These systems monitor risky transactions in real time, preventing sensitive data from leaving the Company. Additionally, data tagging technologies classify data according to its criticality, ensuring compliance with security policies.

All personal data processing is conducted according to the VERBIS Guidelines (Data Controllers Registry Information System) and the general principles outlined in the KVKK (Personal Data Protection Law). Personal data is collected solely for specific, legitimate purposes, and once retention periods expire, it is either deleted, destroyed, or anonymized as dictated by data destruction policies. In line with the confidentiality obligations of Article 73 of the Banking Law, customer information is shared only when legally required or with explicit consent.

Data security measures include regular system scans and risk assessment reports, which help identify potential vulnerabilities. Identified risks are prioritized, and necessary corrections and improvements are implemented. Additional layers of protection, such as access control lists and encryption technologies, are applied to systems that pass security tests.

All data security processes adhere to internationally recognized standards, including ISO 27001 for Information Security Management Systems and NIST (National Institute of Standards and Technology). To maintain high awareness of information security, most employees receive annual training on Information Security and the Personal Data Protection Law (KVKK). Moreover, social engineering activities are conducted throughout the year to raise awareness, and important announcements are regularly disseminated.

Sustainable Value Chain Management

Innovative and Sustainable Management Approach in Value Chain

QNB Faktoring's approach to value chain management involves a broad network of stakeholders, aligning with industry dynamics and strategic objectives. This management approach is rooted in customer orientation, innovation, and collaboration, with a focus on fostering long-term sustainability in stakeholder relationships.

A thorough understanding of stakeholders' needs and expectations is essential to this approach. The Company assesses the expectations of all stakeholders—including customers, financial institutions, regulatory authorities, suppliers, and employees—through comprehensive analyses, which are supported by regular feedback mechanisms. This process, reinforced by transparent communication channels, allows for strategic decisions that aim to boost stakeholder satisfaction.

Technology and digitalization are pivotal in optimizing the value chain. QNB Faktoring facilitates access to financing via online platforms and mobile applications, ensuring transparent management of these processes. By utilizing data analytics and artificial intelligence, the Company gains deeper insights into stakeholder behaviors and associated risks, enabling effective decision-making and agile solutions.

Building strong collaboration and trust is a top priority for the Company in value chain management. As it expands its service portfolio through strategic partnerships with banks, the SME ecosystem, and financial technology companies, the Company fosters mutual trust with stakeholders by implementing transparency policies. This strategy not only supports long-term cooperation but also contributes to the creation of economic value.

Sustainability and social responsibility initiatives are also crucial in value chain management. The Company develops sustainable financing models to support environmentally friendly projects and socially impactful initiatives, while also organizing training programs to raise SME's financial literacy. Furthermore, suppliers are encouraged to adhere to environmental, social, and ethical responsibility standards, and practices that promote local economic development are regularly implemented.

Service flexibility and a personalized approach are key components of QNB Faktoring's value chain management. The Company offers customized solutions that cater to each customer's specific financing and service needs. Risk management processes are tailored to align with the customer profile and supported by effective assessment tools. This flexibility enhances the customer experience and boosts the efficiency of business processes.

Regulatory and legal compliance is essential to the Company's value chain management. QNB Faktoring is committed to ethical and responsible business practices, ensuring that all operations adhere to the standards set by regulatory authorities. This commitment not only strengthens the Company's corporate reputation but also fosters increased customer trust. Furthermore, QNB Faktoring enhances existing stakeholder relationships and capitalizes on new opportunities through continuous improvement and innovation.

Sustainable Stakeholder Relationships and Activities

Establishing strong, long-term, and sustainable relationships with all stakeholders in its value chain is a fundamental goal for the Company. To achieve this, QNB Faktoring engages in various activities that align with environmental, social, and governance (ESG) criteria,

aiming to improve business performance while positively impacting the environment and communities.

The financing products developed to foster sustainable relationships with customers support environmentally friendly projects and socially beneficial initiatives. To further this goal, the Company provides training for SMEs on financial sustainability, environmentally sensitive business models, and ESG reporting. These game-changing initiatives enable customers to implement sustainability practices more effectively in their operations.

Sustainable cooperation with suppliers is reinforced by integrating environmentally friendly practices, ethical values, and social responsibility criteria into the supply chain. Suppliers receive support in raising awareness of ESG criteria and ensuring compliance. Additionally, prioritizing and supporting local business partners is a key strategy for contributing to regional economic development.

Activities related to employees, who are vital stakeholders, are designed to promote inclusion and equality. Regular training programs are offered to enhance employees' knowledge and skills in sustainability, digitalization, and ESG issues. Moreover, employees are encouraged to volunteer in sustainability projects, which raises individual awareness and strengthens internal solidarity.

The strategy for sustainable communication with investors focuses on transparent reporting and long-term profitability goals. QNB Faktoring ensures reliable information is provided to investors through regular reports on ESG performance, carbon footprint, and social impacts, emphasizing long-term sustainable growth over short-term gains.
Adopting a sustainable communication approach, all components of the value chain are effectively supported, and projects are developed through strategic partnerships with stakeholders. These initiatives aim not only to boost business performance but also to generate positive environmental and social impacts.

Supplier Relationship Management
QNB Faktoring manages its supplier relationships through the firms and companies affiliated with QNB Türkiye, carefully monitoring these processes under Service Level Agreements (SLAs). All procurement activities are evaluated collectively for the QNB Türkiye group (including the bank and its subsidiaries), ensuring process integrity and achieving cost advantages through economies of scale.

Most suppliers are local companies, with a limited number of foreign suppliers in specific categories. This strategy bolsters the local economy while ensuring cultural and operational compatibility with our partners.

