

SUSTAINABILITY

REPORT

2020-2021



TEB

BNP PARIBAS JOINT VENTURE

TEB
2020-2021
SUSTAINABILITY
REPORT

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ABOUT THE REPORT^{2-1, 2-3}

The fifth sustainability report of Türk Ekonomi Bankası A.Ş. ("TEB") provides insights into the Bank's economic, social, civic and environmental performances and its contributions to sustainable development in the period from 01.01.2020 to 31.12.2021. Our reports, prepared in accordance with the GRI Standards, have been published every two years since 2012. TEB 2020-2021 Sustainability Report has been prepared using the reporting principles of GRI Standards.



The background is a solid green color with a subtle, abstract pattern of white geometric shapes, including hexagons, circles, and lines, some of which are connected by thin white lines. A faint silhouette of a person in a suit is visible on the left side of the page.

MANAGEMENT AND **STRATEGY**

MESSAGE FROM THE CEO

ABOUT TEB

SUSTAINABILITY AT TEB

MESSAGE FROM THE CEO 2-22

Dear Stakeholders,

At TEB, our mission is to drive economic growth and support the real sector in our country by adding value to the economy and society. Guided by our vision of being a “good and exemplary bank,” we are dedicated to creating a positive impact and guiding society toward a better future. In line with this commitment, we engage in initiatives that promote economic, social, civic and environmental development. Our efforts range from enhancing the inclusion of women in the economy and workforce, supporting the startup ecosystem and raising financial literacy awareness to fostering social entrepreneurship.

Throughout 2020 and 2021, as the COVID-19 pandemic impacted the world, our foremost priority remained the health and safety of our employees and customers. We promptly implemented necessary measures, including remote work arrangements, to protect our stakeholders and ensure the uninterrupted delivery of our services. This period highlighted the power and significance of digitalization as we successfully adapted to the evolving conditions.

Embracing our “Consultant Bank” approach, we continued to support SMEs, which are pivotal to sustainable development, economic growth and employment. With CEPTETEB İŞTE, the sector’s first platform designed exclusively for commercial customers, we facilitated the digital transformation of both SMEs and other commercial enterprises by streamlining their banking transactions. Our TEB Private Mobile Approval project further enhanced this digital shift, automating processes such as written instructions and original signature collections via CEPTETEB Mobile and Online Banking. Additionally, the Turbo® devices developed by our IT department’s R&D efforts have allowed approximately 85% of transactions previously requiring manual work and physical actions to be digitized. By the end of 2021, Turbo® devices were in active use at 166 TEB branches.

The rapidly expanding startup ecosystem is increasingly contributing to national economies worldwide. At TEB, we actively support the development of the startup landscape in our country through TEB Microbusiness Banking. To reach more entrepreneurs, we launched

40 distinct programs in 2021 across our TİM-TEB Startup Houses in seven provinces, enabling 200 entrepreneurs to participate in acceleration programs.

In 2021, we introduced the AWE Program (Academy for Women) to empower women entrepreneurs and help them scale their businesses globally. Since 2015, TİM-TEB Startup Houses have supported over 150 women entrepreneurs through various acceleration programs, resulting in employment opportunities for 1,000 individuals by the end of 2021.

Through TEB Family Academy, we have reached over 20 million people to date, providing free training to foster a culture of savings and nurture a financially literate generation. To track our impact, we regularly assess the Financial Literacy and Access Index nationwide, measuring society’s progress in financial literacy and access to financial instruments. These index results not only gauge the effectiveness of our initiatives but also guide our future efforts in this area.

We are proud to invest in young talents, who are the promise of a better future. In 2021, our Future Leaders program welcomed 69 recent graduates to our IT teams at the head office and in the field, alongside 58 young professionals who joined other departments. In 2020 and 2021, a total of 750 young people under the age of 25 launched their careers at TEB. We remain committed to supporting young talents, unlocking their potential and attracting them to the sector.

