

**2024
TSRS Compliant
Sustainability
Report**



Table of Contents

About Milli Re

About the Report

- 06 Materiality Assessment
- 07 Linkage to Financial Statements
- 07 Transition Exemptions
- 07 Reporting Boundaries and Measurement Approach
- 07 Value Chain

Governance

- 16 Competence and Capacity Building Activities
- 17 Sustainability and Climate Change-Focused Training Programs
- 17 Remuneration Processes
- 17 Governance Structure of Subsidiary Anadolu Sigorta (Summary)

Strategy

- 19 Climate Change-Related Risks and Opportunities
- 21 Business Model and Value Chain Impact
- 30 Financial Position, Performance, and Cash Flows
- 30 Strategy and Decision-Making
- 31 Sustainability Strategy of Subsidiary Anadolu Sigorta (Summary)
- 31 Climate Resilience

Risk Management

- 40 Risk and Opportunity Assessment Process
- 40 Identification and Prioritization of Risks and Opportunities

Metrics and Targets

- 43 Climate Change-Related Metrics
- 45 Metrics Related to Risks and Opportunities

Annex 1

- 48 Calculation Principles Related to Metrics
- 48 General Reporting Principles
- 48 Key Concepts and Scope of Reporting
- 49 Preparation of Data
- 50 Significant Judgments and Measurement Uncertainties
- 50 Re-Opinion Statement

Annex 2

- 52 Biographies of Board Members with Experience in Sustainability

Annex 3

- 54 Independent Auditor's Limited Assurance Report
- 56 Company Information



About Milli Re

01

About Milli Re

Millî Reasürans T.A.Ş. (“Milli Re” or the “Company”) was established in 1929 by its main shareholder Türkiye İş Bankası A.Ş. (“İşbank”) and continues its operations in providing reinsurance and retrocession services both domestically and internationally. Aiming to contribute to the stability and sustainable development of the Turkish insurance sector, Milli Re positions itself as a reliable business partner in the industry with its strong financial structure and experienced teams. Expanding its operations through international collaborations, the Company entered the global market with the opening of its Singapore Branch in 2007 and has diversified its international portfolio since 2008 by commencing underwriting activities.

The Company’s Articles of Association set forth its areas of activity, which include: conducting proportional, non-proportional, financial, and other reinsurance transactions across all branches and lines within life and non-life insurance groups; managing and participating in reinsurance operations of pools; purchasing, selling, constructing, and renting real estates; engaging in commercial, industrial, and financial investments and equity partnerships aimed at the secure and adequate utilization of funds; and carrying out other beneficial and legally compliant activities upon the recommendation of the Board of Directors and approval of the General Assembly.

Milli Re conducts its activities not only to support long-term financial success but also with a sustainable perspective that prioritizes social benefit in line with stakeholder expectations. Accordingly, through a strategic approach based on risk management and corporate governance principles, the Company continues its aim of maintaining its position as a strong local player in both the domestic insurance market and the international reinsurance arena.

The shareholder group that holds direct or indirect control of the Company’s capital is the İşbank Group, with a total share of 87.60%. The activities of the consolidated companies, together with Milli Re’s effective ownership ratios in these companies, are presented below:

Trade Name	Field of Activity	2024 Effective Ownership (%)	Shareholding Structure
Anadolu Anonim Türk Sigorta Şirketi (“Anadolu Sigorta”)	Insurance – Non-life insurance (excluding life insurance)	57.31	Subsidiary
Miltaş Turizm İnşaat Ticaret A.Ş. (“Miltaş”)	Construction Contracting – Construction of non-residential buildings, operation of art facilities, sports facilities management	100.0	Subsidiary
Anadolu Hayat Emeklilik A.Ş. (“Anadolu Hayat”) *	Insurance – Life insurance, pension funds, non-life insurance	12.46	Associate

* Milli Re accounts for its investment in Anadolu Hayat Emeklilik A.Ş. using the equity method.



About the Report

02

About the Report

Milli Re is a reinsurance company established in Türkiye and is subject to the regulations of the Insurance and Private Pension Regulation and Supervision Authority (“SEDDK”). This report includes consolidated financial disclosures related to climate change for the 12-month period ending on December 31, 2024, covering Milli Re and its subsidiaries (together referred to as the “Group”).

The consolidated climate change-related disclosures included in this report have been prepared on the basis of the Group’s consolidated financial statements as of December 31, 2024, which were prepared in accordance with the accounting and financial reporting regulations in effect under the insurance legislation and, for matters not regulated therein, the Turkish Financial Reporting Standards (“TFRS”) published by the Public Oversight, Accounting and Auditing Standards Authority (“KGK”), as set out in the Insurance Accounting and Financial Reporting Legislation.

This report also provides disclosures regarding climate change-related governance, strategy, risk management, metrics, and targets for the 12-month period ending on December 31, 2024 (“Sustainability Information”).

The Group’s disclosures in this regard have been prepared in line with the Turkish Sustainability Reporting Standards (“TSRS”), published in the Official Gazette on December 29, 2023, No. 32414(M) by the KGK.

The Sustainability Information has been presented in accordance with the provisions of the Turkish Sustainability Reporting Standard 1 “General Requirements for Disclosure of Sustainability-Related Financial Information” (“TSRS 1”) and Turkish Sustainability Reporting Standard 2 “Climate Change-Related Disclosures” (“TSRS 2”), both published by the KGK.

Within the scope of Sustainability Information, not only Milli Re’s own operations but also the value chain elements with which Milli Re and its subsidiaries have significant interactions have been taken into account.

In this context, sustainability information related to Anadolu Sigorta, a subsidiary operating in the non-life insurance sector and consolidated in Milli Re’s consolidated financial statements, has also been disclosed in the relevant sections of this report. Anadolu Sigorta operates in almost all non-life insurance branches, consisting mainly of accident, health, motor vehicles, air vehicles, sea vehicles, marine, fire and natural disasters, general loss, credit, financial losses, and legal protection.

Another subsidiary of the Company, Miltaş, operates in the consultancy and contracting services as well as facility management sectors. Since Miltaş does not represent a material activity in the context of this report, it has been concluded that no climate change-related material risk has been identified for Miltaş.

Materiality Assessment

The climate change-related disclosures provided in this report have been determined in accordance with the principle of financial materiality defined under the TSRS, with the aim of identifying material information that could reasonably be expected to affect the Group's future financial adequacy. These disclosures pertain to climate change-related risks and opportunities.

For the purpose of financial materiality assessment, current and potential climate change-related risks and opportunities have been analysed within the scope of the insurance operations and subsidiaries representing the Group's main lines of business.

This report provides information regarding the Group's short, medium, and long-term climate change-related risks and opportunities that could reasonably be expected to affect cash flows, access to finance, or the cost of capital.

At Milli Re, climate change-related risks and opportunities are assessed within three-time horizons: short-term (0–1 year), medium-term (1–5 years), and long-term (beyond 5 years). These definitions serve as the main reference point in prioritization processes when forming the Company's sustainability strategy and action plans. Each risk and opportunity are separately evaluated in terms of its potential impact, likelihood, and relevant time horizon.

These time horizons are structured in alignment with the Company's strategic decision-making processes and operational management cycles. At the same time, they are consistent with the strategic planning and risk management processes of İşbank, particularly with respect to the adopted time perspective. Further details are provided in the section **"Strategic Time Horizons"** under the Strategy chapter of this report.

The qualitative aspects of climate change-related risks and opportunities, as well as their likelihood and magnitude, have been assessed, in addition to using certain thresholds defined within the consolidated financial statements. Within this scope, the financial materiality threshold was calculated based on consolidated gross premiums, which is one of the main indicators of activity volume and risk-bearing capacity in the insurance and reinsurance sector.

The threshold has been set at 1% of consolidated gross premiums, with the rationale that changes in premium production at this level could directly affect financial performance, capital adequacy, and risk management. This threshold has been determined in line with the industry's operational logic, audit processes, and risk assessment practices. It is a dynamic threshold that can be updated in light of future developments, based on the institution's own assessment.

Accordingly, climate change-related risks and opportunities that fall below the Group's determined materiality threshold and financial impact level have not been considered material, as they are not reasonably expected to affect future financial adequacy.

Linkage to Financial Statements

The climate change-related disclosures provided in this report should be evaluated together with the consolidated financial statements prepared for Milli Re and its subsidiaries. This report, covering the 12-month period ending on December 31, 2024, has been prepared on the basis of the same reporting period. This TSRS Compliant Sustainability Report has been prepared in accordance with the regulations issued by SEDDK and, as an inseparable part of the consolidated financial statements dated December 31, 2024, should be evaluated together with those financial statements. Pursuant to Article 70 of the Turkish Commercial Code, year-end financial statements are prepared in Turkish Lira ("TL"), and, due to the requirement under TSRS 1 Article 24, that the currency in which financial information is presented in the financial statements be taken as the basis in sustainability reports, all sustainability-related financial information has been presented in TL in accordance with the provisions of Turkish Accounting Standard 21 ("TAS 21").

Transition Exemptions

For the reporting period in which TSRS is applied for the first time, specific transition reliefs are offered. The exemptions specified in Articles E3, E4, E5, and E6 of TSRS 1 and Articles C3 and C4.b of TSRS 2 have been applied in this report.

TSRS 1 E3 and TSRS 2 C3: The report includes only information for the current reporting period and does not present comparative information for prior periods.

TSRS 1 E4: The TSRS Compliant Sustainability Report will not be published before the financial statements for the period January 1-December 31, 2024, are finalized.

TSRS 1 E5 and E6: Only disclosures related to climate change-related risks and opportunities have been presented.

TSRS 2 C4.b: Scope 3 emissions, which include indirect emissions from financed activities, have not been disclosed in this report.

Reporting Boundaries and Measurement Approach

Milli Re has adopted the financial control approach when determining organisational boundaries for the reporting of greenhouse gas emissions. While the Operational Control, Financial Control, and Equity Share approaches are all permissible under the Greenhouse Gas Protocol. In line with the Corporate Accounting and Reporting Standard (2004), Milli Re, by choosing the financial control approach, includes in its greenhouse gas inventory all emissions from operations over which it has financial control.

Value Chain

In forming climate change-related financial disclosures, Milli Re has considered not only its own operations but also its subsidiaries and value chain elements with which it has significant interactions. Accordingly, alongside Milli Re's and its subsidiaries' direct operations, upstream and downstream value chain elements have also been integrated into the reporting process.

Milli Re Value Chain

Value Chain Element	Sub-Element	Description and Definition
Upstream Value Chain	Service Providers	Research and Analysis Services
		Consulting Services
		IT (Information Technologies) Services and Digital Platforms (ERP, DLP, IDM Systems)
		Cybersecurity Services
		Data Communication and Digital Infrastructure
		Advanced Analytics and Modelling Consulting Services
		Reinsurance Contract and Actuarial Support Service Providers
		Reinsurance Application Services
	Energy Supply and Infrastructure	Electricity and Natural Gas Providers
	Finance, Treasury, and Investments	Investors and Investment Activities (Bonds, Shares, Fund Investments)
		Fund Management and Reserve Planning
		Credit and Financial Instruments (Portfolio Diversification)
	Intermediaries and Brokers	Retrocessionaires
		Reinsurance Brokers

Milli Re Value Chain

Value Chain Element	Sub-Element	Description and Definition
Direct Operations	Reinsurance Activities	Business Acceptance, Pricing, Contract Management
		Portfolio Optimization and Reserve Management
		Claims Management and Expertise Processes
		Retrocession Management
	Portfolio and Risk Management	Cumulative Analyses, Catastrophe Risk Modelling
		Actuarial Calculations and Portfolio Diversification
		Risk Premium Determination and Forecasting Models
	Financial Management	Budgeting and Forecasting Systems
		Premium Collection Management
		Claims Payment Planning
		Reserve Valuations
		Treasury Operations, Liquidity Management, Investment Yield Management

Milli Re Value Chain

Value Chain Element	Sub-Element	Description and Definition
Direct Operations	Digital Transformation and IT	Process Automation and Data Analytics
		Cyber Security Solutions (IDM, DLP, Log Monitoring, etc.)
		Business Intelligence and Reporting Systems
	Internal Systems and Corporate Governance	Executive and Decision-Making Bodies
		Corporate Governance Tools and Internal Control Systems
		Risk Management
		Internal Audit Mechanisms and Reporting
		Employee and Organisational Development Programs
	Affiliates, Subsidiaries, and Associates	Anadolu Hayat
		Anadolu Sigorta
		Miltaş
	Regional Branches	Singapore Branch

Milli Re Value Chain

Value Chain Element	Sub-Element	Description and Definition
Downstream Value Chain	Investor Communication Channels	Investor Communication Channels
	Investor Presentations and Reports	Investor Presentations and Reports
	Investor Feedback and Surveys	Investor Feedback and Surveys
	Customer Communication Channels	Customer Communication Channels
	Customer Feedback Systems and Surveys	Customer Feedback Systems and Surveys
	Insurance Companies	Insurance Companies
	Ministry of Treasury and Finance, SEDDK, KGK	Ministry of Treasury and Finance, SEDDK, KGK
	Sales Teams (Branch-Based or Corporate Sales)	Sales Teams (Branch-Based or Corporate Sales)
	Brand Management and Communications	Brand Management and Communications
	Website, Digital Content, Media Relations and Strategy	Website, Digital Content, Media Relations and Strategy



Governance

03

Governance

Milli Re initiated its sustainability management system efforts in 2024 with the aim of integrating its sustainability approach into its overall strategy and governance structure.