Supplier evaluation processes are conducted rigorously in line with established standards and criteria. For suppliers not currently engaged with the Bank, significant emphasis is placed on obtaining the Bank's agreement and input. Particularly for information technologies (IT) purchases above a certain threshold, proposals from at least three suppliers are solicited and assessed, with the technical expertise of IBTech, a Bank subsidiary, considered in these evaluations. Internal procurement authorizations are categorized by specified monetary limits and are overseen by the Procurement Committee.

2024 Supply Chain Renewal and Improvement Activities

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In 2024, QNB Faktoring implemented numerous enhancements aimed at digitalization and sustainability within the supply chain:

Digitalization and Technology Integration
Supply Chain Financing Platforms: The creation of digital platforms has improved access to factoring services for both buyers and sellers, while also improving process transparency.
Data Analytics and Artificial Intelligence: Advanced technologies such as big data and artificial intelligence were utilized to effectively analyze risks and opportunities within the supply chain.

Sustainability-Focused Solutions
Green Factoring: Tailored financing programs were introduced for suppliers adhering to environmental standards, offering favorable terms to companies committed to sustainable production.
Supplier Evaluation: A new evaluation system incorporating environmental, social responsibility, and governance criteria was established.

Risk Management and Security Enhancements
Supplier Risk Analysis: Financial risks in the supply chain were proactively identified through sophisticated scoring and early warning systems.
Cybersecurity: The digitalization of the supply chain has led to the integration of robust protection systems to optimize data security.

Customer Experience Improvements
Fast Decision-Making Processes: Digital solutions have expedited application and evaluation processes, enhancing the overall customer experience.
Training and Information: We organized training sessions and seminars on financing solutions for suppliers to elevate their knowledge.

Ensuring Flexibility and Scalability
Dynamic Financing Models: We offer flexible payment and financing solutions that adapt to demand and market conditions.
Access for Small Suppliers: Micro factoring solutions have improved access to finance for small-scale suppliers.

International Supply Chain Support
Export Factoring: In response to global trade developments, we introduced specialized factoring products for exporting companies.
Multilingual Platforms: We developed multilingual digital platforms to facilitate communication with international suppliers.

Risk and Opportunity Management in the Supply Chain
Effective management of supply chain risks and opportunities is an integral part of QNB Faktoring's endeavors to materialize its strategic objectives and achieve sustainable growth. The consolidated evaluation criteria for supplier selection ensure a transparent and efficient process, aligning decisions with corporate objectives. In any procurement process, information about the supplier undergoes a thorough analysis. This evaluation is supported by the Bank's opinions and performance assessments, allowing for meticulous decision-making. The proposed procurement amount is submitted for approval by the CEO, the Procurement

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Committee, or the Board of Directors, following the approval limits set by the Bank and the Board.

While QNB Faktoring has not yet implemented a supplier rewarding system, it manages supply chain risks using QNB Türkiye's well-established organizational structure, ensuring compliance with relevant rules and procedures. An approval process is followed within procurement limits, and progress is monitored using procurement forms. Transparently running its procurement processes, the Company works with firms that favor handcrafted products and local producers with a focus on women entrepreneurs, placing utmost importance on women's employment. Looking ahead, the Company aspires to move its supply chain policies to new frontiers by formulating policies such as a rewarding system.

Procurement Processes and Policies

QNB Faktoring conducts its procurement activities according to established procedures and guidelines. These processes are outlined as follows:

1. Define the operational principles of the Procurement Committee to align with the Company's strategic goals and needs.
2. Establish and regularly review procurement policies.
3. Ensure full compliance with expense approval directives and procurement policies.
4. Evaluate bid openings, selection processes, and tender working groups.
5. Review and approve the supplier list and types of products and services to avoid conflicts of interest.
6. Manage bid and tender results while maintaining an effective control environment.
7. Develop similar procedures and align them with the Bank's policies.
8. Submit procurement and expense approvals to the CEO, Procurement Committee, and Board of Directors in accordance with established amount ranges.
9. Regularly monitor and update procurement limits and related policies.

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Sustainable Society for the Future

Human Resources Approach and Management

QNB Faktoring's basic human resources policy focuses on fostering the personal and professional development of its employees by creating a happy and productive work environment. The Company aims to execute its business processes with a qualified workforce while continuously raising sustainability and customer satisfaction. A key objective is to cultivate a workforce that adheres to ethical values, embraces corporate culture, and internalizes the Company's values.

QNB Faktoring promotes open communication and maintains a fair, transparent, and success-oriented performance structure built on trust. It organizes technical and personal development trainings to support employees' career development and offers rotation opportunities to boost interdepartmental communication. Additionally, the Company prepares well-equipped employees for the factoring industry through internship programs and provides talent with strong entry points into their professional lives.

Human Resources Management Guided by Ethical Values
QNB Faktoring fulfills its responsibilities in accordance with labor laws, legal regulations, and internal policies. The Human Resources Directive, Code of Conduct Directive, and Code of Ethics Directive have been published to offer guidance on employee compensation and fringe benefits, as well as on authorities, responsibilities, and behavioral standards. These directives aim to establish a transparent working environment, and employees are expected to adhere to these guidelines. The Company's Human Resources policy is transparently shared with all stakeholders through the corporate website.

Employee Count and Demographic Data

Total Number of Employees:
As of the end of 2024, the Company has a total of 160 employees.

Gender Distribution

Gender	Number of Employees	Executives (%)
Female	83	31
Male	77	69

Breakdown of Employees by Age Groups:

Age Group	Number of Employees
Below 25 years of age	5
25-29 years of age	27
30-34 years of age	22
35-44 years of age	62
45-54 years of age	36
55 and older	8

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Seniority Distribution:

Seniority Years	Number of Employees
Below 5 years	28
5-10 years	18
10-15 years	30
15-20 years	40
Over 20 years	44

Number of Disabled Employees:

Status	Number of Employees
Disabled Employees	4

Recruitment and Turnover Data
In 2024, the Company welcomed 33 new hires, with 79% joining the sales teams and 21% at the Head Office. During the same year, 20 employees left the organization; 80% of these departures were from the sales team, while 20% were from the Head Office.