We are committed to not only fulfilling our responsibilities to leave a better world for future generations but also ensuring that our stakeholders within our area of impact meet their environmental and social responsibilities. We actively support our customers’ sustainability-focused investments by financing their projects. Through green financing solutions, we contribute to sustainable economic growth, funding investments in renewable energy, energy efficiency, clean transportation, circular economy and waste management. Additionally, we provide consultancy to our customers during their green transformation processes.

In 2021, we secured TEB's first sustainability-linked syndicated loan, worth USD 380 million, with pricing tied to three sustainability performance targets. Leveraging the global network of our partner BNP Paribas, we offered unique opportunities to our customers, supporting the integration of our country into the global economy and contributing toward a positive foreign trade balance. Our Positive Impact Loans, designed to meet the sustainable financing needs of public and private sector institutions, have further enhanced our bank's environmental and social footprint.

We consider the well-being of future generations in every action we take. By identifying the direct impacts of our operations and the indirect impacts of our financing activities, we manage these risks with targeted strategies. Aligned with BNP Paribas practices, we transparently declare that we will not finance certain products and activities, including a commitment to completely phase out coal-based energy production by 2030. We support sectors with high social and environmental risks only when specific conditions are met.

Internally, we collaborate with our employees to generate positive impact and reduce our environmental footprint. In 2021, we began purchasing a portion of our electricity from low-carbon sources. To minimize paper consumption, we digitized documents not subject to legal requirements and ensured waste was sorted and delivered to licensed companies for recycling or environmentally compatible disposal. Our Digital Energy Monitoring Project has improved energy management across our branches, while we have facilitated the planting of over 50,000 saplings through our donations.

We continue to uphold our commitment to fulfilling our responsibilities and transparently disclose our economic, social, civic and environmental performance in our 2020-2021 sustainability report. Your support as our stakeholders strengthens our determination to achieve our goals and the accomplishments we reach are a shared source of pride.

Sincerely,

Ümit Leblebici
CEO, TEB



ABOUT

TEB 2-1, 2-6, 201-1

Starting out as Kocaeli Halk Bankası TAŞ in 1927, a small local bank based in İzmit, TEB was acquired by the Çolakoğlu Group in 1982. The same year it was renamed “Türk Ekonomi Bankası A.Ş.” and its head office was relocated to Istanbul. After focusing on foreign trade finance and investment banking in the 1980s, TEB undertook an initial public offering in February 2000. The Bank’s shares began trading on Borsa Istanbul’s national market and was simultaneously quoted on the London Stock Exchange’s depository receipt market.

On 10 February 2005, TEB entered into a partnership agreement with BNP Paribas, a leading Europe-based international financial services group with members operating in 65 countries as of year-end 2021. By joining forces with BNP Paribas Group, one of the most respected institutions in international markets, TEB further expanded the scope of its global vision.

In 2009, BNP Paribas Group acquired majority stakes in Fortis Bank Belgium and Fortis Bank Luxembourg, consequently becoming the biggest shareholder in Fortis Bank’s Turkish subsidiary. Subsequently, BNP Paribas Group, which then indirectly controlled a majority stake in TEB, and Çolakoğlu Group reached an agreement to merge Fortis Bank Türkiye into TEB. This merger was formally finalized on 14 February 2011. As a result of this merger, TEB Holding now controls a majority (55%) stake in TEB while the Çolakoğlu Group and BNP Paribas each hold an equal (50%) stake in TEB Holding.

At the time when TEB’s free float shares were traded on Borsa Istanbul’s National Market, on 14 November 2014, BNP Paribas Fortis Yatırımlar Holding A.Ş., acting on behalf of shareholders controlling a sufficient majority in TEB, applied to exercise their squeeze-out rights as provided for under current capital market regulations. With the completion of the delisting process on 25 June 2015, the shares in TEB A.Ş. were delisted from the stock exchange and TEB A.Ş. was excluded from the scope of Capital Market Law as a share issuer. Following an application from TEB, which was listed on the London Stock Exchange, depository receipts were also closed to processing and delisted as of 31 March 2015. Furthermore, the depository receipt program was terminated on 6 June 2015.