Milli Re initiated its sustainability management system efforts in 2024 with the aim of integrating its sustainability approach into its overall strategy and governance structure. Milli Re initiated its sustainability management system efforts in 2024 with the aim of integrating its sustainability approach into its overall strategy and governance structure. Within this scope, processes are being developed to structure sustainability management at the corporate level, define areas of responsibility, and coordinate sustainability-related practices across the Company.

Alongside these efforts, structures are being established to integrate sustainability issues into decision-making mechanisms, enhance organisational capacity, and monitor sustainability performance. Work aimed at strengthening the governance structure in this area is planned to continue in the coming years.

At Milli Re, the General Manager is the highest-ranking executive responsible for the oversight of risks and opportunities associated with sustainability and climate change. The General Manager, Fikret Utku Özdemir, holds ultimate oversight authority and decision-making

responsibility for the identification, assessment, and management of climate change-related risks and opportunities into the company's business processes.

At Milli Re, the Group Manager of Human Resources and Sustainability, Fulya Öztürk, is responsible for the development and implementation of the Company's sustainability strategy, policies, and targets. This structure ensures the coordination of sustainability-related processes across the Company and has been actively carrying out the relevant practices as of the reporting period.

To strengthen the capacity of the Sustainability Unit, a sustainability specialist with relevant experience was added to the team in 2025.

In October 2024, the Sustainability Unit was formally established. The Unit is responsible for the execution of sustainability-related efforts, including both technical and operational planning, and for ensuring effective coordination across the Company.

To ensure that sustainability management at Milli Re is carried out at an institutional level in a holistic and systematic manner, a Sustainability Committee was established as of May 2025. The Committee is responsible for the creation, management, implementation, monitoring, and periodic review of sustainability-related strategies and targets, and for submitting them to the Board of Directors for approval. The Company ensures that climate change-related risks and opportunities are identified, prioritized, and managed effectively. The assessments carried out within this scope are integrated into the Company's strategic decision-making processes.

The structure of the Committee, its areas of responsibility, meeting schedule, decision-making processes, as well as the scope and frequency of reporting to the Board of Directors are set out in the Sustainability Committee Duties and Working Principles document. Within this framework, the document also specifies the Committee's position within the organization and the principles regarding how, when, and in what content it will report to senior management.

Additionally, working groups formed under the Committee, covering specific sustainability topics, and their responsibilities, reporting lines, and meeting frequency are defined in accordance with the same document. The working groups report directly to the Committee, ensuring that priority issues are addressed effectively and consistently.

The Company's corporate Risk Management approach was restructured by the Board of Directors' resolution No. 1433, dated February 27, 2024. In line with this decision, the previously established Risk Committee was dissolved, and the management of corporate risks was placed under the supervision of the Audit Committee, in accordance with the regulations set forth in the Internal Systems legislation. Within this framework, the Risk Management Unit has been structured under the Deputy General Manager responsible for Internal Systems and continues its activities directly under the oversight of the Audit Committee.

The Audit Committee is composed of at least two members selected from among the members of the Board of Directors who meet the qualifications defined in the Internal Systems Regulation. The Committee members elect a Chair from among themselves. As of December 31, 2024, the members of the Committee are Chair of the Board of Directors Ebru Özşuca, Board Member Zeliha Göker, and Deputy General Manager Banu Gülmedim Purut. The risks to which the Company is exposed are independently reviewed by the Risk Management Department and are regularly reported to the Board of Directors through the Audit Committee.

Furthermore, the Evaluation and Monitoring Committee, established in April 2024 and convening at least four times per year, is responsible for developing recommendations for determining the company's risk management strategies, policies and limitations on basic risks, and ensures that risks are systematically managed, monitored and the results are evaluated, taking into account changes in the operating environment. The Committee is composed of the General Manager, Deputy General Managers, Group Managers, and the Risk Management Manager. The Committee is chaired by the General Manager. Additional participants may be invited by the General Manager as needed, and the working principles of the Committee are determined by the General Manager. In addition, the Committee is responsible for ensuring the internal communication of reports prepared by the Risk Management Department and for developing recommendations regarding the actions to be taken following their submission to the Board of Directors. Decisions are made by majority vote of the participants; in the event of a tie, the Chair's vote prevails. Dissenting opinions are recorded in the decision text. The secretariat services of the Committee are carried out by the Risk Management Department. These working principles enter into force as of the date of their approval by the General Manager.

Risk management processes are carried out in line with the Company's Risk Management Policy and Risk Management Activities Directive, both approved by the Board of Directors. These frameworks define the identification, measurement, monitoring, and control of risks and ensure the implementation of practices in a consistent and systematic manner. Within the Company, the Risk Management Department is responsible for preparing risk strategies and policies, setting risk limits, developing preventive measures against possible breaches of these limits, addressing extraordinary scenario analyses, and carrying out risk assessments for new products and activities.

The Risk Management Department measures and analyses market risk on a daily basis and submits reports prepared within this scope to the Board of Directors. The Risk Assessment report includes measurement results and analyses of all Company risks and is submitted quarterly to the Board of Directors and the relevant units of Türkiye İş Bankası A.Ş. on a quarterly basis. Assessments of Operational Risk, Model Risk, Reputation Risk, and Strategic Risk are carried out once a year.

The Company's Risk Catalogue and the Implementation Procedures and Principles of the Risk Management are submitted to the approval of the Board of Directors as needed and at least once a year. The Risk Catalogue, developed to establish a common language and approach at the corporate level, provides a classification under two main categories of financial and non-financial risks. The Risk Catalogue is regularly updated and enters into force with the approval of the Board of Directors. Within financial risks, underwriting risk, credit risk, asset-liability management risk (market risk, structural market risk, liquidity risk, capital investment risk, real estate investment risk) are monitored; while within non-financial risks, business environment risk, strategic risk, model risk, operational risk, reputational risk, and information technology risk are assessed. The findings related to the measurement of these risks are regularly reported by the Risk Management Department to the General Manager and, through the Audit Committee, to the Board of Directors. In cases where high risk levels are identified, the action plans to be implemented are determined by the Board of Directors.

Milli Re carries out studies to assess the impacts of physical and transition risks related to climate change on the Company's operations. Within this scope, processes are being established not only for the identification, measurement, and reporting of these risks, but also for the development of governance principles and related policies, as well as for the integration of these risks into the Company's strategies and reinsurance activities.

While the current risk management system already covers sustainability and climate change-related risks, structural improvements are planned in the coming years to strengthen the monitoring and management of climate change-related risks. In this context, efforts will be made to integrate sustainability and climate change-related risks into existing risk management processes and monitor them under the supervision of the Audit Committee.

Competence and Capacity Building Activities

As part of the sustainability management system efforts initiated in 2024 and continued into 2025, Milli Re is working to integrate climate change-related risks and opportunities into strategic decision-making processes. Accordingly, the Company aims to develop institutional structures that ensure sustainability strategies are effectively implemented and systematically supported with the necessary knowledge, skills, and competencies.

Decision-making processes regarding the identification and development of sustainability-related knowledge, experience and competencies are currently carried out indirectly within the scope of the Company's career management and development policies. Training needs are determined in line with the Training Implementation Principles and performance evaluation results, and programs planned with senior management approval are implemented in coordination with relevant units.

Additionally, the inventory and assessments of competencies involving Group Managers are centrally reviewed, and training needs identified as a result of these assessments are incorporated into the Company's sustainability strategy and action plans. This approach enables the integration of sustainability into employee performance evaluations and career planning. A comprehensive competency model for sustainability, covering both technical expertise and leadership skills, is planned to be developed and applied across the Company in the upcoming period.

Through the Sustainability Committee, established in 2025, the systematic identification, assessment, and development of the knowledge, skills, and competencies related to the managerial oversight of sustainability strategies is aimed. In addition, under the Sustainability Policy, which entered into force in 2025, it is ensured that all employees are provided with equal training and development opportunities, and that sustainability-related themes are incorporated into training content.

The Sustainability Policy, the drafting process of which began in 2024, is designed to strengthen the Company's sustainability vision, commitments, and objectives. The Policy covers climate change, human rights, labour rights, natural resource use, biodiversity, and sustainable value creation, while also setting targets for social responsibility criteria. Additionally, the Procurement Policy ensures compliance with environmental and social responsibility standards in supplier selection and evaluation, while the Responsible Investment Policy emphasizes consideration of sustainability criteria in investment decisions. Both policies will be finalized in 2025, ensuring their consistent application across the Company and increasing the traceability of sustainability commitments.

The Board of Directors consists of members with diverse experience and competencies in the field of sustainability; relevant details are included in **Annex 2** of this report.

Sustainability and Climate Change-Focused Training Programs

Milli Re adopts a structured training approach to raise employees' awareness of sustainability and climate change and to develop corporate competencies in these areas. In this context, on June 4, 2024, a four-hour classroom-based sustainability training was organized for employees with the title of manager and above. In addition, as of November 22, 2024, an online sustainability training was made available to all employees through Milli Re Academy. Of the 43 managers, 35 successfully completed the training and received participation certificates, while 125 out of a total of 142 employees completed the program. Among these trainings were "Individual Awareness for a Sustainable World," "Individual Awareness on Zero Waste," and "The Climate Crisis in My Closet." Milli Re aims to further enhance its employees' sustainability-related knowledge and competencies and to integrate training practices in this field into corporate learning processes.

Remuneration Processes

Milli Re's current remuneration policy is determined by the Board of Directors and applied in line with the Company's Articles of Association and approved by the General Assembly. At present, no sustainability or climate change-related performance indicators have been integrated into remuneration or incentive mechanisms for the Board of Directors or employees.

However, sustainability and climate change-related accountability responsibilities are incorporated into the roles of executive management and employees, forming part of their performance assessments. In the coming years, the Company plans to gradually integrate sustainability and climate change-related metrics into remuneration and incentive practices.

Governance Structure of Subsidiary Anadolu Sigorta (Summary)

At Anadolu Sigorta, a subsidiary of Milli Re, sustainability is regarded not only in terms of environmental and social approaches but also as an integral part of governance processes. In line with this understanding, the Sustainability Committee, which operates under the Executive Committee, is responsible for shaping the sustainability vision, defining priority areas, evaluating risks and opportunities, monitoring performance, ensuring transparent reporting, and managing stakeholder communication. The Committee has an interdisciplinary structure composed of representatives from different business units, and external experts are involved in decision-making processes when necessary. The Board of Directors is responsible for setting long-term strategies related to climate and sustainability risks, allocating the necessary resources, and fulfilling its oversight role. The Executive Committee implements these strategic decisions and ensures their integration across all units. The Early Detection of Risk Committee oversees the management of sustainability and climate risks through regular reporting and provides recommendations to the Board of Directors. As part of its incentive mechanisms, sustainability indicators are integrated into all employees' performance scorecards, and achievements are rewarded through a bonus system. In addition, training programs and workshops are organized to raise sustainability awareness among employees and stakeholders. Furthermore, policies have been established in the areas of sustainability, communication, environment and climate change, management of environmental and social impacts, responsible investment, ethical rules, equality, and female board membership.



Strategy

04

Strategy

Milli Re aims to integrate actions taken and planned in response to climate change-related risks and opportunities into its strategy and decision-making processes.

Climate Change-Related Risks and Opportunities

Identification and Classification of Climate Change-Related Risks and Opportunities

Milli Re conducts holistic, forward-looking work to identify climate change-related risks within the framework of its corporate risk management approach. In this regard, it is aimed to structure these risks as a separate category within the Risk Catalogue and to establish effective monitoring mechanisms. Milli Re has conducted a Risk and Opportunity Inventory study related to climate change risks and opportunities, as well as a scenario analysis on prioritized risks. In this study, the Company's business model, value chain, and strategic time horizons were taken into consideration.

The work distinguishes between physical risks and transition risks, both analysed under sub-categories.

Physical Risks: The direct physical impacts of climate change refer to the potential to cause damage to the Company's operations, customers, or other elements within the value chain. Physical risks are divided into two sub-categories: acute and chronic physical risks.