Employee Turnover Rate
As of 2024, the Company's employee turnover rate stood at 13%. This metric, which aims to boost manpower, productivity, and motivation, is regularly monitored.

QNB Faktoring is committed to developing its human resources policies centered on employee satisfaction and growth. Through sustainable human resources initiatives and an inclusive approach, the Company not only supports employees' career development but also strives to achieve its long-term corporate objectives.

Approaches Focusing on Career, Wellbeing, and Talent Development
QNB Faktoring views career development as a strategic process that fosters sustainable growth by aligning individual employee achievements with corporate goals. The Company offers continuous advancement opportunities through outsourcing and development catalog training, which aim to transform employees' potential into performance. New employees benefit from a two-day face-to-face and Webex online orientation process that introduces them to the Company and its operations. Existing employees receive support through in-house training, with a priority on promotions or lateral transfers for open positions.

Internship opportunities for entry-level positions are a key component of QNB Faktoring's talent discovery and career development strategies. These programs provide interns with insights into business life and the industry, while helping high-potential individuals identify career paths that will facilitate their growth within the organization. When selecting candidates for senior positions, the Company prioritizes internal resources, focusing on evaluating and utilizing the talents within the organization. This strategy improves existing employees' access to career opportunities, boosting their engagement and motivation. Additionally, internal promotion and reassignment processes, aligned with organizational needs, contribute to retaining high-performing employees who fit the corporate culture.

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Through these development and career-oriented initiatives, QNB Faktoring not only maximizes employee engagement and productivity but also ensures that talented individuals remain with the Company.

2024 Training and Development Activities

Employees receive support through training focused on technical skills, leadership, and personal development. The Company boosts efficiency and flexibility by implementing a hybrid working model. During remote work periods, employees are provided with internet and meal allowance support. Performance assessments are conducted every six months, and personalized development plans are created based on the results. Semiannual performance measurements use transparent criteria, allowing employees to strengthen their skills and address areas for improvement.

In 2024, a diverse array of training programs was offered as part of the development catalog, focusing on core, technical, leadership, and personal development topics. To promote team synergy, activities were organized for sales and marketing staff at the manager level and above at NARKÖY, Türkiye's first ecological training village, which holds the “Green Star” certification. To develop communication skills and foster collaboration among team members across different roles, the program 'Creating Impact through Communication on the Team Journey' was launched for Assistant Managers and employees at junior levels. English language courses were made available for Specialist and junior-level employees. Additionally, employees benefited from QNB Türkiye’s comprehensive development catalog, which supports both professional and personal growth by providing access to expert-led training that enhances technical knowledge and competence/personal development. Through the mobile learning platform "Finarmoni,” employees enjoyed flexible access to learning content anytime and anywhere. This platform enabled them to complete mandatory annual training as well as pursue optional development courses while easily tracking their learning progress.

In total, 3,041 hours of training were delivered in 2024, with participation from 167 employees. Increasing these numbers in the coming years is a key objective to ensure ongoing adaptation to modern standards and to maximize employee development.

Initiatives to Boost Engagement and Motivation

A variety of activities were continuously implemented to raise employee motivation. On employees' birthdays, administrative leave was granted, and monthly birthday celebrations were held with different themes. On March 8th – International Women’s Day, female employees received a half-day leave, and personalized gifts were distributed on special occasions to further boost motivation. Motivational meetings, including domestic, intercity, and international events with accommodation, were organized to strengthen employee engagement and team spirit.

Strong Communication with Employees and Balance

To facilitate employee expression of ideas and suggestions, we have established solution platforms and collaborative workflows. Our internal communication is enhanced through regular motivational meetings, birthday celebrations, company-wide emails, and introductory events with the CEO, all of which contribute to a strong internal communication culture. Regular surveys are conducted to enhance employee satisfaction and engagement, while feedback is also collected during 'Open Door' meetings, which have developed into valuable opportunities to highlight the significance of open communication. Additionally, introductory

meetings with the CEO are held for newly onboarded employees to encourage early engagement and active dialogue. Internal achievements, special occasion celebrations, and announcements are regularly shared on social media platforms. We actively use Facebook, Instagram, LinkedIn, and YouTube to connect employees and customers with our corporate culture and strengthen communication.

Work-Life Balance

QNB Faktoring prioritizes employees' work-life balance by offering flexible working models. Under the hybrid working system, employees can work remotely for two weeks. Additionally, individualized flexible working arrangements are implemented to accommodate the unique circumstances of each employee. These flexibility policies, complemented by summer leave practices, aim to foster a more productive and balanced environment in both professional and personal spheres. This approach enhances motivation and engagement in the workplace, reinforcing the Company's dedication to employee well-being.

Remuneration and Rewarding Policy:

The Company's remuneration policies are performance-oriented and aligned with market dynamics, corporate strategy, and shareholder interests. The key principles of the Remuneration Policy are outlined below to ensure effective wage management, transparency, and internal equity:

1. Transparent and open governance
2. Compliance with legal regulations
3. Consideration of the skills, knowledge, and information requirements of job descriptions
4. Support for sustainable performance
5. Alignment with market conditions
6. Consistency with long-term Company objectives and contribution to effective risk management

Managing Policy:

Fixed salaries are set based on the scope of duties and responsibilities, taking into account the conditions and experience required for each position. Wage increases are determined in accordance with market wage levels, inflation, employee performance, and Company policy.

Performance payments reward employees for achieving performance targets in terms of quantity and quality. Performance measurements and compensation systems emphasize parameters related to profitability and sound risk management. Their goal is to promote stable performance over the medium and long term while minimizing excessive focus on short-term results.