Leveraging the worldwide organization and expertise of BNP Paribas Group, TEB provides its customers with a complete array of financial products and services, including corporate, small-business, treasury, capital market, retail and private banking, as well as an extensive line-up of investment, leasing, factoring, insurance and portfolio management products and services through its subsidiaries and group companies.

As of year-end 2021, TEB serves 7.3 million customers with



8,572
employees



455
branches
(incl. 4 in TRNC)



1,619
ATMs



online banking at
www.teb.com.tr



Customer Engagement Center at
0850 200 0 666

TEB provides its customers access to BNP Paribas' global vision and operational capabilities. A synergetic collaboration with BNP Paribas also enables the Bank to keep a close and constant watch on developments taking place in global markets as they unfold.

TEB's subsidiaries, whose financials are consolidated in the annual reports, are listed below.²⁻²

Subsidiaries	% of Shares Owned by the Bank and its Subsidiaries
TEB Yatırım Menkul Değerler A.Ş.	100
TEB Faktoring A.Ş.	100
TEB Portföy Yönetimi A.Ş.	54.74

TEB's subsidiaries and jointly controlled companies, whose financials are not consolidated in the annual reports, are listed below:

Other Subsidiaries and JVs	Partnership Type	% of Shares Owned by the Bank and its Subsidiaries
TEB ARF Teknoloji A.Ş.	Unconsolidated and non-financial subsidiary	100
Bantaş Nakit ve Kıymetli Mal Taşım ve Güvenlik Hizmetleri A.Ş.	Joint Venture	33.3

TEB's Capital and Shareholding Structure

Distribution of the paid-in capital by major shareholders and their shares as of December 31, 2021:

Shareholder's Name/Title	Of the TL 2,204,390,000.00 Capital	
	Amount	Share (%)
TEB HOLDİNG A.Ş.	1.212.414.500,002	55.0000
BNPP YATIRIMLAR HOLDİNG A.Ş.	518.342.498,520	23.5141
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	467.879.148,835	21.2249
BNP PARIBAS SA	5.253.352,000	0.2383
KOCAELİ CHAMBER OF COMMERCE	500.500,643	0.0227
GRAND TOTAL	2.204.390.000,000	100.0000

TEB Holding A.Ş. is a member of the Çolakoğlu Group and BNP Paribas Group of Companies. 50% of the shares in TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş. and the other 50% by the Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA, which holds 100% of the shares in BNP Paribas Fortis Yatırımlar Holding A.Ş.. On the other hand, BNP Paribas S.A. controls BNPP Yatırımlar Holding A.Ş. by 100% of the shares. There have been no significant changes in the Bank's capital and shareholding structure, services or value chain in 2020 and 2021.

TEB's Position in the Sector

(TL million)	31.12.2021		
	TEB	Sector	TEB's Share (%)
Total Assets	194,057	9,213.196	2.11
Total Live Credits	104,498	5,018.681	2.08
Total Deposits	131,839	5,542.194	2.38
Number of Branches	455	11,098	4.10
Number of Employees	8,572	202,136	4.24

Source (for sector figures): BRSA Monthly Bulletin, December 2021

Based on the Bank's 2020 and 2021 balance sheets;

- Total assets grew by 30.546% in 2020 and 38.56% in 2021.
- Shareholders' equity reached TL 13,618 million.
- Total deposits accounted for 68% of the balance sheet.
- Total loans amounted to TL 107.8 billion in 2021. As a key indicator of the Bank's support for the economy and customers, the loans accounted for 55.6% of the total assets.
- Loan-to-deposits ratio reached 81.78%, capital adequacy ratio 18.05%, and return on equity 15.82%.