- » **Acute Physical Risks:** These refer to sudden, event-based weather phenomena associated with climate change, such as floods, storms, hail, and extreme temperatures. These include natural disasters that can cause sudden damage, such as floods, wildfires, heavy rainfall, storms, or landslides.
- » **Chronic Physical Risks:** These refer to physical risks arising from long-term and lasting impacts of climate change, such as rising temperatures, drought, or sea level rise. Risks evaluated under this category include increases in average temperatures, sea level rise, and water stress.

Transition Risks: In the process of moving toward a low-carbon economy, adaptation and mitigation measures aimed at limiting climate change have the potential to create adverse impacts for the insurance company and its stakeholders.

Legal and regulatory changes related to climate change, as well as shifts in public policies, may give rise to various risks if the Company's operations fail to comply with these requirements.

From a value chain perspective, Milli Re also considers the activities of its subsidiary Anadolu Sigorta, which takes on an important role in the identification, assessment, and monitoring of climate change-related risks, as it has direct customer contact and is positioned at the beginning of the risk acceptance process. In this context, the main risks addressed by the subsidiary and considered within the value chain are the risk of increased loss costs and reinsurance costs due to extreme weather events (heavy rainfall, wildfires, floods, landslides), and the risk of increased health branch loss costs due to heat stress, heatwaves, and drought.

These risk assessments obtained through the activities of the subsidiary operating in the insurance business line can be reflected in Milli Re's risk management approach, providing data and perspective for pricing, structuring of reinsurance programs, development of modelling capabilities, and the creation of long-term resilience strategies.

Opportunity Areas and Strategic Potential

Climate change, while highlighting significant risks for Milli Re and its subsidiary Anadolu Sigorta, also brings with it various opportunity areas through the development of strategic approaches and measures aimed at addressing these risks. Milli Re sees sustainability-based business models, transition processes, product and service diversification, strengthening technical capacity, and long-term value creation as important potential opportunity areas.

In this context, contributing to the measurement of the potential physical effects of climate change, improving modelling and pricing processes, and supporting cost-effectiveness in retrocession programmes are considered valuable. Similarly, the increasing sensitivity to climate change in certain geographies and sectors is expected to drive demand for new products and services; renewable energy, green infrastructure projects, and insurance demand in agricultural areas represent significant strategic opportunity areas.

Milli Re approaches the transition process not only as an enhancement of its existing product portfolio but also as an opportunity to design and develop new products targeting climate change-related risks. The Company aims to expand the use of data and analytics, strengthen digital transformation, and develop models that encourage the transition through sustainable risk modelling.

Accordingly, strengthening technical infrastructure, increasing modelling capabilities, and broadening the scope of data usage are emphasized. Milli Re evaluates this in connection with transition opportunities, considering it as a factor contributing both to strengthening its technical capacity and to creating long-term sustainability.

From a value chain perspective, demand growth in insurance business lines within its subsidiary Anadolu Sigorta also represents an opportunity. Increasing demand for insurance related to renewable energy, infrastructure projects, and agriculture in geographies sensitive to climate change is seen as a driver of technical capacity strengthening and market expansion.

Strategic Time Horizons

Milli Re defines three-time horizons for assessing the potential financial impact of climate change-related risks and opportunities: short-term (0–1 year), medium-term (1–5 years), and long-term (5 years and beyond). These time horizons serve as the fundamental reference points in the prioritization process for risks and opportunities when shaping the Company's sustainability strategy and action plans. Each risk and opportunity are separately evaluated in terms of its potential impact and likelihood within the relevant time horizon.

This approach is aligned with Milli Re's strategic decision-making processes and operational management cycles. At the same time, it ensures full consistency with the strategic planning and risk management processes of its main shareholder İşbank, particularly in terms of the time perspective adopted. This alignment provides consistency in terminology and timeframes across strategic evaluations, ensuring the integration of climate change-related risks and opportunities into the Company's overall strategic objectives and financial planning processes in a holistic way.

Climate change-related risks and opportunities are analysed within the defined time horizons. Potential financial impacts are assessed by taking into account the expected timing of their occurrence. This approach strengthens the consistency of impact analysis and scenario-based evaluation, thereby enhancing the effectiveness of strategic decision-making processes.

Business Model and Value Chain Impact

Approach to Risks and Opportunities

Milli Re carries out proportional and non-proportional reinsurance transactions in non-life insurance lines both in Türkiye and abroad, while also managing pool activities that cover multiple insurance branches and providing reinsurance support for these. The Company's business model is based on long-term contracts, diversification of risks across geographies and sectors, and technical assessments. This structure supports balanced risk profiles and contributes to the sustainable delivery of long-term value.

In preparing climate change-related financial disclosures, Milli Re evaluates not only its own activities but also those of its subsidiaries and affiliates, thereby assessing the entire value chain.

As a result of analyses conducted within the reinsurance and insurance sector, risk assessments have been carried out against climate change-related risks, and measures have been developed. In this context, technical analysis infrastructure has been strengthened, and modelling and climate scenario studies have been advanced.

Geographic diversity and branch-based distribution are also considered in these efforts, aiming to provide a holistic and forward-looking perspective on risk assessment.

In the insurance and reinsurance sector, where climate change-related physical and transition risks can have material financial impacts, Milli Re integrates climate change-related risks into its business model and assesses their long-term effects comprehensively.

Milli Re has examined its own value chain and business model under three main headings: upstream, its own operations, and downstream, and shared in the **"Value Chain"** section of this report.

Climate Change-Related Risks and Opportunities

The Group aims to analyse physical and transition risks related to climate change, evaluate the potential financial impacts of these risks, and identify strategic opportunities to reduce and manage them. Within this framework, Milli Re has defined priority risk areas based on the Climate Risk and Opportunity Inventory, supported by materiality analysis and a dedicated risk workshop conducted with the participation of business units.

Within the scope of the Company's activities, priority risk areas have been identified by considering the potential impacts and likelihood of climate change-related risks such as floods and wildfires caused by extreme heat. These risk areas may increase exposure of insured assets and create loss ratio uncertainties. This situation has been reflected in the Company's technical modelling, pricing, and planning processes to support resilience.

From the perspective of the subsidiary Anadolu Sigorta, physical risks have been evaluated, including heavy rainfall, wildfires, floods, landslides, and similar extreme events, with particular attention to the risk of increased loss ratios and rising reinsurance costs caused by climate change. This evaluation concluded that physical risks such as heavy precipitation, wildfires, floods, landslides, and drought-related branch indemnity costs create material risk impacts.

In addition, Milli Re has evaluated the possible impacts of modelling and pricing uncertainty in its reinsurance activities. In this context, it is assessed that because of climate change, the accuracy level of modelling methods based on past data has decreased, and that uncertainties and data deficiencies in projections of extreme weather events may create additional challenges in pricing processes. For this reason, steps such as strengthening modelling and pricing processes, increasing the alignment of assumptions with portfolio characteristics, and restructuring retrocession programs in line with current market information and global climate scenarios are envisaged. In addition, in order to more accurately reflect climate change-related risks, the use of tools such as model development, assumption calibration, and scenario analyses is planned; as well as improving data quality and integrating sustainability-focused parameters into decision-making processes.

In addition to managing climate change-related risks, the Group has identified the development of insurance products and the design of new products as a strategic priority. Within this scope, the Group aims to strengthen its sustainability-based business model, improve technical capacity, and ensure long-term value creation through product and service diversification. In the insurance business, the expansion of insurance product coverage, access to different customer segments, and market expansion are considered significant opportunity areas. In this regard, within the scope of reinsurance activities, efforts are ongoing for growth in uninsured areas, the design of new products sensitive to climate risks, and the development of technical infrastructure.

Milli Re focuses on developing new climate-sensitive products in its reinsurance portfolio, evaluating growth potential in uninsured areas, and strengthening modelling and pricing infrastructure with climate data to turn climate risks into opportunities. This approach is supported by the restructuring of retrocession programs in line with global climate scenarios, improving data quality, and the integration of sustainability-focused parameters into risk management.

The insurance business line, which is a subsidiary, evaluates opportunities through insurance products and policies designed with attention to energy efficiency and carbon reduction technologies, as well as health, safety, and environmental benefits. These products contribute to the diversification of portfolios covering health, engineering, motor, and natural disaster coverages that address climate change-related risks, to reaching new customer segments, and to increasing market share. In particular, the expansion of insurance coverage in areas such as renewable energy facilities, disaster-resilient infrastructure projects, and low-carbon technologies carries strategic value in terms of increasing technical income, strengthening resilience against risks, and maintaining long-term competitive advantage.

On the following pages, climate change-related risks and opportunities for Milli Re and its subsidiary Anadolu Sigorta are explained in separate tables.

Risks

Climate Risk – 1 (Milli Re)	Risk Definition	Impact on Cash Flow, Access to Finance, and Cost of Capital	Actions Taken by Milli Re	Impact on Strategy and Decision- Making Processes
Risk Type Acute Physical Risk Risk Description Wildfires due to extreme temperatures and drought Metrics Expected loss cost calculations for fire and natural disaster branch Risk Time Horizon Short, Medium, Long Risk Likelihood Medium Risk Severity Low Type of Impact Expected Country / Region of Occurrence Türkiye Affected Value Chain Downstream Estimated Financial Impact As a result of wildfires, insured loss ratios may increase. However, since the portfolio largely consists of commercial and industrial risks, and as these risks are not directly located in areas prone to such events, the direct impact is relatively limited.	The effects of climate change in Türkiye, such as rising temperatures, drought, low humidity, and strong winds, are significantly increasing the frequency, duration, and affected area of wildfires. In particular, the fire season in Türkiye's Aegean and Mediterranean regions is lengthening, with fires spreading over larger areas and approaching residential zones. Under high emission scenarios such as RCP 8.5 and NGFS "Current Policies," the land area exposed to wildfires is projected to increase by 0.20 percent by 2035. These projections indicate that wildfire risk will grow not only in terms of frequency and intensity but also regarding its potential impacts on insured assets. Milli Re's domestic portfolio primarily covers commercial and industrial fire insurance. These risks are monitored under the Fire and Natural Disaster branch; however, wildfires are not tracked as a separate sub-category within this branch. Should fires occur near insured assets, there is a potential for direct losses. At present, however, there is no detailed geographical distribution analysis within the portfolio that assesses the probability of such risks materializing or their potential impact level. In retrocession programs, the impact of wildfires is considered secondary and does not stand out as a direct determining factor. Nevertheless, the global increase in wildfire frequency and associated loss costs may indirectly create pressure on coverage conditions and pricing in the international reinsurance market.	With climate change, the increasing frequency of wildfires can create various financial impacts on insurance and reinsurance activities. In particular loss increases under fire coverage policies may raise loss ratios. This situation can cause economic losses and have negative effects. Rising claim payments may lead to challenges in liquidity management. At the same time, the financial impact of these risks can increase the cost of capital and make access to financing more difficult. In line with these developments, the need for revisions in certain policy and reinsurance terms may arise. Wildfire risk can create multifaceted impacts on loss ratios, cash balance, and capital structure.	In order to reduce the impacts of climate change-related physical risks such as wildfires on insurance activities, certain measures are being implemented. Risk acceptance criteria for policies under the fire and natural disaster branch are reviewed periodically, and coverage scope and deductible conditions are updated when necessary. In reinsurance agreements, technical assessment processes are carried out for high-risk assets such as transmission and distribution lines, and information requests regarding these areas are being increased. Within the scope of retrocession transactions, fire risk is closely monitored, and agreement conditions are updated in line with market developments. As a reinsurer, Milli Re acts in line with the demands of insurance companies. The actions taken by insurers against fire risk are reflected in reinsurance agreements, and technical conditions are re-evaluated based on deductible applications and coverage changes. Information requests on high-risk assets have been increased, with the aim of deepening analyses in these areas. In retrocession processes, international market practices are also monitored and agreements related to fire risk are regularly reviewed.	Milli Re shapes its decision-making processes related to climate change-driven fire risk based on both data and requests from insurance companies and its own technical assessments. Changes made by insurers in fire coverage structures and deductible applications guide the company's technical analyses. With this approach, the company bases its decision-making processes on technical evaluations and follows a strategy that is synchronized with sectoral developments. Analyses conducted by technical units are taken into account when restructuring coverage frameworks and agreement conditions, thereby ensuring a risk-focused approach in decision-making processes. Risk acceptance criteria for policies under the fire and natural disaster branch are reviewed periodically, and coverage scope and deductible conditions are updated when necessary. In reinsurance agreements, technical evaluation processes are applied for high-risk assets such as transmission and distribution lines, and information requests regarding these areas are being increased. Within the scope of retrocession transactions, fire risk is closely monitored, and agreement conditions are updated in line with market developments. To ensure more effective integration of climate change-related risks into corporate risk management processes, it is planned to establish them as a separate category within the Risk Catalogue and to systematize the evaluation processes.