Remuneration for Board of Directors members is determined according to the Company's Articles of Association. The criteria for performance-based remuneration include:

1. Job descriptions and employee distribution criteria for performance-based payments are set by Senior Management and communicated to employees.
2. The Remuneration and Rewarding Policy is regularly re-evaluated based on market conditions and the Company's economic situation.
3. While performance-based payments are not guaranteed in advance, provisions exist for non-payment due to non-compliant behavior or disciplinary actions.
4. Performance-based payments assess employee performance from the previous period, ensuring that compensation systems do not encourage risk-taking behaviors that exceed the Company's strategic risk appetite.

5. A balanced mix of financial and non-financial performance targets is used in performance calculations.
6. Employees receive private health insurance, life insurance, shuttle service, travel and meal allowances, internet support, and benefits tailored to their job titles, including vehicle, gasoline, telephone, and clothing allowances. Additionally, contracted Heltia Online Therapy and dietary support services are offered to enhance employee well-being.

Equal Opportunity, Diversity and Gender Equality

QNB Faktoring embraces equal opportunity as a core principle across all processes, including career development, task allocation, wage management, and hiring. Diversity and gender equality are integral to the corporate culture, with policies in place to support women's active participation in the workforce. As a result, the proportion of female employees has reached 52%, and specific measures have been implemented to enhance the representation of women in management positions.

Policies Supporting Women's Employment and Leadership

QNB Faktoring's primary strategic goal is to hire women, promote them to management positions, and dismantle the invisible barriers that hinder gender equality in the workplace. The supportive policies for women employees include:

1. **Maternity and Parental Leave:** Female employees receive 16 weeks of paid maternity leave and are entitled to up to six months of unpaid leave after maternity leave, until their child turns one year old. Additionally, breastfeeding leave is provided for 1.5 hours each day during the breastfeeding period.
2. **Secondary Parental Leave:** Fathers are granted four weeks of paid secondary parental (paternity) leave.

These initiatives help employees balance work and family responsibilities while reinforcing our commitment to gender equality.

Processes to Ensure Equal Opportunity

We meticulously implement equal opportunities in career development, compensation, task distribution, and training within the Company. Special training programs, mentoring projects, and leadership development initiatives are designed to increase the representation of female employees in management and support their advancement to leadership roles.

Steps to Strengthen Diversity and Inclusion

Diversity and inclusion are foundational to the Company's human resources policy. We view employee differences as assets and foster a work environment that allows individuals to showcase their talents. Both current employees and new hires adhere to diversity principles, continuously advancing the Company culture in this direction.

Supporting Opportunities through Training and Development

We support equal opportunity not only through policies but also through robust training and development processes. Our in-house training programs enable employees to advance in their careers by enhancing their knowledge and skills. We offer equal training and development opportunities to all employees, with programs focused on leadership, technical skills, and personal development.

Satisfaction Survey

At the end of the year, QNB Faktoring assessed employee satisfaction through a survey, reflecting the strong corporate culture, equitable policies for employee prosperity, and various initiatives undertaken. Thanks to these policies, training opportunities, and efforts to boost motivation, the Company achieved a 71% overall satisfaction rate in employee surveys. This outcome demonstrates that the Company's commitment to equal opportunity, diversity, and gender equality significantly contributes to employee engagement and satisfaction.

QNB Faktoring will continue to create value for both its employees and society by implementing strategies that promote equality and inclusion in the workplace.

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Occupational Health and Safety

Occupational Health and Safety Policy

QNB Faktoring adheres to a comprehensive occupational health and safety policy in line with the Occupational Health and Safety Law No. 6331. All employees are actively involved in occupational health and safety processes, with measures in place to prevent occupational risks, including training and information dissemination. Emphasizing continuous improvement, health and safety measures are continually updated to align with advancing technology. First aid training, fire drills, and earthquake drills are regularly conducted, while potential risks are addressed through monthly Occupational Health and Safety meetings. The Company employs an occupational physician and a safety specialist, as mandated by the Occupational Health and Safety Law.

Employee health and safety are top priorities for the Company. All employees have access to health centers and can consult with workplace physicians via Health Helplines. Additionally, services such as nutritionist consultations, physiotherapy, psychological counseling, and access to sports centers are provided.

To effectively manage occupational health and safety processes, the Company utilizes the OHS-Katip application, which streamlines the monitoring and reporting of occupational health and safety activities.

Throughout 2024, the Occupational Health and Safety Committee convened quarterly at QNB Faktoring's Head Office, hosted by the main shareholder, QNB Türkiye A.Ş. During these meetings, health and safety risks, along with employee feedback and suggestions, were thoroughly discussed through employee representatives. Furthermore, the following improvements were implemented to raise health and safety quality in business processes:

1. Updating procedures in line with the Regulation on Occupational Health and Safety Rules.
2. Developing information programs to increase employee awareness of occupational safety.

In 2024, all employees received Basic Occupational Health and Safety training in compliance with the Occupational Health and Safety Law No. 6331 and related regulations. These trainings, delivered in e-training format, are mandatory every three years. Additionally, specialized programs on “Occupational Health and Safety at Home” were created for remote workers. The objective of these trainings is to raise employees' knowledge of occupational safety and ensure its application in their daily work. These trainings are conducted every three years as mandated by regulations and are assigned as e-learning to all employees, except for those who have completed the training within the last three years. In addition, all employees working remotely are provided with occupational health and safety e-training at home.

As a result of these initiatives, QNB Faktoring has not experienced any occupational accidents as of 2024. This achievement underscores the effectiveness of the Company's occupational health and safety policies and the proactive engagement of its employees. Notably, key performance indicators for occupational health and safety, including the accident frequency rate, accident severity rate, and lost day rate, were all recorded at zero.