TEB ranks among the banks receiving the highest ratings in Türkiye. TEB's credit ratings as of year-end 2021:

Moody's Investor Services	Rating
Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term Foreign Currency Deposit Rate	B2
Short Term Foreign Currency Deposit Rate	NP
Long Term Turkish Lira Deposit Rate	B1
Short Term Turkish Lira Deposit Rate	NP
Outlook	Negative

Fitch Ratings	
Foreign Currency Commitments	
Long Term	B+
Short Term	B
Outlook	Negative
Turkish Lira Commitments	
Long Term	BB-
Short Term	B
Outlook	Negative
National	AA (tur)
Outlook	Stable
Financial Capacity	b+
Rating	b+

Total deposits
accounted for
68%
of the balance sheet.

13,618
TL million
shareholders' equity

The latest information and more details on TEB's financial statements and operations can be found in the Annual Reports (<https://www.teb.com.tr/about-teb/annual-reports/>).

CORPORATE GOVERNANCE AT TEB

2-9, 2-10, 2-11, 2-12, 2-18

The highest decision-making body at TEB, operating in the banking sector as a joint stock company in accordance with the Turkish Commercial Code and Banking Law, is the General Assembly. A Board of Directors, elected and appointed by the General Assembly to serve for a specific term, is responsible for the management and administration of the Bank. The Bank's management is carried out by the Senior Management consisting of the General Manager, Assistant General Managers and Group Heads. There are also committees, established pursuant to applicable regulations, to ensure coordination and assist the functioning of the Board of Directors and the Bank's Senior Management.

As of December 31, 2021, TEB Board of Directors consists of 12 non-executive members. No independent directors serve on the Board. More information on the Board of Directors and Committee members is available in the annual reports.

(<https://www.teb.com.tr/about-teb/annual-reports/>)

Board members may benefit from loans to the extent allowed by laws as well as bonuses based on criteria such as the Bank's performance, their respective roles and the time they dedicate. TEB Board members are released from their transactions at the General Assembly.

The committees under TEB Board of Directors and their responsibilities are summarized below:

SENIOR EXECUTIVE COMMITTEE

The Committee is responsible for the oversight and monitoring of TEB and TEB Group's operational performance on behalf of TEB's Board of Directors and in accordance with its directions.

CREDIT COMMITTEE

The Committee is responsible for evaluating loan requests within its authority limits and approving loan allocation decisions.

RISK COMMITTEE

The Committee is responsible for overseeing and assessing risk policies.

AUDIT COMMITTEE

The Committee's responsibilities include:

- Overseeing the efficiency and adequacy of the Bank's internal systems on behalf of the Board of Directors.
- As part of internal control, internal audit and risk management, overseeing compliance with applicable legislation and the internal policies and implementation procedures approved by the Board of Directors and submitting recommendations to the Board regarding measures deemed necessary.

- Collaborating with senior management and independent auditors to review the results of independent audits, annual and interim financial statements and related documents, and the independent audit report.
- Assessing the independence of prospective rating agencies, independent audit firms, including those auditing the information systems, and business valuation companies as well as their presidents, directors, auditors, managers and employees, in terms of the services provided to the Bank and the sufficiency of the allocated resources.

OPERATIONAL RISK COMMITTEE

The Committee's responsibilities include:

- Offering recommendations regarding the Operational Risk Management Policy approved by the Board of Directors
- Based on the outcomes of the measurement and management practices in accordance with the Operational Risk Management Policy:
 - Reviewing the activities and reaching decisions as needed through general assessments of historical incidents or potential risks to measure and mitigate the operational risks.
 - Monitoring the progress and outcome of proposed audits.
 - Following the evolution of the key risk indicators defined by the Group Risk Management, evaluating the new indicators based on the risk mitigation measures, risk profiles and trends.
 - Reviewing and evaluating the risk assessment findings of service providers pursuant to the Regulation on Procurement of Support Services by Banks and the Regulation on Information Systems of Banks and Electronic Banking Services.