Risks

Climate Risk – 2 (Milli Re)	Risk Definition	Impact on Cash Flow, Access to Finance, and Cost of Capital	Actions Taken by Milli Re	Impact on Strategy and Decision- Making Processes
Risk Type Acute Physical Risk Risk Descriptions Floods Metrics Expected loss cost calculations from floods Risk Time Horizon Short, Medium, Long Risk Likelihood Medium Risk Severity Low Type of Impact Expected Country / Region of Occurrence Türkiye Affected Value Chain: Downstream Estimated Financial Impact Flood risk in certain regions may cause damage to insured assets and lead to an increase in compensation payments. This situation can affect the loss-to-premium balance (loss ratio) and put pressure on profitability. However, uncertainties in the temporal distribution of flood risk, increases in severity rather than frequency, and regional differences make a cautious approach in financial planning necessary. Losses caused by floods can periodically increase the loss ratio within the Fire and Natural Disasters branch. Nevertheless, due to the limited level of insurance coverage and the relatively low share of flood risk within the overall portfolio, these increases do not have a decisive impact on overall technical profitability (or underwriting/technical result).	With the effects of climate change, flood risk shows increases or decreases in various forms and regions. Under high emission scenarios (RCP 8.5 / NGFS “Current Policies” / IEA APS), especially with the extremes occurring in precipitation regimes and the rise in sea level, flood-related risks are expected to structurally transform. Although a decrease in surface runoff risk is projected across Türkiye in the long-term, this decrease is not distributed homogeneously. In the Aegean, Mediterranean, and Central Anatolia regions, where water stress is high, more pronounced decreases in surface runoff are expected. On the other hand, in the Black Sea Region, no significant change in surface runoff is projected, however, with the rise in sea level and the increase in severe weather events, coastal flood risk is expected to increase significantly. This situation increases risks especially for low-lying coastal areas, delta regions, and coastal settlements. The impacts of extreme precipitation events show regional differences. While extreme precipitation risk is expected to decrease in the Aegean and Mediterranean regions, it is projected that this risk may increase in some parts of the Marmara and Eastern Anatolia regions. In addition, in terms of exposure to river floods, under high emission scenarios such as RCP 8.5 and NGFS “Current Policies,” in the years 2030 and 2035, a decrease of between 0.03 and 0.04 percent in the share of exposed land is projected. In line with all these variables, the economic and operational consequences of physical impacts related to flood risk differ at the regional level. In particular, in areas where river flood, surface runoff, and coastal flood risks may be observed together, the geographical concentration of exposure increases. This situation indicates a higher risk profile especially for industrial infrastructures, logistics networks, and settlements located in coastal regions. In this context, under high emission scenarios, the impacts of flood risk are expected to vary depending on the regions where sectoral activities are carried out and should be taken into account in strategic planning.	The regional concentration of flood risk and its occurrence in different forms such as coastal flooding, surface runoff, and river flooding can increase the financial impacts of climate change-related extreme weather events. This situation may lead to periodic increases in loss ratios, especially in areas with dense industrial infrastructure, engineering projects, and transportation networks. However, the limited number of assets exposed to flood risk in the current portfolio and the low level of insurance coverage restrict the overall impact of these increases on the company's economic losses. In domestic reinsurance treaties, there is no event limit specific to flood risk, however, coverage remains restricted by agreement limits. In this context, in a high-intensity flood event, there may be a short-term increase in cash outflows due to compensation payments. Nevertheless, the low frequency of flood-related losses and their limited costs in past cases reduce the impact of this risk on total capital requirements. From the perspective of access to financing and cost of capital, the inadequacy of flood risk modelling infrastructure creates uncertainty in long-term financial planning. The absence of a current and comprehensive flood model specific to Türkiye limits the accuracy of loss ratio forecasts and the reliability of PML (Probable Maximum Loss) analyses, which in turn increases prudence margins in the pricing of reinsurance programs. In retrocession agreements, flood risk generally has the potential to trigger losses at the lower layer, but it is not a primary driver of exposure or pricing for the overall program.	Milli Re is carrying out efforts to strengthen its modelling and monitoring infrastructure in order to better analyse the impacts of flood risk on its portfolio and to closely monitor developments related to climate change. Although there is no comprehensive flood model specific to Türkiye, the aim is to increase internal capacity, and internal modelling processes are planned to be established for the purpose of cross-checking the modelling outputs provided by brokers. The collection of granular-level accumulation data from insurance companies has been prioritized, and the necessary communication has been initiated with companies that transfer their risks to Milli Re under reinsurance. Following the provision of this data, analyses to be conducted in cooperation with brokers aim to ensure that flood risk is monitored and measured in a more systematic manner. Developments under the scope of Compulsory Disaster Insurance and changes in insurance penetration rates are also monitored regularly.	Factors such as the geographical distribution of the insured portfolio, past loss frequencies, sectoral trends related to flood risk, and insurance penetration rates are evaluated in an integrated manner within decision-making processes. In line with this approach, the development of existing technical capacity and the strengthening of in-house modelling competence are targeted, and the collection of flood-specific data and scenario analyses are identified as priority strategic areas. Although the impacts related to flood risk remain at a limited level, the aim is to be prepared for new dynamics that may arise with climate change. To ensure more effective integration of climate change-related risks into corporate risk management processes, it is planned to establish them as a separate category within the Risk Catalogue and to systematize the evaluation processes.

Risks

Climate Risk – 3 (Anadolu Sigorta)	Risk Definition	Areas Where the Risk Intensifies	Impacts on Business Model and Value Chain	Strategies and Decision-Making Processes Related to Risks
Risk Type Acute Physical Risk Risk Description Extreme Weather Events (Heavy Rainfall, Hail, Snow), Wildfires, Floods, Landslides Metrics Loss cost calculations expected from natural disasters depending on weather conditions Risk Time Horizon Short, Medium, Long Risk Severity High Type of Impact Expected Country / Region of Occurrence Türkiye Affected Value Chain Subsidiary – Anadolu Sigorta (Risk acceptance and claims processes) Estimated Financial Impact Risk of profitability decline due to increasing compensation costs, instability in cash flows, and risk of value loss in assets	The risk of reduced profitability of Anadolu Sigorta and the Group due to increased loss costs arising from losses caused by extreme weather events (heavy rainfall, wildfire, flood, landslide) experienced as a result of climate change The risk of Anadolu Sigorta's assets being damaged as a result of extreme weather events experienced due to climate change	Decrease in profitability due to incurred losses and the increase in technical provisions (insurance provisions/ insurance liabilities), downward pressure on equity and capital adequacy	The increase in the frequency and severity of weather events such as heavy rain, hail, snow, wildfire, flood, and landslide due to climate change leads to an increase in loss costs and therefore in the loss ratio especially in the branches of housing, engineering, land vehicles (casco), and cargo insurance. The increasing compensation payments cause a direct rise in the "Incurred Losses" item in the financial statements; this situation creates a negative effect on the "Technical Profitability Balance" (or underwriting/technical result) and the "Period Profit/Loss." In addition, in this environment where uncertainty has increased, technical provision policies become more prudent; this causes an increase in the "Insurance Provisions" item. The increase in the size of insurance provisions also creates pressure on financial soundness indicators such as the "Equity/Total Assets" ratio through the "Total Liabilities" item. As a result, a series of acute physical climate risks contain the potential to create long-term negative effects on technical profitability (or underwriting/technical result), the capital adequacy ratio, and the key profitability ratios in the financial statements. Operational disruptions caused by extreme weather events, damages to infrastructure, and damages to physical assets (office buildings, data centres, equipment, etc.) may interrupt business continuity, and may create negative effects due to repair, reconstruction, and business interruption costs.	At Anadolu Sigorta, risks are identified, and possible measures are evaluated in parallel with sustainability legislation and internal policies and procedures. With the geographic risk assessment application called Discoverisk, climate change-related risks such as flood and landslide are measured, and risk scores are calculated using coordinate information. Through these technology-based collaborations, contributions are made to the effective management of climate risks. The increasing loss costs due to extreme weather events, their effects on technical profitability (or underwriting/technical result) and financial structure, and the possible impacts of these risks on risk management processes and underwriting policy /pricing policies are monitored. The adequacy of reinsurance protection regarding possible losses that may arise due to extreme weather events is continuously reviewed. Anadolu Sigorta manages these risks within the framework of catastrophe scenarios and business continuity plans, and by monitoring climate change-related physical impacts with scientific methods, it protects its reinsurance position and equity. Assets are insured with insurance policies.

Risks

Climate Risk – 4 (Milli Re and Anadolu Sigorta)	Risk Definition	Areas Where the Risk Intensifies	Impacts on Business Model and Value Chain	Strategies and Decision-Making Processes Related to Risks
Risk Type Acute Physical Risk Risk Description Risk of increase in reinsurance costs due to extreme weather events Metrics Composition of reinsurer companies and reinsurance protection on a coverage basis, reinsurance cost on a coverage basis Risk Time Horizon Short, Medium, Long Risk Severity Medium Type of Impact Expected Country / Region of Occurrence Türkiye Affected Value Chain » Milli Re – Upstream and Downstream » Subsidiary – Anadolu Sigorta (Direct operations – Reinsurance processes) Estimated Financial Impact Increase in reinsurance costs	Increase in protection costs in the reinsurance market as a result of extreme weather events caused by climate change	Decrease in profitability due to the increase in reinsurance costs Negative impacts on premium production and technical profitability (or underwriting/technical result) due to the limitation of insurability caused by the excessive increase in reinsurance costs Specifically, for Milli Re, the risk is concentrated on consolidated profitability. The increase in Anadolu Sigorta's reinsurance costs creates indirect pressure on the Group's financial results. Therefore, for Milli Re, there is a limited effect on the direct business model, but an effect that needs to be taken into account at the consolidated level.	The increase in loss costs arising from extreme weather events caused by climate change leads to significant increases in the reinsurance premiums demanded by reinsurance companies from Anadolu Sigorta in the following period, as these loss costs are reflected to them. In addition, extreme weather events experienced worldwide also push up pricing and costs in reinsurance markets. Therefore, extreme weather events occurring both in Türkiye and worldwide create the risk of increasing Anadolu Sigorta's reinsurance costs. In the long-term, the excessive increase in these costs may also bring the risk of various limitations on the availability of protection provided by reinsurance companies. Milli Re's own operations are affected at a limited level by this risk, however, the cost pressure arising through the subsidiary is reflected in Group results via the consolidated financial statements. Due to indirect exposure, the risk is monitored by Milli Re not directly, but through consolidated financial results.	The reinsurance procurement processes carried out by the Reinsurance Department of Anadolu Sigorta include controls to ensure that insurance risks arising from extreme weather events due to climate change are covered under reinsurance protection. These reinsurance procurement processes are designed in such a way that, when losses subject to reinsurance protection occur, the financial structure of Anadolu Sigorta will be affected as little as possible. Milli Re addresses this risk within the scope of group risk management and manages it not through direct operational measures but through supervision, reporting, and capital planning. Analyses based on consolidated data are taken into account in risk appetite and strategic decision-making processes.

Risks

Climate Risk – 5 (Anadolu Sigorta)	Risk Definition	Areas Where the Risk Intensifies	Impacts on Business Model and Value Chain	Strategies and Decision-Making Processes Related to Risks
Risk Type Chronic Physical Risk Risk Description Heat stress, heat waves, drought Metrics Health insurance compensation claims based on extreme heat (number of provisions created on this subject according to the ICD 10 system developed by the World Health Organisation) Risk Time Horizon Long Risk Severity Medium Type of Impact Expected Country / Region of Occurrence Türkiye Affected Value Chain Subsidiary – Anadolu Sigorta (Direct operations – Risk acceptance and claims processes) Estimated Financial Impact Decrease in profitability and cash flow due to the increase in compensation costs in parallel with the increase in insurance compensation claims	The frequency and severity of the extreme heat risk experienced in Türkiye due to climate change are increasing. This situation carries the risk of increasing diseases related to these weather events and the loss costs associated with these diseases. In addition, heat waves, the urban heat island effect, and the resulting increase in health problems can negatively affect both the quality of life of individuals and the economic resilience of policyholders. These developments may increase the compensation claims of policyholders as well as weaken their payment capacities.	Weakening of technical profitability (or underwriting/technical result) due to increasing compensation expenses in the health branch Loss of growth momentum in premium production and decline in collection performance	Increasing health risks together with extreme heat, drought, and disruptions in food supply can, in addition to affecting the health insurance demands and payment behaviours of individual and corporate customers, lead to an increase in the “Losses Paid” item and a decrease in the “Technical Profitability Balance” (or underwriting/technical result). In particular, the increase of cardiovascular and respiratory system diseases due to hot weather conditions causes an increase in claim frequency and compensation costs specifically in the “Sickness/Health” branch; therefore, it leads to a deterioration in the “Loss Ratio” and “Technical Profitability” (or underwriting/technical result) indicators. In this context, these chronic physical risks carry the potential to create indirect but continuous effects on Anadolu Sigorta’s level of technical profitability (or underwriting/technical result) and profitability results. In addition, due to global temperature rise, in some regions long-term heat stress, drought conditions, and heat waves are becoming permanent; this negatively affects the economic performance of policyholders (customers) operating in outdoor-based sectors (agriculture, tourism, construction, etc.). Decreasing productivity and slowing economic activity put downward pressure on “Gross Premiums” and “Earned Premiums” in this customer segment; this may cause the “Non-Life Technical Income” item to lose its growth momentum. At the same time, a possible decrease in payment ability in these sectors may, in the long-term, make the process of collecting receivables more difficult and carry the potential to create additional risks.	Anadolu Sigorta cannot eliminate the extreme heat risk through direct intervention. Therefore, Anadolu Sigorta does not have a direct mitigation strategy for this risk. However, evaluations are being made regarding the monitoring of this risk and the integration of its impacts into financial planning. In order to limit the health effects that this risk may create on policyholders, such risks are taken into consideration in Anadolu Sigorta’s portfolio management and evaluation processes, and the coverage structures and pricing levels of insurance products are reviewed periodically. Work is being carried out on proactive and sustainable insurance models in the health branch.