Financial Inclusion

QNB Faktoring embraces an inclusive approach to managing its business processes, aimed at facilitating access to financial services. With a particular emphasis on small and medium-sized enterprises (SMEs), the Company strives to provide these businesses with the fastest and most reliable financing options. By offering flexible and innovative financing solutions, QNB Faktoring enables SMEs to manage their cash flows and foster sustainable growth. Leveraging its extensive branch network, the Company reaches businesses across various regions in Türkiye, making factoring services more accessible. Additionally, customers can access quick and convenient financing services through digital platforms, with special financing support extended to women entrepreneurs and green energy projects.

2024 Efforts in Financial Inclusion

In 2024, the Company achieved several key developments in financial inclusion:

1. **Expansion of the Customer Base:** The customer base grew through targeted marketing activities and active engagement with digital channels.
2. **Digital Platform Investments:** New mobile projects were launched to expand digital services, allowing customers to conduct end-to-end digital factoring transactions.
3. **Branch Network Expansion:** The Company opened three new branches, increasing its total to 20 branches in 2024.

Special Products and Services for SMEs

To promote inclusion, the Company has developed specialized products and services that address the financing needs of SMEs and small businesses. It streamlines financing processes by offering quick application options via digital channels. By the end of 2024, the total financing provided to SMEs and micro enterprises reached TL 13.6 billion, with 6,590 SME and Micro customers contributing to this figure.

Supporting Women Entrepreneurs

QNB Faktoring prioritizes empowering women in the economy and enhancing their access to financing as part of its financial inclusion strategy. In 2024, the Company launched a special no-cost campaign for women entrepreneurs and broadened support in this area. Furthermore, tailored financing models for women entrepreneurs were developed, promoting gender equality.

Plans for Financial Inclusion: Short, Medium, and Long Term

QNB Faktoring's goals for financial inclusion are categorized into short, medium, and long-term plans:

1. **Short-Term Plans**: Maximize customer satisfaction and accessibility by launching a new mobile application in 2025.
2. **Medium-Term Plans**: Develop financing models tailored for SMEs and increase collaborations to provide customized financing solutions for suppliers.
3. **Long-Term Plans:** Expand the branch network across Türkiye and strengthen digital infrastructure to reach more customers.

Contributions to Sustainable Development Goals

Aligned with the Sustainable Development Goals, which serve as the foundation for a shared and sustainable future, QNB Faktoring has actively pursued its efforts and directly

contributes to the following SDGs through its financial inclusion initiatives:

1. **Gender Equality (SDG 5):** Empowering women in economic activities by offering specialized financing models for women entrepreneurs.
2. **Decent Work and Economic Growth (SDG 8):** Providing accessible financing to SMEs, fostering business growth, and job creation.
3. **Industry, Innovation, and Infrastructure (SDG 9):** Facilitating customers' access to financial infrastructure to improve their business processes.
4. **Reducing Inequalities (SDG 10):** The branch network facilitates access to finance for businesses in underserved areas.
5. **Responsible Production and Consumption (SDG 12):** Promoting environmentally friendly practices by financing green energy projects.
6. **Peace, Justice, and Strong Institutions (SDG 16):** Operating in accordance with ethical business standards to provide fair and transparent financial services.
7. **Partnerships for Goals (SDG 17):** Developing financial inclusion projects through strong collaborations and partnerships.

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Social and Community Investments

QNB Faktoring views social and community investments as essential for a sustainable common future. Accordingly, the Company emphasizes gender equality, environmental protection, and ethical management principles through a comprehensive approach. In its social responsibility initiatives, QNB Faktoring focuses on creating value by addressing both local and global needs. The Company not only implements ethical and inclusive practices for its employees but also develops socially responsible projects that incorporate environmental sustainability goals into all business processes. Through these investments, QNB Faktoring aims to expand societal welfare and contribute to the United Nations Sustainable Development Goals (SDGs).

SDGs Addressed through Social and Community Investments

SDG 5: Gender Equality:
QNB Faktoring promotes women's participation in the workforce by ensuring gender equality in recruitment and task distribution. The Company encourages women to take on leadership roles and strives to increase their representation in management positions.

SDG 6: Clean Water and Sanitation:
The Company raises water efficiency in its offices by utilizing water treatment systems and optimizes waste management through the use of recycling bins. This initiative supports the sustainable use of natural resources.

SDG 12: Sustainable Production and Consumption:
To eliminate plastic usage, QNB Faktoring has transitioned to digital processes that minimize waste. It fosters environmental sustainability by offering digital customer services through mobile applications.

SDG 15: Life on Land:
The Company reduces paper usage and manages all business operations digitally. This digitalization represents a significant step toward conserving natural resources.

SDG 16: Peace, Justice, and Strong Institutions:
QNB Faktoring advocates for ethical business practices by providing employees with training programs, such as “Combating Laundering Proceeds of Crime and Financing of Terrorism.” Additionally, the Company safeguards its reputation and reliability by raising employee awareness through its Anti-Bribery and Anti-Corruption Policy.

Social and Environmental Projects in 2024

In line with its social responsibility initiatives, QNB Faktoring has made significant strides in education, environmental conservation, and social assistance. These projects aim to maximize social benefits, promote equal educational opportunities, and raise environmental sustainability awareness. Projects are selected in tandem with the Company's vision and values, ensuring long-term social contributions.

Sponsorships in Education and Social Responsibility

1. **Cerrahpaşa Faculty of Medicine Foundation Sponsorship Donation**: This sponsorship significantly contributes to advancements in healthcare, supporting both academic and medical development.