SELECTION AND COMPENSATION COMMITTEE

The Committee's responsibilities include:

- Establishing a compensation policy that is aligned with the scope and structure of TEB's activities, strategies, long-term goals and risk management structures and in accordance with the BRSA's Regulation Amending the Regulation on the Banks' Corporate Governance Principles and Guide on Best Compensation Practices in Banks, published in the Official Gazette no. 27959 on 9 June 2011, to prevent taking excessive risks and to contribute to effective risk management.
- Determining, monitoring and overseeing remuneration

practices (including salaries, performance bonuses, rewards, compensation and social benefits).

- Submitting proposals regarding the evaluation of the remuneration policy and practices within the scope of risk management to the Board of Directors every year.
- Setting the criteria for bonus payments based on employee performance, announcing such criteria to the employees and regularly reviewing them in light of the relevant standards and specific job-related responsibilities.
- Determining and approving the organizational structure, norms, job descriptions, appointments, promotions, salaries and performance bonuses for Group Directors and higher positions.

COMPLIANCE COMMITTEE

The Committee is responsible for ensuring adherence to and implementation of compliance policies and monitoring the changes in legislation.

CORPORATE GOVERNANCE COMMITTEE

The Committee is responsible for overseeing the Bank's compliance with the Corporate Governance Principles, introducing enhancements and submitting recommendations to the Board of Directors.

ASSETS AND LIABILITIES COMMITTEE

The Committee's responsibilities include:

- Regarding TEB Group's Financial Markets activities, monitoring the developments and expectations in the sector, determining strategies, following the markets and deciding on necessary tactics and risk appetite.
- Reviewing financial indicator reports.
- Discussing expectations and developments in the domestic and international markets.
- Reviewing the general presentations by the marketing groups.
- Reviewing ALM's presentation in terms of deposits and loan structure.
- Examining the funding costs and spread improvements for business lines.
- Evaluating the Bank's weekly balance sheet, income and expense, profit and loss statement analyses.

NEW PRODUCT COMMITTEE

The Committee is responsible for making decisions regarding

"new" products, activities and events in accordance with the New Product, Activity and Event Regulation.

MARKET AND LIQUIDITY RISK COMMITTEE

The Committee's responsibilities include:

- Reviewing market risks and customer derivative product risks.
- Reviewing market and customer derivative product risk policies and submitting recommendations to the Board of Directors.
- Reviewing stress scenarios and offering recommendations for change when needed.
- Reviewing market risk limits and submitting recommendations to the Board of Directors.
- Discussing the topics proposed by the Financial Markets, Asset-Liability Management/Treasury, Financial Affairs and Group Risk Management divisions.
- Monitoring the Bank's liquidity position, analyzing and monitoring the Bank's borrowing capacity and other available resources to prevent the Bank from experiencing difficulties in terms of payment obligations.
- Analyzing and monitoring the Bank's interest rate risk exposure, reviewing the limits for interest rate and liquidity risks, submitting recommendations to the Board of Directors.
- Preparing guidelines and policies regarding interest rate and liquidity risks and recommending them to the Risk Policies Committee,
- Proposing interest, liquidity, market and counterparty credit risk measurement methods to the Risk Policies Committee.

INFORMATION DISCLOSURE COMMITTEE

The Committee's responsibilities include:

- Determining the general principles for disclosure of information, considered to be customer secrets and bank secrets, to third parties.
- Undertaking the overall coordination of such disclosures, defining the relevant responsibilities and general rules of operation.
- Evaluating the requests for information disclosure to determine their suitability and entering these evaluations into record.