Opportunities

Climate change-related Opportunity – 1 (Milli Re)	Opportunity Definition	Financial Impact / Opportunity Linkage
Opportunity Description Products and Services – Development and diversification of new products Metrics Improvement of new reinsurance coverage structures, parametric reinsurance products, catastrophic risk pools, climate-focused modelling services, retrocession program optimization, and green reinsurance solutions Expected Time Horizon of the Opportunity Long Country / Region of Occurrence Türkiye Affected Value Chain Downstream Estimated Financial Impact Increase in income arising from growing demand for products and services	The changing risk dynamics in the reinsurance sector present significant opportunities in terms of diversifying the range of products and services and developing innovative coverage structures. Although Milli Re does not directly produce policies, it evaluates the potential of changing climate conditions, new geographical risk areas, and the increase of insurance penetration in the design of reinsurance programs and in the portfolio structure. In this context, there are opportunities in areas such as parametric reinsurance products, catastrophic risk pools, climate-focused modelling services, retrocession program optimization, and green reinsurance solutions for projects with low environmental impact. Through advanced modelling, data analytics, and scenario-based pricing methods, risks can be assessed more accurately; this makes it possible to expand coverage to new geographies, sectors, and asset types. In this way, both the resilience of the existing portfolio is increased and long-term growth potential in climate-sensitive sectors is supported.	The use of advanced modelling and data analytics enables risks that are difficult to measure to be evaluated on a more solid basis, contributing to the rationalization of retrocession costs and the more balanced management of the portfolio risk profile. Adapting the coverage to include new geographies, asset types, and infrastructure projects helps support technical performance targets. Strengthening the pricing processes related to climate risks and calibrating assumptions facilitates the management of the loss-to-premium balance and supports the limitation of cost pressures arising from uncertainty. In this context, the development of new solutions and their compatible integration into existing coverage structures create long-term potential for the diversification of the income base and the strengthening of market position over time.

Opportunities

Climate change-related Opportunity – 2 (Anadolu Sigorta)	Opportunity Definition	Possible Impact of the Opportunity	Impacts on Business Model and Value Chain	Strategies and Decision-Making Processes Related to Opportunities
Opportunity Type Dissemination of insurance products and development of new products Metrics Number of insurance policies designed with consideration of health, safety, and environmental benefits in line with energy efficiency and carbon reduction technologies Expected Time Horizon of the Opportunity Long Type of Impact Expected Affected Value Chain Subsidiary – Anadolu Sigorta (Direct operations – Premium production process) Country / Region of Occurrence Türkiye Estimated Financial Impact Increase in insurance premiums, growth in technical revenues due to the development of new products and diversification of products, increase in profit obtained from insurance activities, and strengthening of capital structure	The spread of insurance products that cover claims related to climate change-related risks or that target energy-efficient and low-carbon products, and the development of new products	In insurance portfolios such as health, fire and natural disaster, motor (casco), engineering, and cargo that cover claims related to climate change-related risks, an opportunity is foreseen for an increase in insured policy and coverage demands arising from the increase of these risks. It is foreseen that renewable energy facilities will need insurance solutions in the medium-term against risks such as earthquake, physical damage, and cyber security. In addition, an increase in demand is expected for liability insurance in different areas, including vehicle charging stations. Therefore, as a result of reaching new customer segments with sustainability-focused products, an increase in premium production and strengthening of technical profitability (or underwriting/technical result) is planned.	Sustainable insurance products developed within the scope of combating and adapting to climate change (for example, coverages for renewable energy facilities, engineering insurances focused on disaster resilience) enable the Company to diversify its product portfolio and reach new customer segments. These developments carry potential for increases in the items “Gross Premiums,” “Earned Premiums,” and “Non-Life Technical Income,” while at the same time positively affecting the item “Technical Profit/Loss” and strengthening the Company’s profitability performance. Along with the dissemination of these products, the share of sustainability-focused products increases, while the resilience of the insurance portfolio against climate risks also rises. At the same time, the increase in premium production in this area also has positive reflections on the Company’s indicators such as “Market Share” in the sector; in the long-term, it provides competitive advantage and supports profitability.	With the developed products and services, it is aimed to be a solution partner for customers to effectively manage risks related to climate change, as well as to offer innovative practices to support the transition to a low-carbon economy.

Financial Position, Performance, and Cash Flows

Within the scope of forecasts, the Group's short, medium, and long-term expectations have been evaluated under current data in terms of the likelihood of climate change-related physical and transition risks arising and the potential financial impacts of such risks. As a result of this evaluation, it has been identified that this risk could create a significant effect on the financial statements of Anadolu Sigorta and consequently Milli Re, and it has been disclosed in the report under the section **"Applied Climate Scenarios."** However, in addition to the potential material financial effects of the climate risks mentioned above, since the financial impacts of the reinsurance costs arising from these climate risks on Anadolu Sigorta, which constitutes the majority of health branch indemnity costs, could not be fully calculated due to current data limitations and measurement uncertainties, no specific disclosure has been made. Therefore, the identified risks and the expected financial impacts have been considered to remain below 1% of the Group's consolidated gross premiums and thus climate change-related financial effects have not been deemed material. For this reason, instead of disclosing the financial effects of climate change-related risks quantitatively, qualitative explanations and scenario-based assessments regarding the risks and opportunities have been presented under the section titled "Applied Climate Scenarios" in the Strategy chapter of the report.

Strategy and Decision-Making

During the reporting period, starting from 2024, studies have been initiated to integrate sustainability and climate change-related issues into the Company's strategy and decision-making processes. In this process, the General Manager has taken responsibility for the preparation and implementation of the sustainability strategy, policies and targets, while the Group Manager of Human Resources and Sustainability has taken responsibility for ensuring coordination within the framework of corporate sustainability.

Throughout 2024, steps have been taken to integrate risks and opportunities related to sustainability and climate change into the Company's strategic plans, operational activities, large-scale transaction decisions, and investment processes. This integration is aimed to be brought into a more systematic structure within the framework of the climate transition plan and sustainability strategy to be prepared in the coming years. The plan in question aims to include short, medium, and long-term risk and opportunity perspectives into the corporate strategy.

Within the scope of the sustainability strategy studies initiated in 2024, processes have been structured for the determination of short, medium, and long-term targets regarding risks and opportunities related to sustainability and

climate change, and for the integration of these targets into the Company's strategy. In this regard, the preparation of a climate transition plan and the evaluation of operational processes and new investments from a sustainability perspective are planned. In this way, it is aimed to reduce climate risks and to benefit from opportunities. There is no climate transition plan determined for the reporting period. However, the preparation of a climate transition plan is planned in future periods.

Currently, risks and opportunities related to sustainability and climate change are integrated into the corporate risk management system to a limited extent. In the coming period, it is aimed that these risks and opportunities will be associated with existing risk classifications, defined in the risk catalogue, monitored in line with the principles on the implementation of risk limits, and integrated into corporate risk management processes in a more holistic manner. This structure will ensure that the impacts of these risks and opportunities on strategy and decision-making processes are systematically monitored and analysed and addressed at the senior management level through the corporate risk management tool.

The Company does not have a climate transition plan in place during the reporting period. However, the Company plans to prepare a climate transition plan in the coming periods.

Sustainability Strategy of Subsidiary Anadolu Sigorta (Summary)

Anadolu Sigorta has incorporated sustainability into its strategy as a fundamental component and has made long-term resilience and combating climate change an inseparable part of its mission. Anadolu Sigorta integrates climate change-related risks and opportunities into its corporate strategy and risk management processes. In this context, in the short-term (0–1 year), annual work plans and budgets are evaluated with a focus on climate change-related risks and opportunities; in the medium-term (1–3 years), transformation-oriented action plans and capacity-building practices are prioritized; and in the long-term (3–10 years), a transition to a low-carbon economy is targeted, with a focus on sustainable growth and climate-resilient operations.

At the centre of the strategic approach is the inclusion of climate change-related risks and opportunities in underwriting and reinsurance protection management until their impacts are minimized. Anadolu Sigorta aims to increase both financial resilience and customer value by reducing loss costs, keeping reinsurance costs under control, and developing innovative insurance products.

Sustainability-oriented practices cover the development of insurance products that support renewable energy (solar, wind, hydroelectric), green and sustainable infrastructure, environmentally friendly transport and agricultural insurance; the advancement of digitalization projects and blue economy practices; and the strengthening of social responsibility projects. In addition, by adopting green procurement criteria and sustainable investment policies, value-generating instruments are directed toward long-term sustainable growth.

Climate Resilience

Milli Re and its subsidiary Anadolu Sigorta address climate resilience as a priority corporate strategy in order to counter the uncertainties caused by climate change and to strengthen financial resilience. In this context, a transition-oriented approach has been adopted, and scenario and sensitivity analyses are utilized for decision-making and strategic planning.

Within the scope of climate change-related risks and opportunities, a climate workshop was conducted with the participation of Milli Re and its subsidiary Anadolu Sigorta in 2024, and the results were incorporated into the Risk and Opportunity Inventory. Priority risk areas were identified within the scope of this workshop. In this framework, climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), such as RCP (Representative Concentration Pathway) 2.6, RCP 4.5, RCP 8.5, and IEA (International Energy Agency) Net Zero Emissions (NZE) and APS (Announced Pledges Scenario), as well as NGFS (Network for Greening the Financial System) Current Policies and Below 2°C scenarios, were assessed. Under these scenarios, the potential physical (acute and chronic) and transition-related impacts of climate change-related risks on the Company were analysed in detail by considering different socio-economic pathways, policy environments, and market dynamics.

As a result of scenario analyses, the transition risks of accelerating the low-carbon economy in the RCP 2.6, IEA NZE and NGFS Below 2°C transition scenarios; the physical risks in the high-emission assumption scenarios of RCP 8.5, IEA APS and NGFS Current Policies scenarios are highlighted. The RCP 4.5 scenario, on the other hand, depicts a balanced trajectory where both types of risks are taken into account together.

Milli Re and its subsidiary Anadolu Sigorta are working to integrate the findings obtained under these scenarios into operational processes, insurance product design and investment strategies in a holistic way. It is aimed to strengthen the resilience of physical risks as a priority, to develop technical hazard projections, and to carry out risk-based assessments for insurance coverages and indemnity structures. On the other hand, the priority areas underlined by transition risks include the integration of sustainability criteria into regulatory compliance, the development of portfolio diversification capacity, and the enhancement of strategic adaptation capabilities.

Milli Re and its subsidiary Anadolu Sigorta, with the Risk and Opportunity Inventory study carried out, aim to strengthen sustainability capacity and ensure corporate resilience in line with these findings. Milli Re and its subsidiary Anadolu Sigorta have adopted an approach that prioritizes the integration of climate change-related risks and opportunities into decision-making processes and strategic action plans. In this way, uncertainty arising from transition risks, operational vulnerabilities and macroeconomic imbalances are addressed, and climate change-related risks are integrated into long-term strategic action plans. Accordingly, it is aimed to develop a climate transition plan as a strategic tool for Milli Re and its subsidiary Anadolu Sigorta.

Scenario Analysis Approach

Milli Re and its subsidiary Anadolu Sigorta carried out a comprehensive scenario analysis in order to identify, prioritize and assess climate change-related risks. In this context, six different scenarios were utilized; the scenarios were grouped into two main categories according to their emission trajectories: “Low Emission” and “High Emission.”

Low Emission scenarios represent projections in which carbon neutrality targets are achieved, effective climate policies are implemented quickly, and carbon emissions are reduced. This group of scenarios includes:

- » Network for Greening the Financial System (NGFS) Below 2°C Scenario
- » Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 Scenario
- » International Energy Agency (IEA) Net Zero Emissions Scenario (NZE)

These scenarios represent conditions in which the transition to a low-carbon economy accelerates, carbon prices rise rapidly, and technological transformation-driven market conditions are prioritized.