2. **Özyeğin University Equal Opportunity in Education Scholarship Program:** This program provides scholarships aimed at offering equal educational opportunities to students facing financial hardships.
3. **Turkish Education Foundation (TEV) Donations**: These donations are made in the event of the death of employees or their relatives, promoting social solidarity and supporting education.

Tiny Hands Big Dreams - Malatya Bostanbaşı Primary School Project:
As part of QNB Faktoring's project titled "In Search of the Star That Holds My Hope," inter-class games and knowledge competitions were organized to provide children with a fun and engaging way to learn. Additionally, personal development-oriented films helped strengthen social bonds among students. The project also included the donation of a marching band and a telescope, directly benefiting 600 students.

Contributions to the Project:
1. **Marching Band Donation**: Music equipment was provided to foster artistic and cultural development.
2. **Telescope Donation:** This encouraged children to explore science and develop an interest in astronomy.

Overall, the project reached 600 students, providing educational materials, personal development activities, and equipment donations that enhanced their learning experiences. It included activities that improved social skills and resources that boosted scientific awareness. By raising social consciousness, the project has had a lasting positive impact on children's personal and academic development. This comprehensive approach not only offered educational support but also nurtured students' social, cultural, and scientific curiosity.

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Sustainable Planet for the Future

Environmental Sustainability

Environmental Impact of Operations

QNB Türkiye Group, which includes QNB Faktoring, is committed to continuously improving methods and adopting best practices to minimize its environmental footprint and enhance operational efficiency. To mitigate the negative effects of plastics throughout their life cycle, the Company reduces plastic usage and conducts a thorough assessment of its supply chain. QNB Türkiye, the main shareholder of the Company, holds TÜVSÜD-approved ISO 14001 Environmental Management System certificates.

In 2024, the Company reported no fines for violations of environmental regulations.

To foster environmental awareness, QNB Türkiye provides training for employees and managers at all levels. In 2024, training sessions on ISO 50001, ISO 14001, Zero Waste, and Environmental Awareness were offered. Employees are encouraged to participate in related programs.

QNB Faktoring leads the way in sustainable technologies that minimize environmental impact through low electricity and water consumption and reduced carbon emissions.

Waste Management

Within the scope of the Zero Waste Project, actions are taken to evaluate and manage operational waste. Following the Zero Waste System Installation methodology set by the Ministry of Environment, Urbanization, and Climate Change, all waste generated in the Company's building has been mapped, a temporary waste storage facility has been constructed, and the Company has received a zero waste certificate.

The Crystal Tower Building, which houses the Head Office, has appointed an environmental officer responsible for overseeing waste management.

Achievements of Zero Waste Implementation

In 2024, the following amounts of packaging waste were recycled in the Head Office buildings:

- 585.3 kg of plastic waste
- 7,342.8 kg of paper waste
- 2,075.2 kg of glass waste
- 159.6 kg of metal waste

Food waste from the QNB Türkiye cafeteria, utilized by QNB Faktoring employees, is sent to animal shelters. A licensed waste oil recovery company manages the disposal of used vegetable oils, while expired food products are processed in collaboration with authorized food disposal firms. In accordance with the catering company’s commitments, the disposal of vegetable waste oils and the use of food waste in shelters are audited annually by QNB Türkiye’s Environmental Compliance Officer, based on documentation.

Water Efficiency

As a key priority, QNB Faktoring is committed to reducing water consumption by promoting direct water use and efficiency, in collaboration with the QNB Türkiye Group. Various water-saving initiatives have been implemented at both branches and the Head Office. Projects executed under the QNB Türkiye Group have helped achieve optimal consumption targets. Notably, the environmental drainage system at the Crystal Tower Building has recovered an average of 4,000 m^3 of water annually. This water is utilized for car washing and garden maintenance.

Energy Efficiency and Renewable Energy
QNB Faktoring promotes energy efficiency by selecting eco-friendly equipment for electrical and mechanical projects and increasing the use of renewable energy sources. Automation systems are employed to monitor and control building operations, ensuring efficient resource use. During the hotter summer months, water heaters (thermosiphons) are turned off for five months to save electricity.

Thanks to investments and initiatives in energy management, QNB Türkiye has obtained the ISO 50001 Energy Management System Certificate. This certification involves creating a detailed energy inventory, identifying significant energy use points, and developing institution-specific energy-saving measures.

SPOT*: I-REC – 100% Renewable Electricity*
Since 2021, QNB Türkiye has sourced all its electricity from renewable energy sources, verified through I-REC certificates, which also help neutralize greenhouse gas emissions related to these operations.



"All electricity used in our operations in Türkiye is sourced from 100% renewable energy."

Energy Efficiency at QNB Faktoring

- The Crystal Tower Building holds a LEED Certification.
- The water fixtures in the buildings are equipped with aerators to save water.
- Condensation water from air handling units and drainage water from the building's foundation are used for garden irrigation at the Crystal Tower Building.
- The Crystal Tower Building obtained the ISO 14001 Certificate in 2022 and the ISO 50001 Certificate in 2023.
- Fluorescent lighting in all buildings is being replaced with energy-efficient LED lighting.
- Thermosiphons in the Head Office buildings are turned off for five months each year to conserve energy.

Emission Management

Emission Management and Measurement Standards:

QNB Faktoring measures and reports its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol and international reporting standards. Scope 1, Scope 2, and Scope 3 Emissions are assessed and monitored as follows:

- **Scope 1 Emissions:** Direct emissions from energy consumption are being reduced through operational improvements.
- **Scope 2 Emissions:** Emissions from electricity consumption are calculated using location-specific data.
- **Scope 3 Emissions*:** Indirect emissions from activities such as waste and water consumption are also measured.

** Category 15 is excluded from Scope 3 calculations.*

Many innovations have also been executed to secure the compatibility of digital platforms with climate-friendly targets. QNB Faktoring's website has been optimized for environmental impact. Eco-friendly practices are integrated into its digital applications, and the support was extended to wind power plant projects to help reduce greenhouse gas emissions.