Remuneration of Board Members and Senior Executives ^{2-19, 2-20}

TEB's Remuneration Policy has been prepared in accordance with the principles of the BRSA's (Banking Regulation and

Supervision Agency) "Regulation on Corporate Governance Principles of Banks" and "Guidelines on Banks' Good Remuneration Practices" in light of the proportionality principle. The Policy considers the scope of the Bank's operations, structure and strategies as well as alignment with long-term objectives, risk management system and local regulations. The objective of the regulation is to prevent excessive risk taking and to assess the actual contributions to risk management.

The Remuneration Policy supports the Bank's risk management in line with the principles and parameters that the Board of Directors defines and approves. The objective of the policy is to attract and retain qualified and specialized employees, who will drive the Bank toward its strategic goals, for both business lines and support functions. The Selection and Compensation Committee (SECOM) is responsible for preparing the Remuneration Policy on behalf of the Board of Directors. In the process of developing the policy, SECOM reviews and takes into account the remuneration policies of the BNP Paribas Group, provided that they do not conflict with local laws and regulations and TEB Policies approved by the TEB Board of Directors, and also seeks insights from market researchers. SECOM defines the provisions of the Remuneration Policy by consulting with the Human Resources (HR), Financial Affairs, Risk, Compliance and Internal Control Groups. After reviewing and approving the remuneration policy, SECOM submits it to the Board of Directors for approval. The remuneration policy is reviewed annually.

The Ordinary General Assembly on 26 March 2021 decided that no attendance fee would be paid to the Board Members for their duties. All the compensation, benefits and fees paid to the Board members and senior executives in 2020 and 2021 amounted to TL 53,514,910 and TL 67,901,114, and the travel, accommodation and representation totaled TL 463,465 and TL 697,015, respectively.

Members of the Board of Directors may be granted loans within legal limits and entitled to bonuses based on criteria such as the Bank's performance, their roles and the time they allocate.

RISK MANAGEMENT AT TEB

Operationally, the internal control, internal audit and risk management systems at TEB are structured in accordance with the provisions of the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Evaluation" published in the Official Gazette on 11 July 2014. Organizationally, Group Risk Management, Compliance and Internal Control, and the Internal Audit Group are independent units but work in coordination and report to the Board of Directors.

The Inspection Board can inspect all activities and units of the Bank and its subsidiaries within the scope of consolidation without any restrictions. In 2021, 132 branches were inspected, addressing 38 areas.

The Internal Control, Regulatory, Compliance, Information Technologies Control and Subsidiaries Coordination Departments and the TRNC Compliance Department are positioned under the Compliance and Internal Control Group.

The objective of the risk management system is to define, measure and monitor the Bank's risk exposure stemming from its operations and to ensure that these risks are controlled through established policies, guidelines and limits. Risk Management functions of the Bank and all subsidiaries are gathered under Group Risk Management, which reports to TEB Group Boards of Directors through the Audit Committee and Risk Committee at TEB. Group Risk Management is tasked with overseeing the risks and issuing warnings and recommendations on behalf of the Boards of Directors in line with the principles stipulated in the relevant regulation.

The Bank's Group Risk Management is structured as follows:

- Credit Risk Management
- Rating Models Development
- Market Risk and Operational Risk Divisions, Environmental and Social Loans Department, and Group Risk Assessment Department.

The Bank follows the latest regulations and international best practices regarding internal audit and risk management systems and implements them as required. The Risk Management Policies include the following risks:

Credit Risk

Credit risk refers to the risk of a contracting party to default in fulfilling its contractual obligations, thus causing the other party to incur a financial loss. The TEB Group is exposed to credit risks primarily through trading, trade finance, treasury and leasing activities, while credits risk may also arise in other circumstances and for other reasons.

Interest Rate Risk

Interest rate risk involves possible losses that may be incurred due to fluctuations and volatilities in interest rates depending on maturity mismatches or the structures of interest rate-sensitive products in the balance sheet.

Market Risk

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, equity position risk or exchange rate risk resulting from fluctuations in the financial markets in interest rates, exchange rates or stock prices.