High Emission scenarios, on the other hand, reflect conditions where policy inadequacies persist, fossil fuel dependency continues, and greenhouse gas emissions keep increasing. This group of scenarios includes:

- » NGFS Current Policies Scenario
- » IPCC RCP 8.5 Scenario
- » IEA Announced Pledges Scenario (APS)

The RCP 4.5 scenario depicts a balanced outlook in which both types of risks emerge together.

These scenarios illustrate conditions where transition risks remain relatively low but acute physical climate risks (such as extreme weather events, sea-level rise, etc.) are experienced more intensely.

Milli Re and Anadolu Sigorta have comprehensively assessed the potential impacts of these scenarios on the business model, value chain, and financial statements, as well as their implications for climate change-related risks.

Applied Climate Scenarios

For the calculation of the financial impact of prioritized climate change-related risks, the RCP 2.6, RCP 4.5 and RCP 8.5 scenarios developed by the IPCC and accepted internationally have been taken as a basis.

For physical and transition risks, climate scenario analyses have been included within the next 10 years, covering 2025 (short-term), 2030 (medium-term) and 2035 (long-term). These time horizons have been chosen in alignment with the defined strategic horizons.

Scenario: Climate Risk 1 (Milli Re) – Wildfires

To analyse the potential impacts that may be created on the fire breakdown under the Fire and Natural Disasters branch, Milli Re has based its analysis on historical data regarding earned premiums and incurred losses between 2010-2024. Based on these data, by taking the average of proportional increases within the total amounts of the branch, the Annual Premium Growth Assumption and the Annual Incurred Loss Growth Assumption rates have been determined.

According to the determined rates, total earned premiums, incurred losses, and estimated loss ratios for the years 2025 (short-term), 2030 (medium-term), and 2035 (long-term) have been calculated. Within the scope of the analysis, IPCC's RCP 2.6, RCP 4.5 and RCP 8.5 scenarios have been considered; and scenario-specific increase rates were integrated for each scenario through the indicator "Annual Increase in Land Area Exposed to Wildfires."

In the scenario analysis, estimated incurred loss amounts, loss amount differences, estimated loss ratios and loss ratio differences have been calculated under each scenario. Especially in the RCP 8.5 scenario, where it is assumed that climate policies remain insufficient and emission levels rise significantly, it has been projected that, in parallel with the increase in the frequency and severity of events, incurred loss amounts, and loss ratios will increase. On the other hand, under the RCP 2.6 scenario, where effective climate policies are implemented, physical risks remain limited, and the increases in loss ratios remain more balanced. The RCP 4.5 scenario presents a balanced projection with medium-level exposure and risk increase.

With respect to wildfire risk, Milli Re does not disclose quantitative information on the financial impacts of these risks, since the expected financial impacts on the Company, calculated as a result of scenario analyses, remain below the materiality threshold determined for this report.

Scenario: Climate Risk 2 (Milli Re) – Floods

In order to analyse the potential impacts of floods that may cause portfolio loss under the Fire and Natural Disasters branch, Milli Re has based its analysis on earned premiums and incurred loss amounts for the years 2010–2024. From this data, the average of annual increases in total amounts within the branch total portfolio was calculated, and the Annual Premium Growth Assumption and Annual Incurred Loss Growth Assumption rates were determined.

According to the determined ratios, the totals of premiums earned, incurred loss amounts, and estimated loss ratios for the years 2025 (short-term), 2030 (medium-term), and 2035 (long-term) have been calculated. Within the scope of the analysis, IPCC's RCP 2.6, RCP 4.5, and RCP 8.5 scenarios have been considered; for each scenario, specific ratios have been produced based on the indicator "Land Fraction Annually Exposed to River Floods."

In the scenario analysis, estimated incurred loss amounts, loss amount differences, estimated loss ratios and loss ratio differences have been calculated under each scenario. Especially in the RCP 8.5 scenario, where climate policies remain insufficient and emission levels rise significantly, it has been projected that incurred loss amounts and loss ratios will increase in parallel with the increase in the frequency and severity of climate risks.

On the other hand, under the RCP 2.6 scenario, where climate policies are implemented effectively, physical risks remain limited, and the increases in loss ratios are expected to remain below significant thresholds. The RCP 4.5 scenario is evaluated as presenting a moderate risk profile between these two extremes.

Regarding Milli Re's Flood risk, as a result of the scenario analysis, it has been concluded that the financial impact on the Company remains below material thresholds, and therefore no quantitative disclosure has been made concerning the financial effects of this particular risk.

Scenario: Climate Risk 3 (Anadolu Sigorta) – Flood/Flooding Risk

International catastrophe modelling companies develop models for flood risks according to different geographical regions. For example, since the greatest catastrophe that may occur in the UK and Ireland is floods that can happen in the short or long-term, these countries have flood models. However, In Moody's RiskLink modelling program of Anadolu Sigorta Reinsurance Department, there is no flood model for Türkiye.

In this report, a scenario regarding the loss cost of flood/water flood has been created by using a high-loss past event (the Ayamama Creek flood of 2009) as a reference, taking into account Anadolu Sigorta's current portfolio size and the potential increase in climate change-related flood risk, and has been customized by Anadolu Sigorta Reasürans Directorate.

In determining the upper limit of reinsurance protection, the maximum expected loss from an earthquake is taken as the main reference. The sufficient protection provided for earthquakes also applies to secondary perils (meteorological events, terrorism, etc.). The need for reinsurance protection regarding meteorological risks is closely monitored by the Reinsurance Department in line with past weather events and prepared scenarios.

Within Anadolu Sigorta Reasürans Directorate, scenarios have been modelled with different systems reflecting the insurance coverage provided and the impact on the Marmara Region, taking into account the effects of climate change. Within these scenarios, the Ayamama Creek flood of 2009 has been taken as a reference and the impacts of severe precipitation and severe disaster risks on current portfolio values have been calculated through modelled loss amounts. These loss amounts have been compared with general annual averages and have been evaluated within the framework of loss scenarios that may occur with extreme weather events.

Furthermore, within the framework of the applied scenarios and the obtained results, the "severity impact coefficient" has been used and it has been ensured that possible catastrophic events that may arise due to climate change have been reflected in the calculations. For the scenario in question, the loss amounts have been recalculated as of September 2024 and the Euro amounts have been updated, and they have been converted into Turkish Lira at the exchange rate valid as of 31 December 2024.

In the table below, a scenario study has been conducted based on the flood losses that occurred in September 2009 in the Marmara Region, particularly around Istanbul's Ayamama Creek. The total loss amount is calculated by using the total insurance coverage in the region at the time of the event as a reference to estimate the loss cost, and this value is then multiplied by the current total coverage, adjusted with the climate change coefficient for growth, to obtain estimated loss costs under different scenario outcomes.

Insured Product Name / Definition	Insurance Product Portfolio	Geography / Location Where the Insured Product is Located	Which Natural Disaster Type Can Affect the Relevant Insured Product?	Severity of Flood-Related Losses by Scenario	Estimated Gross Loss (TL)	Estimated Net Loss (after Reinsurance Protection) (TL)
Flood, Flooding	Fire, Machinery Breakdown, Electronic Device, Construction, Engineering, Motor, Hull, Commodity	Istanbul / Marmara Region	Flooding (coastal, river, groundwater)	Optimistic Scenario	2,425,811,978	538,712,551
				Moderate Scenario	4,458,514,760	754,390,295
				Pessimistic Scenario	6,923,072,246	1,033,826,943

Modelling processes for natural disasters are carried out with a focus on earthquakes, which are the most significant disaster risk in Türkiye. In this context, Moody's RMS (Risk Management Solutions) modelling software, for which a license is held, is actively used, and the level of reinsurance protection is determined based on the model results obtained from this system. In addition, the outputs obtained from international modelling platforms such as Verisk, RQE, and T-Rupt are analysed, and stress tests for different scenarios, especially the Marmara earthquake, are performed.

With this comprehensive modelling approach, the disaster risks that the insurance portfolio may face are scientifically analysed on a data-driven basis, and the modelling capacity is continuously improved to ensure that risk transfer strategies are managed more effectively and responsibly.

The RMS modelling software provides not only an assessment infrastructure for earthquakes but also for other natural risks such as storms, windstorms, floods, wildfires, and climate change-induced disasters, as well as man-made risks such as cyber-attacks, terrorism, and pandemics. In the long-term, it is aimed to further expand the scope of modelling processes due to the increase in the frequency of climate change-related physical and transition risks.

Scenario: Climate Risk 4 (Milli Re and Anadolu Sigorta) – Risk of Increasing Reinsurance Costs Due to Extreme Weather Events

Climate change-related impacts and extreme weather events directly affect reinsurance costs. With the increasing frequency of climate change-related disasters worldwide, particularly tropical cyclones frequently observed in regions such as North America and Far East Asia, upward pricing pressure has been exerted on global reinsurance markets. In Türkiye, although reinsurance protections are predominantly structured against earthquake risk, the global reinsurance market conditions also affect reinsurance pricing for earthquakes. Therefore, the financial costs of climate risks are indirectly reflected in insurance portfolios, and reinsurance strategies are reviewed and updated in light of these risks.

There are several factors that affect the cost of reinsurance protection in the reinsurance market. International reinsurance companies, when determining the risk profiles of insurance company portfolios, take into account certain parameters from catastrophe (cat) modelling programs. The financial targets of the reinsurance company for that year can be listed as:

- » The financial targets of the reinsurer for that year,
- » The claim payments made in the previous year,
- » The risk intensity of the insurance company and the total coverage amount provided,
- » The composition of the insurance company's portfolio (residential/factory),

- » The total catastrophe losses that occurred worldwide,
- » The total capacity and demand in the market,
- » Past business relationships.

Additionally, the causes of loss and their geographical spread also influence reinsurance pricing and the reinsurance strategies of insurance companies.

For Anadolu Sigorta, in order to reduce the risk of increasing reinsurance costs due to extreme weather events, reinsurance protection structures have been adapted and diversified. In this framework, balance has been established between global and regional reinsurers, and adaptive reinsurance protection structures have been designed. By strengthening its reinsurance protection capacity, Anadolu Sigorta has ensured that reinsurance costs arising from climate risks are more balanced and sustainable.

In this context, Anadolu Sigorta, in order to mitigate the cost effects of climate change-related risks, has diversified its reinsurance protection structures and included regional reinsurers in addition to global ones. This has ensured that reinsurance costs arising from climate change-related risks are distributed more effectively. However, due to the uncertainties brought by climate change, no quantitative explanation has been provided in this report regarding the cost effects of climate change-related extreme weather events.

In order to mitigate the risk in question, Anadolu Sigorta has diversified its reinsurance protection by spreading it across different reinsurers. Among the factors determining reinsurance costs are the size and composition of the insurance company's portfolio, past loss payments, global catastrophic loss experience, and market capacity. The financial effects of climate risks are evaluated within these parameters, and the upward trend of reinsurance costs is assessed with trend analyses and adjusted according to strategy.

From the perspective of Milli Re, this risk of increasing reinsurance costs due to climate change has no direct impact. Since there is no cost element related to the Company's own operational processes, but rather such costs are realized over its subsidiary Anadolu Sigorta, the increasing reinsurance costs due to climate change-related extreme weather events are indirectly reflected in Milli Re's consolidated financial statements. Therefore, this risk is considered not as a direct operational risk specifically for Milli Re, but as an indirect material risk that should be taken into account primarily at the consolidated profit level.

Scenario: Climate Risk 5 (Anadolu Sigorta) – Risk of Increasing Health Branch Loss Costs Related to Physical Risks Such as Heat Stress, Heat Waves, and Drought

Due to climate change, the frequency and severity of extreme heat events in Türkiye are increasing. This situation raises the risk of increased health loss costs related to air pollution and diseases associated with heat waves. Additionally, heat waves, rising sea levels, and related health problems can negatively affect individuals' quality of life and the overall economy, thereby increasing insurance compensation demands and weakening the sustainability of insurance systems. Such developments may also reduce economic productivity and weaken labour capacities.

Anadolu Sigorta is aware that climate scenario analyses are vital for examining different climate scenarios and evaluating their possible effects on risk management strategies. For this reason, a variety of scientific models are used. Among these are scenarios developed by the IPCC (Intergovernmental Panel on Climate Change), NGFS (Network for Greening the Financial System), and the IEA (International Energy Agency), as well as other sectoral institutions.

Heat stress, heat waves, and drought, as chronic physical risks, can create potential effects on health insurances by increasing mortality and morbidity rates. In this context, future meteorological and economic conditions, climate action plans, and goals will be taken into account, and Anadolu Sigorta's health loss compensation portfolio will be assessed by experts and academics in the field of health. Anadolu Sigorta's health loss compensation demands, and portfolio will also be analysed with the support of international academic institutions and models. International models need to include both future climate projections and economic assumptions.