Certificate: https://www.qnb.com.tr/medium/document-file-4104.vsf

2024 Base Year Emission Data
Based on 2024 measurements, QNB Faktoring's greenhouse gas emission data are detailed below.

Scope 1 Emissions

Scope 1 emissions arise from fuel consumption in common areas (natural gas and diesel for generators) and fuel consumption of company-owned vehicles (On-Road).

CATEGORY		
Scope-1 (Fixed Fuel Consumption Common Area)	**Area (M^2)**	1,341
	Natural Gas Consumption	7,093
	Generator Diesel Oil Consumption	151
Scope-1 Total (Fuel + On-Road)	**Fuel/Fixed Combustion ***	16
	On-Road/Mobile Combustion*	318
	Gasoline (lt)	*127,085*
	Diesel (lt)	*7,210*
	Emissions (tons CO2e)	334

* tons CO2e

Scope 2 Emissions

Scope 2 emissions are indirect greenhouse gas emissions that occur during the production of purchased electricity.

CATEGORY		
Scope-2	**Area (M2)**	1,341
	Consumption (KWH)	314,857
	Emissions (tons CO2e)	139

Sınıflandırma: Genel / Kişisel Veri İçermez

Scope 3 Emissions

Although QNB Faktoring has not yet fully quantified its Scope 3 emissions, it regularly monitors certain environmental indicators that may fall under this category (such as water consumption and waste volumes). While these data are not currently integrated into emission calculations, they are reported for the purpose of monitoring and improving environmental performance. In the future, the goal is to include these data in Scope 3 emission calculations using appropriate methodologies.

Number of Employees	Water Consumption (m3)	Amount of Water per Capita (m3/year)	Amount of Water per Capita (liters/day)	Working Days
160	**1,610**	**10**	**40**	**250**

Scope 3 waste consumption calculations are shown below.

CATEGORY	WASTE DESCRIPTION	
	Number of Employees	**160**
CATEGORY 5 Waste from Operations	Contaminated Packaging Waste (kg)	8
	Air Filter Waste (kg)	125
	Oil Filter Waste (kg)	2
	Antifreeze Fluid (lt)	41
	Engine/Hydraulic Oils (kg)	56
	Battery and Battery Waste (kg)	12
	Fluorescent Waste (kg)	62
	Electronic Waste (kg)	135
	Discarded Equipment Containing Hazardous Parts (kg)	5
	Non-renewable Liquid and Solid Oils (kg)	16
	Total Amount of Hazardous Waste (kg)	**462**
	Plastic Waste (kg)	585
	Paper Waste (kg)	7,343
	Metal Waste (kg)	160
	Glass Waste (kg)	2,075

Sınıflandırma: Genel / Kişisel Veri İçermez

	Total Amount of Packaging Waste (kg)	10,163
	Food Waste (kg)	**1,064**

Emission Calculation Methodology

QNB Faktoring adopts an approach that complies with internationally recognized standards in environmental impact and emission assessments.

The Company uses the emission factor of 0.442 as the base data for carbon footprint calculations, especially for environmental impact and emission assessments.

In this context, especially when calculating indirect emissions from purchased energy, it takes into account these values, which are classified as Category 2 indirect greenhouse gas emissions according to the ISO 14064 standard. The calculations are based on the Scope 2 methodology of the GHG Protocol and in this process, it applies the emission factor determined based on the Market Based emission source for Electricity (Türkiye).

This methodological approach enables QNB Faktoring to quantify indirect greenhouse gas emissions resulting from energy consumption accurately, transparently and in compliance with international norms.

Sınıflandırma: Genel / Kişisel Veri İçermez

Appendices

Performance Indicators

Economic Performance Indicators

Summary Financial Information					
(TL million)	2020	2021	2022	2023	2024
Factoring Receivables	2,131	3,708	9,512	15,335	26,849
Total Assets	2,207	4,063	9,745	16,058	27,545
Shareholders' Equity	213	274	584	1,523	3,872
Factoring Revenues	231	516	1,594	4,229	7,764
Net Profit for the Period	33	61	315	939	1,346
Return on Equity (%)	16.6%	25.3%	73.4%	89.2%	49.9%
Capital/Total Assets (%)	9.7%	6.7%	6.0%	9.5%	14.1%

Social Performance Indicators

Gender Distribution

Gender	Number of Employees	Executives (%)
Female	83	31
Male	77	69

Breakdown of Employees by Age Groups:

Age Group	Number of Employees
Below 25	5
25-29	27
30-34	22
35-44	62
45-54	36
55 and above	8

Seniority Distribution:

Seniority Years	Number of Employees
Below 5	28
5-10 years	18
10-15 years	30
15-20 years	40
Over 20 years	44

Number of Disabled Employees:

Sınıflandırma: Genel / Kişisel Veri İçermez

Status	Number of Employees
Disabled Employees	4

GRI Content Index

Statement of use	QNB Faktoring has reported the information cited in this GRI content index for the period January 1-December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since the sector standard for the factoring sector has not yet been prepared, no sector standard has been used.