Liquidity Risk

Liquidity risk refers to the risks resulting from lack of sufficient cash holdings or cash inflow to fully meet cash obligations in due time because of imbalanced cash flow. Liquidity risk also includes the losses that may arise when it is not possible for a bank to adequately close positions at favorable prices and at sufficient amounts or as rapidly as required, or when a bank is unable to exit the positions held, due to an inability to enter the market as needed, to shallow market structure in certain products or to obstacles arising in the markets.

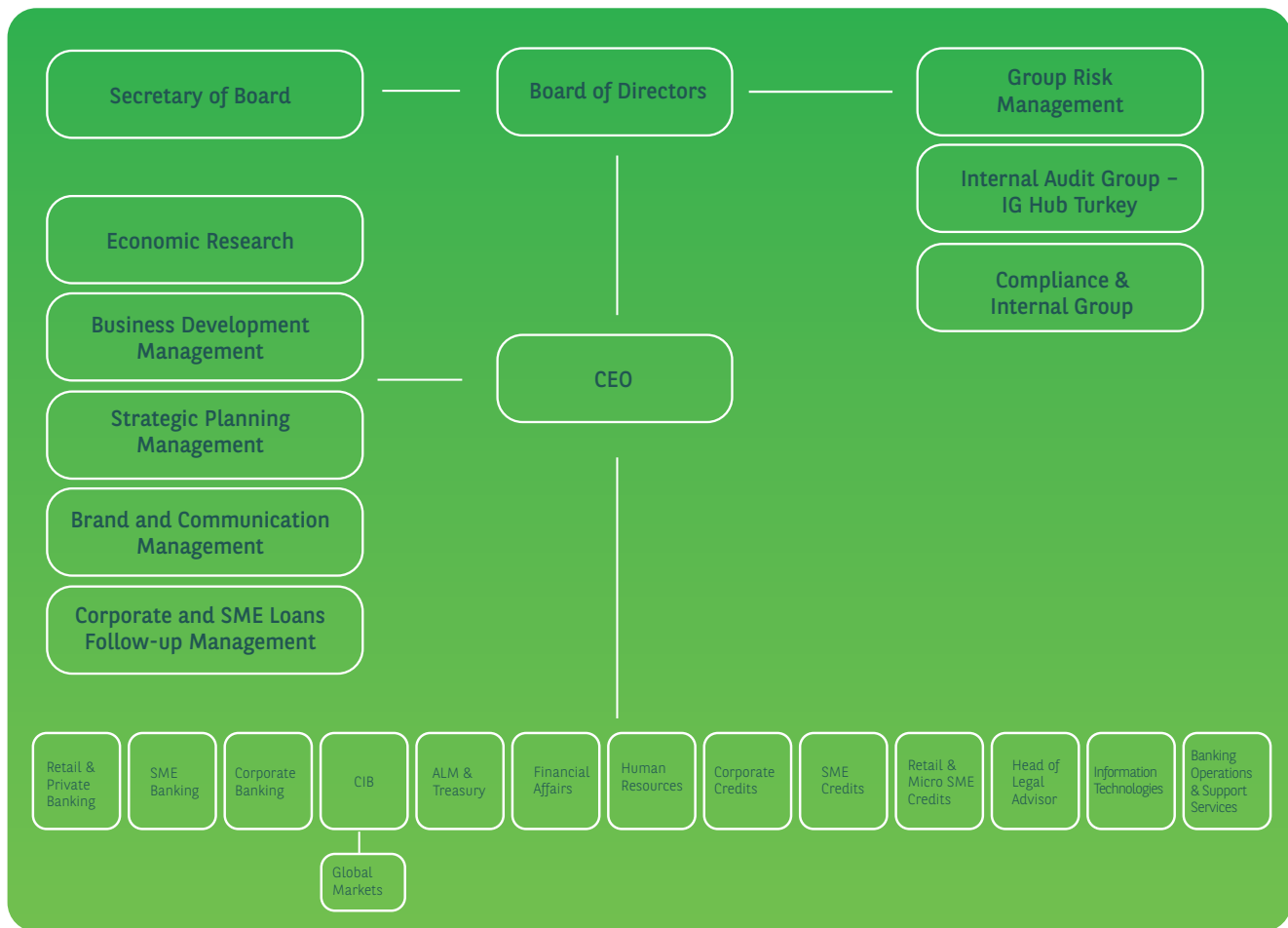
Operational Risk

Operational risk refers to potential losses due to inadequate or failed internal processes, people, systems or ordinary or extraordinary external events.

Counterparty Credit Risk

Counterparty credit risk refers to the risks arising from the possibility that a counterparty may default on unwaivable contractual obligations.

TEB HEAD OFFICE ORGANIZATION CHART

**Brand Value and Management**

TEB strives to protect and elevate its brand value in line with its strategies. In addition to contributing to the national economy with its products and services, TEB is also dedicated to creating social benefit, adding value to communities, environment and human life and making a positive impact. Accordingly, TEB implements various practices across a wide range from innovation and sports to financial literacy and entrepreneurship to create value for all its stakeholders, elevating both the Bank's and the country's brand value. Furthermore, the Brand and Communications Department within the Bank is tasked with engaging with the stakeholders through systematic communications.

Business Continuity in Information Technologies

The Bank adheres to specific plans to ensure business continuity in banking processes in accordance with the annual plans and long-term strategies. For this purpose, regular system tests are conducted at proxy office locations. Once a year, all critical and less critical services are initiated from the Emergency Response Center and tested for their functionality. The critical services are provided via the Emergency Response Center for a day while the customers are also serviced through