Heat stress, heat waves, and drought, as chronic physical risks, may be triggered and activated on health insurance, particularly for vulnerable groups. In this framework, international studies point to increased mortality and morbidity in health insurances, especially for vulnerable groups, under high temperatures. Compensation demands related to diseases linked to heat stress and heat waves, and economic losses arising from reduced productivity and high economic pressures associated with extreme heat, will also need to be considered.

Due to the uncertainty regarding the measurement of the negative relationship between reduced activity and the ability to purchase insurance and pay premiums, based on the above scenarios, the chronic physical risks of heat stress, heat waves, and drought could not be reasonably calculated in terms of Anadolu Sigorta's short, medium, and long-term financial position, financial performance, and cash flow impact within the reporting period.

However, reasonable efforts have been made during the reporting period, and qualitative effects supported by data that can be obtained have been disclosed. In summary, due to the difficulties in measurement, no short, medium, or long-term financial impacts have yet been quantitatively calculated regarding the diversity of health insurances and the negative effects of extreme temperatures on health insurances. For this reason, qualitative assessments have been made in light of current scientific projections, and the relevant risk is being monitored regularly.



Risk Management

05

Risk Management

The Company continues its efforts to fully integrate the sustainability and climate change-related risk and opportunities system into the overall risk management system and to achieve a fully embedded structure. In the current situation, risks and opportunities related to these areas are monitored and managed in parallel with the processes carried out within the framework of the overall risk management system.

Throughout the reporting period, Milli Re has effectively fulfilled its responsibilities regarding the identification, monitoring, management, and supervision of sustainability and climate change-related risks and opportunities. In order to strengthen oversight, this responsibility has been assigned to the General Manager, while a dedicated unit and committees have been engaged in coordination activities.

The responsibilities and task distribution of governance bodies regarding risk management are explained in detail in the **“Governance”** section of this report.

Risk management processes are carried out within the framework of the Risk Management Policy and Risk Management Activities Regulation approved by the Board of Directors, including the identification, measurement, monitoring, and control of risks, and their reporting. These processes are implemented in full compliance with relevant legislation. The Risk Management Department, which is responsible for risk management within the Company, is in charge of preparing risk strategies and policies, determining risk limits, developing precautionary measures against possible breaches, creating extraordinary situation scenarios, and conducting risk assessments for new products and activities.

At the corporate level, a common language and approach have been adopted through the Risk Catalogue, which includes classifications of financial and non-financial risks. The Risk Catalogue is updated regularly and submitted for approval to the Board of Directors. Within the financial risks, categories such as underwriting risk, credit risk, asset-liability management risk (market risk, structural interest rate risk, liquidity risk, equity investment risk, real estate investment risk) are assessed; within non-financial risks, categories such as operational environmental risk, strategy risk, model risk, operational risk, reputation risk, and information technology risk are evaluated.

The findings regarding the measurement of these risks are regularly reported by the Risk Management Department to the General Manager and the Board of Directors through the Audit Committee. When high risk levels are identified, the action plans to be applied are determined by the Board of Directors.

Milli Re carries out studies to evaluate the impacts of physical and transition climate change-related risks on the Company's activities. Within this scope, the identification, measurement, monitoring, and reporting of these risks are performed, and the relevant policies and practices are integrated into the Company's risk strategies and reinsurance activities.

The current risk management system has been structured to systematically identify and monitor sustainability and climate change-related risks. In the coming periods, structural improvements are planned to ensure that these risks are monitored more effectively. In this context, sustainability and climate change-related risks will continue to be monitored under the supervision of the Audit Committee, integrated into existing risk management processes.

Risk and Opportunity Assessment Process

Milli Re systematically conducts a comprehensive Risk and Opportunity Inventory in order to be able to understand sustainability and climate change-related issues within the scope of its business activities. In this inventory, risk definitions, sectoral and scenario analyses are carried out; and the risks identified for Milli Re and its value chain are classified, and their impact levels are determined. The risks in the value chain are defined as the risks that may arise in the activities of stakeholders in the value chain (suppliers, intermediaries, customers, etc.) and that may affect Milli Re, and these risks are included in the Risk and Opportunity Inventory.

In this inventory, potential Physical Risks that may affect the Company's strategy and activities are addressed under two main headings:

- » Acute Physical Risks cover risks arising from sudden, severe, and short-term climate events (for example, wildfires, heavy rainfall, floods, storms).
- » Chronic Physical Risks are risks that develop slowly over the long-term and create lasting effects (for example, the increase in average air temperatures, water stress).
- » Transition Risks refer to risks arising from carbon regulations, market dynamics, technological transformation, and climate change-related legal reporting obligations, which may have an impact on the business model and growth strategies.

The materiality of the identified risks is measured using the Risk Rating Matrix, which consists of impact and probability parameters in a 5x5 matrix. In this way, it has become possible to address climate change-related risks in a more detailed and analytical manner.

The main parameters used in the evaluation process include the probability of a risk occurring, its potential impact on the Company (operational, financial, market, technology, compliance, and reputation), its impact on the value chain (direct operations, upstream value chain, and downstream value chain), and timing (short, medium, long-term).

Risks and opportunities are regularly reviewed in cooperation with the relevant units; it is aimed to effectively integrate the analysis results obtained into strategic decision-making processes and to implement the necessary action plans.

Identification and Prioritization of Risks and Opportunities

In order to evaluate the Company's risks associated with sustainability and climate change, a risk and opportunity matrix prepared in a 5x5 format is used. This matrix enables the prioritization of risks and opportunities in a way that takes into account both their financial impacts and their likelihood of occurrence.

In risk assessments, the impact level is rated on a scale from 1 to 5 as very low, low, medium, high, and very high. Risks that have the potential to require structural changes in the current business model and may cause significant financial losses if they occur are defined as "very high impact," while risks that have a limited effect on operating results and create financial consequences that can be easily managed are classified at the "low impact" level. The probability parameter expresses the frequency of the risk occurring and is likewise rated from 1 to 5 as very low, low, medium, high, and very high. In these assessments, short, medium, and long-term time horizons are taken into account, and each risk is associated with the business cycle, strategic planning period, and asset life within this framework.

Risk Rating Matrix

RISK MATRIX REFERENCE TABLE

IMPACT	Very High					
	High					
	Medium					
	Low					
	Very Low					
		Very Low	Low	Medium	High	Very High
LIKELIHOOD						
		Gross Risk Level				
		Low	Moderate	High		

Within forecasts, the likelihood of occurrence of physical risks in short, medium, and long-term expectations and the potential financial impact they may create have been evaluated together with the current data during the reporting period. As a result of the scenario-based definition and prioritization of climate change-related risks and opportunities, for the Company, Acute Physical Risks such as wildfires and floods have been identified as priority risks.

Milli Re has calculated the potential financial impact of the prioritized climate change-related risks on the Company by taking into account the RCP 2.6, RCP 4.5, and RCP 8.5 scenarios developed by the IPCC and internationally recognized. The details of the analysis studies carried out will be explained in the section **“Applied Climate Scenarios.”**

Risk Management at Subsidiary Anadolu Sigorta (Summary)

Within the scope of the Strategic Risk heading included in the Anadolu Sigorta Risk Catalogue, under the sub-headings “Environmental and Social Management Risk” and “Climate Change Risk,” risks that may adversely affect the company and society due to financing activities, such as the reduction of investor support that may occur or difficulties that may be experienced in obtaining financing, and possible losses in social reputation, have been defined and are managed.

Within the scope of Environmental and Social Management Risk, risks such as the failure to establish or properly operate environmental and social management processes, the failure to carry out or the ineffective execution of control and audits to be conducted within the scope of environmental and social management, the failure to detect and/or correct errors and/or deficiencies in the activities of environmental and social management units, the failure to ensure the continuity of the management system, the failure to improve employee awareness and/or the failure to fulfil duties and responsibilities, the failure to achieve targeted performance levels for environmental and social management, and similar risks are taken into account.

The risk management framework in insurance activities also considers sustainability risks, including climate change-related risks, as an integral part of risk management. At Anadolu Sigorta, the monitoring of developments, the regular review of emerging risks, and the evaluation of related risks within the scope of insurance activities are carried out within the risk management framework. These processes are reviewed, updated, and strengthened in line with changing conditions.



Metrics and Targets

06

Metrics and Targets

Climate Change-Related Metrics

Milli Re monitors, measures, and manages its greenhouse gas emissions in order to track, measure, and manage risks and opportunities related to climate change, by adopting the methodologies of the Greenhouse Gas Protocol (GHG Protocol) Corporate Accounting and Reporting Standard (2004) and relevant international methodologies, and calculates and reports them in accordance with these standards. Within this scope, the Company measures its Scope 1 and Scope 2 emissions at both consolidated and non-consolidated levels and verifies its emission data annually in accordance with current international methodologies through independent auditors.

Greenhouse Gas Emission Sources

Within the framework of calculations made in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard, the scope of Scope 1 and Scope 2 greenhouse gas emissions is classified as follows:

Scope	Emission Type	Emission Sources
Scope 1	Direct Greenhouse Gas Emissions	Fuel (gasoline) consumption by company vehicles, Fuel (natural gas), Generator (diesel), Refrigerant gases – R134A
Scope 2	Energy Indirect Emissions	Electricity consumption

Milli Re measures and reports its greenhouse gas emissions in line with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard. In this context, for the 2024 reporting period, the Company's absolute gross greenhouse gas emissions have been calculated and expressed in metric tons of CO₂ equivalent.

According to the measurement results:

- » **Scope 1 Emissions: 672.50 tCO₂e**
- » **Scope 2 Emissions (Location-Based): 1,358.66 tCO₂e**
- » **Scope 2 Emissions (Market-Based): 336.46 tCO₂e**

2024 Greenhouse Gas Emissions (tCO ₂ e)	Scope 1 (tCO ₂ e)	Scope 2 (Location-Based) (tCO ₂ e)	Scope 2 (Market-Based) (tCO ₂ e) (*)	Total Emission (tCO ₂ e)
Millî Reasürans T.A.Ş.	71.68	87.27	20.13	91.81
Consolidated subsidiaries total**	600.82	1,271.39	316.33	917.15
Total	672.50	1,358.66	336.46	1,008.96

* I-REC (International Renewable Energy Certificate) Certificates were used and a portion of the electricity consumption for the year was offset as renewable energy.

** Subsidiary emissions include Anadolu Sigorta and Miltaş emissions.

Within the scope of this report, emissions arising from investments under Category 15 of Scope 3 emissions, which are not consolidated under the financial control of Milli Re, are presented separately from Scope 1 and Scope 2 emissions. The emissions calculated from the investment in the relevant company are collectively reported within Milli Re's Scope 3 (Category 15) emissions.

Within this scope, (the emission data below have been calculated in line with the Company's 12.46% shareholding in its subsidiary Anadolu Hayat):

- » Scope 1 Emissions: 72.47 tCO₂e
- » Scope 2 Emissions (Location-Based): 43.50 tCO₂e
- » Scope 2 Emissions (Market-Based): 0.00 tCO₂e

Resilience and Adaptation of Assets to Climate Change

Due to the nature of the Group's business activities, there is no operating model based on physical assets. In this context, a significant portion of the assets on the Group's balance sheet consists of financial assets. Therefore, it may not be possible to make a meaningful assessment or detection of business operations or assets that could be classified as vulnerable to climate change-related transition and physical risks in a material or significant amount. However, this does not mean that risks are completely eliminated; all assets are regularly reviewed by taking into account the potential impacts of climate uncertainties.

The Group's real estate and digital infrastructure are kept under control against short-term events such as floods, storms, and fires, as well as long-term risks such as water stress and drought. Measures and controls are implemented within the scope of transition risks, while regulatory developments, legal conditions, and technological innovations are monitored, and compliance mechanisms are gradually integrated.

Similarly, although there are no physical assets or operations that can be considered directly compatible with climate change-related opportunities, sustainability criteria are taken into account in investment decisions, and developments in these areas are monitored.

The Group activities most affected by climate change-related physical risks, in other words the insurance branches, have been identified as Fire and Natural Disasters, Machinery Breakdown, Electronic Equipment, Construction and Installation, Commodity, Motor Vehicle and Health branches. In these branches, processes are being evaluated for monitoring key indicators such as the number and coverage ratios of insureds exposed to climate risks, or the ratio of assets affected by these risks to total insurance coverage. Due to structural limitations related to insureds, policies, or coverage ratios that can be associated with climate risks, arising from the complexity and diversity of the coverage structures of these branches, the precise determination of such ratios could not be made as of the reporting period.