GRI STANDARD	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
	Organization and Reporting Practices	
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, pages 2-3 About QNB Faktoring A.Ş., page 10 Capital and Shareholding Structure, page 13 Contact, page 90
	2-2 Entities included in the organization's sustainability reporting	About the Report, pages 2-3
	2-3 Reporting period, frequency and contact point	About the Report, pages 2-3 sustainability@qnbfaktoring.com.tr
	2-4 Restatements of information	There is no revised declaration.
	2-5 External assurance	No external assurance statement was received for the report.
	Activities and Employees	
	2-6 Activities, value chain and other business relationships	About QNB Faktoring A.Ş., page 10 2024 Highlights, pages 15-16 Sustainable Value Chain Management, pages 61-64
	2-7 Employees	Human Resources Approach and Management, pages 65-70
	2-8 Workers who are not employees	Human Resources Approach and Management, pages 65-70
	Governance	
	2-9 Governance structure and composition	Board of Directors, Senior Management and Committees, pages 35-41
	2-10 Nomination and selection of the highest governance body	Regarding the minimum qualifications required for the election of members for the Board of Directors, the Company acts in accordance with the Banking legislation, the TCC and the CMB regulations. Board of Directors, Senior Management and Committees, pages 35-41
	2-11 Chair of the highest governance body	Board of Directors, Senior Management and Committees, pages 35-41

2-12 Role of the highest governance body in overseeing the management of impacts	Our Sustainability Strategy and Organization, pages 19-23 Board of Directors, Senior Management and Committees, pages 35-41
2-13 Delegation of responsibility for managing impacts	Our Sustainability Strategy and Organization, pages 19-23 Board of Directors, Senior Management and Committees, pages 35-41
2-14 Role of the highest governance body in sustainability reporting	About the Report, pages 2-3 Our Sustainability Strategy and Organization, pages 19-23
2-15 Conflicts of interest	Legal Compliance and Business Ethics, pages 47-49
2-16 Communication of critical concerns	Our Sustainability Strategy and Organization, pages 19-23 Priority Issues and Prioritization Analysis, page 32
2-17 Collective knowledge of the highest governance body	Board of Directors, Senior Management and Committees, pages 35-41
2-18 Evaluation of the performance of the highest governance body	Board of Directors, Senior Management and Committees, pages 35-41
2-19 Remuneration policies	Human Resources Approach and Management, pages 65-70 QNB Faktoring Remuneration Policy
2-20 Process to determine remuneration	Human Resources Approach and Management, pages 65-70 QNB Faktoring Remuneration Policy
2-21 Annual total compensation ratio	Information is not shared for confidentiality reasons.
Strategy, Policies and Practices	
2-22 Statement on sustainable development strategy	Message of the Chairperson, pages 4-6 Message of the CEO, pages 7-9 Our Sustainability Strategy and Organization, pages 19-23
2-23 Policy commitments	Corporate Governance and Risk Management, pages 43-46
2-24 Embedding policy commitments	Corporate Governance and Risk Management, pages 43-46
2-25 Processes to remediate negative impacts	Our Sustainability Strategy and Organization, pages 19-23 Corporate Governance and Risk Management, pages 43-46

	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance and Risk Management, pages 43-46 Legal Compliance and Business Ethics, pages 19-23
	2-27 Compliance with laws and regulations	During the reporting period, there has been no non-compliance with the law and no significant administrative penalty has been imposed for non-compliance with laws and regulations.
	2-28 Membership associations	Corporate Memberships and Supported Initiatives, page 31
	Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Communication, pages 27-30
	2-30 Collective bargaining agreements	There is no collective bargaining agreement at QNB Faktoring.
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Priority Issues and Prioritization Analysis, page 32
	3-2 List of material topics	Priority Issues and Prioritization Analysis, page 32
	Sustainable Financial Performance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Message of the Chairperson, pages 4-6 Message of the CEO, pages 7-9 Key Financial Indicators, page 17 Priority Issues and Prioritization Analysis, page 32
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key Financial Indicators, page 17
	Combating Climate Change and Environmental Compliance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Environmental Sustainability, pages 76-78
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Sustainability, pages 76-78
	302-4 Reduction of energy consumption	Environmental Sustainability, pages 76-78
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Sustainability, pages 76-78
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Environmental Sustainability, pages 76-78
	306-4 Waste diverted from disposal	Environmental Sustainability, pages 76-78

Employee Satisfaction and Engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Human Resources Approach and Management, pages 65-70 Occupational Health and Safety, page 71
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Resources Approach and Management, pages 65-70
	401-3 Parental leave	Human Resources Approach and Management, pages 65-70
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Occupational Health and Safety, page 71
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 71
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 71
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Resources Approach and Management, pages 65-70
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Resources Approach and Management, pages 65-70
Legal Compliance and Business Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Legal Compliance and Business Ethics, pages 47-49
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Legal Compliance and Business Ethics, pages 47-49
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination at QNB Faktoring during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	QNB Faktoring respects the right to organize and collective bargaining. During the reporting period, there was no violation of trade union rights at any supplier within the knowledge of the Company.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	QNB Faktoring does not employ child labor in any way and expects its stakeholders in the value chain, especially its suppliers, to comply with the age provisions specified in the relevant laws and regulations.

GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	QNB Faktoring and all its stakeholders in the value chain, especially its suppliers, do not employ forced labor under any circumstances.
Equal Opportunity, Diversity and Gender Equality		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Board of Directors, Senior Management and Committees, pages 35-41
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors, Senior Management and Committees, pages 35-41
Cybersecurity and Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Cybersecurity and Customer Privacy, pages 58-60
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no substantiated complaints regarding breach of customer confidentiality and loss of customer data.
Corporate Governance and Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Corporate Governance and Risk Management, pages 43-46
Customer Experience and Satisfaction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Customer Experience and Satisfaction, page 50
Operational Excellence and Business Continuity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Operational Excellence and Business Continuity, pages 45-57
Sustainable Finance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Financial Inclusion, pages 72-73
Digital Transformation and Innovation		

GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Digital Transformation and Innovation, pages 51-53
	Sustainable Value Chain Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Sustainable Value Chain Management, pages 61-64
	Financial Inclusion	
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 32 Financial Inclusion, pages 72-73
	Social and Community Investment	
GRI 3: Material Topics 2021	3-3 Management of material topics	Priority Issues and Prioritization Analysis, page 34 Social and Community Investment, pages 74-75

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