Use of Carbon Credits and Internal Carbon Pricing

In 2024, Milli Re did not conduct any carbon credit purchases, and there are no such plans in the short-term. The Company aims to reduce its greenhouse gas emissions primarily through energy efficiency, operational process improvements, and the widespread implementation of low-carbon practices.

As of the reporting period, there are no internal carbon pricing practices in place. However, within the scope of combating climate change, sectoral impacts of carbon pricing mechanisms are being closely monitored, and under evolving regulatory and market conditions, the potential applicability of such tools in the medium and long-term is being followed.

Metrics Related to Risks and Opportunities

As explained in the **“Strategy”** section of the Group’s report, the climate change-related risk and opportunity metrics monitored by the Group are summarized below:

Acute risks related to extreme weather events

Expected loss cost calculations from natural disasters due to weather conditions and loss cost calculations of the fire and natural disaster branch.

Risk of increasing reinsurance costs due to extreme weather events

The reinsurance composition on a coverage basis by reinsurer company and the reinsurance costs on a coverage basis, the claim payments, and therefore the costs of the reinsurance liabilities undertaken.

Chronic risks related to heat stress, heat waves, and drought

Increase in health insurance claim demand due to extreme heat (provision defined in relation to ICD 10 system developed by the World Health Organisation regarding this issue).

Opportunities for the expansion of insurance products and the development of new products

Number of insurance policies designed with consideration of energy efficiency and carbon reduction technologies, as well as health, safety, and environmental benefits.

Climate Change-Related Targets

As of the reporting period, Milli Re did not have a defined sustainability or climate target. However, the Company plans to determine sustainability and climate change-related targets in the upcoming periods. In this context, work has been initiated in 2024 to create the sustainability strategy and targets, and it is anticipated that in the coming periods, numerical targets, including those for greenhouse gas emissions, will be announced.

Although there is not yet a numerical emission reduction target, various practices that contribute to reducing emissions have been implemented. Methods such as reducing paper usage, lowering travel-related emissions with a hybrid working model, eliminating plastic cup usage, installing motion sensors, using automation systems in air conditioning, and implementing automatic temperature settings have already been put into practice.

Additionally, starting in 2025, it is planned to report annually on the reduced carbon emissions resulting from the advanced transformation of coffee residues consumed in offices and by employees in line with ISO 14064 standards. Furthermore, the process of transitioning company vehicles to electric vehicles has been initiated.

Although Milli Re has not yet set specific targets for greenhouse gas emissions, practices aimed at reducing emissions are being implemented. In this context, practices such as minimizing paper usage, reducing transportation-related emissions with a hybrid working model, eliminating the use of plastic cups, using motion sensor lighting systems, and automatically adjusting the temperature settings of air conditioning systems are being carried out.

The climate risk-related targets set by Anadolu Sigorta are summarized below:

Acute risks related to extreme weather events

- » To accurately assess natural disaster risks such as heavy rainfall, wildfires, floods, and landslides, to use advanced-level modelling and analysis techniques, and to develop accurate pricing strategies in order to provide customers with fair and appropriate premiums.
- » To diversify and expand insurance products aimed at natural disasters. It is aimed to respond better to customer needs by developing new products tailored to specific regional risk profiles.

Risk of increasing reinsurance costs due to extreme weather events

- » In order to better predict the risk of extreme weather, events caused by climate change, to develop advanced modelling techniques and expand their application, and in addition to using these models, to create strategies that can foresee potential cost increases.

Chronic risks related to heat stress, heat waves, and drought

- » To analyse chronic climate risks such as heat stress, heat waves, and drought more effectively and optimize insurance policy pricing accordingly, particularly by evaluating these risks within the scope of health insurance products.

Events After the Reporting Period

- » A Sustainability Committee was established in 2025.
- » In 2025, in order to strengthen the capacity of the Sustainability Unit, an experienced specialist in the field of sustainability was recruited.



Annex 1

07

Calculation Principles Related to Metrics

The information included in this guide provides details on the preparation, calculation, and reporting methodologies of the indicators disclosed under the limited assurance scope in the 2024 Türkiye Sustainability Reporting Standards (TSRS) Compliant Sustainability Report of Milli Re and its subsidiaries.

These indicators cover environmental indicators. The indicators listed below are the responsibility of the Group's management to prepare in accordance with principles, to implement appropriate procedures, and to ensure that they are free from material misstatement in every respect.

The information contained in these principles covers the year 2024, which ended on December 31, 2024 (January 1, 2024 – December 31, 2024), and includes the relevant operations within the scope of responsibility of the Group as detailed in the “Key Concepts and Scope of Reporting” section.

General Reporting Principles

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

- » Preparation of information - emphasizing that information is prepared in accordance with principles appropriate to the needs of users.
- » Reporting of information - emphasizing the principles of comparability / consistency and ensuring that the information is presented in a clear, understandable, and transparent manner for users.

Key Concepts and Scope of Reporting

Type	Indicator	Scope
Environmental	Energy	
	Purchased Electricity (Location-Based) (kWh)	Refers to the grid electricity consumption tracked through invoices received from the Company's service providers during the reporting period.
	Renewable Energy Certificate (Market-Based I-REC) (kWh)	Refers to the amount of renewable energy purchased with International Renewable Energy Certificate (I-REC) certificates during the reporting period.
	Natural Gas (m ³)	Refers to the amount of natural gas consumption tracked through invoices received from the Company's service providers during the reporting period.
	Generator (Diesel)	Refers to the amount of diesel fuel consumed by generators tracked through invoices received from the Company's service providers during the reporting period.
	Diesel (Company Vehicles) (L)	Refers to the total amount of diesel fuel consumed by company vehicles tracked through third-party provider consumption data and heating diesel consumption amounts tracked through invoices received from service providers.
	Gasoline (Company Vehicles) (L)	Refers to the amount of gasoline consumed by company vehicles tracked through third-party provider consumption data during the reporting period.
	Refrigerant Gases	Represents the amount of R134A gas used by the Company for cooling purposes. The purchased amount of this gas is tracked through invoices issued by service providers and maintenance/repair forms.
	Greenhouse Gas Emissions	
	Scope 1 (tCO ₂ e)	Refers to the total direct greenhouse gas emissions from sources controlled by the Company during the reporting period, including diesel consumption by company vehicles tracked through third-party providers, refrigerant gas, natural gas consumption tracked through invoices, and generator fuel consumption.
	Scope 2 (tCO ₂ e)	Refers to the amount of indirect greenhouse gas emissions from electricity consumption tracked through invoices received from the Company's service providers during the reporting period, calculated on a location-based basis.

Preparation of Data

The “Financial Control Approach” has been adopted in the preparation of the greenhouse gas inventory. Calculations have been carried out within the framework of the “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard.” The gases CO₂, CH₄, and N₂O have been calculated using their CO₂ equivalent emission factors. The emission factors used were taken from the National Greenhouse Gas Inventory Guidelines (2006, IPCC) and the Global Warming Potential (GWP) coefficients provided in the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report.

Formula:

Fuel Source Emission (Fuel) = Activity Data (AD) *
Emission Factor (EF) * Conversion Factor (CF)

Scope 1 Emission Sources

Greenhouse Gas Emission Inventory				
Emission Source	CO ₂ (kgCO ₂ /TJ)	CH ₄ (kgCH ₄ /TJ)	N ₂ O (kgN ₂ O/TJ)	Reference
Natural Gas	56.100	1	0.1	IPCC 2006, Volume 2, Chapter 2
Company Vehicles – Diesel (Liters)	74.100	3.9	3.9	IPCC 2006, Volume 2, Chapter 2
Company Vehicles – Gasoline (Liters)	69.300	3.8	5.7	IPCC 2006, Volume 2, Chapter 2
Generator (diesel)	74.100	3.0	0.6	IPCC 2006, Volume 2, Chapter 2

Emission Source	GWP	Reference
Refrigerant Gases – R134A	2,182.50	IPCC 6th Assessment Report

Scope 2 Emission Sources

Greenhouse Gas Emission Inventory				
Subcategory	Title	Emission Source	Emission Factor	Source
Category 2.1	Purchased Electricity	Grid Electricity	0.442	TEİAŞ

Significant Judgments and Measurement Uncertainties

The process of identifying and reporting financially material sustainability-related risks and opportunities for the Group relies on forecasts and forward-looking information that include short, medium, and long-term expectations regarding key sectoral metrics, such as consolidated gross premiums written. However, such assessments may require the use of estimates and assumptions for amounts that cannot be directly measured. Operational boundaries and assumptions related to emission calculations are provided under the section **“Preparation of Data,”** and the metrics are explained under the section **“Climate Change-Related Metrics”** in this Report.

This Report is based on forecasts and forward-looking information that include changes that may occur in the Group’s financial performance due to the impacts of climate change-related physical risks, as described under the section **“Climate Change-Related Risks and Opportunities”** and the calculation steps of the financial impacts of such risks.

Re-Opinion Statement

The measurement and reporting of verified data inevitably include a certain degree of estimation. At the company level, if there is a change in data greater than 5%, a restatement declaration may be considered.



Annex 2

08

Biographies of Board Members with Experience in Sustainability

Ersin Önder ÇİFTÇİOĞLU

Vice Chairperson

Ersin Önder Çiftçioğlu graduated from the Faculty of Social and Administrative Sciences, Department of English Linguistics at Hacettepe University. He began his career as an Officer at Yenışehir Branch in 1985 and worked as Assistant Section Head, Section Head, SubManager and Assistant Manager in the same branch. In 2007, he was appointed as Assistant Manager at the Başkent Corporate Branch and Regional Manager of the SME Loans Underwriting Division of the Adana Region in the same year. He subsequently served as Ankara Center I. Region Manager of the SME Loans Underwriting Division in 2008. He was appointed as the Ege Corporate İzmir Branch Manager in 2011 and Başkent Corporate Ankara Branch Manager in 2016. Between 31 March 2017 and 31 March 2020, Ersin Önder Çiftçioğlu served as a member of the Board of Directors of İşbank. Functioned as the Chairperson of the Corporate Governance Committee, Ersin Önder Çiftçioğlu served as a member of Audit Committee, TRNC Internal Systems Committee, Sustainability Committee, Operational Risk Committee and Risk Committee as well. Ersin Önder Çiftçioğlu has been the Vice Chairperson of the Board of Directors at Milli Re since 31 March 2023.

Serdar GENÇER

Board Member

Serdar Gençer is a graduate of the Faculty of Industrial Engineering at the Middle East Technical University. He holds a master's degree in Finance at the University of Nottingham in the UK. Serdar Gençer began his career at İşbank as an Assistant Inspector at the Board of Inspectors in 1990, and served in various managerial positions, including Assistant General Manager between 2008 and 2013. During this period, he has been board member in Millî Reasürans T.A.Ş., Anadolu Hayat Emeklilik A.Ş., İşbank GmbH and Chairman in İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. He has joined the Şişecam Group in 2013 as Sustainability Coordinator, and continued as Corporate Development & Sustainability Officer and Chairman of the Board of Directors at Şişecam Enerji A.Ş. He served as General Manager's consultant in 2018 and retired in the beginning of 2019. Serdar Gençer has been a member of the Board of Directors at Milli Re since 25 March 2019.



Annex 3

09

Independent Auditor's Limited Assurance Report



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

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON MİLLİ REASÜRANS T.A.Ş. AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Milli Reasürans T.A.Ş.,

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

Our assurance engagement does not extend to information in respect of earlier periods or other information linked to the Sustainability Information (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Group's Sustainability Information for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA"). We do not express an assurance conclusion on information in respect of earlier periods.

Inherent Limitations in Preparing the Sustainability Information

As discussed in "Calculation Principles Related to Metrics" section included in the Annex 1, the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015



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

The Group management is responsible for:

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

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

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Group management.
- Risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, are performed, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Independent Auditor's Limited Assurance Report



Professional Standards Applied

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

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") issued by the POA, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Group's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

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

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

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

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



The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ramazan Züksekkaya, SMMM
Independent Auditor

Istanbul, 27 August 2025

Company Information

Trade Name: Millî Reasürans Türk Anonim Şirketi

Central Registration System (MERSIS) No: 0621003912600011

Head Office

Address: İş Kuleleri, Tower 3 Floor: 20-21-22-24, 34330 Levent/İstanbul

Phone: (0212) 231 47 30

E-mail: info@millire.com - millire@millire.com

Singapore Branch

Address: 4 Battery Road #20-01 Bank of China Building Singapore 049908

Phone: +65 6499 9340

Fax: +65 6534 2884

E-mail: singapore@millire.com

Website: www.millire.com - www.millire.com.tr

Company News and Financial Data

Milli Re's financial statements, annual reports, rating and performance reports can be accessed through the "Financial Information" page on the corporate website. Press releases, news, and publications are also provided in Turkish and English on the "Media" page of the corporate website.

Reporting Advisory

KPMG Yönetim Danışmanlığı A.Ş.

Report Design

Tenda Agency
www.tendaagency.com