this center. Errors or malfunctions, if any, identified during the tests, as well as new requirements are regularly analyzed. Best practices are continuously monitored and business continuity awareness and practices are enhanced. Employees who hold responsibilities within the scope of the emergency response plans receive regular training to ensure their readiness in times of disaster and crisis. Work is ongoing to make sure that the teams responsible for the continuity plan are available to respond from multiple geographical locations. Furthermore, necessary designs have been implemented to ensure system continuity and seamless operations even in major disasters. The best practices for high accessibility and continuity in the system architectures are constantly monitored, while awareness and practices are developed in line with our strategic plan and continuity vision.

MEMBERSHIPS AND COLLABORATIONS ²⁻²⁸

Corporate Memberships

Advertising Self-Regulatory Board
 Advertisers Association
 Balkan Rumeli Industry & Business Association
 Banking and Market Intelligence Professionals Association
 Belgian-Luxembourg Chamber of Commerce in Türkiye
 Borsa Istanbul (Istanbul Stock Exchange)
 BUSIAD (Bursa Industry & Business Association)
 Chamber of Electrical Engineers
 Clinton Global Initiative
 Corporate Social Responsibility Association of Türkiye
 Customer Engagement Centers Association
 DEIK (Foreign Relations Board)
 EBAN (European Business Angels Network)
 FA (Financial Alliance for Women)
 FODER (Financial Literacy Association)
 GYODER (Association of Real Estate and Real Estate Investment Companies)
 IASB (International Accounting Standards Board)
 ICC (International Chamber of Commerce)
 IIF (Institute of International Finance)
 İKV (Economic Development Foundation)
 Interactive Advertising Bureau
 Investor Compensation Center
 KALDER (Turkish Quality Association)
 Risk Managers Association
 TEDAR (Supply Chain Management Association)
 The Institute of Internal Auditors – Türkiye
 TRNC Banks Association
 Türkiye ICC (International Chamber of Commerce)
 Turkish – French Commerce Association
 Turkish Capital Markets Association
 TUSIAD (Turkish Industry & Business Association)
 WCD (Women Corporate Directors)
 WeConnect

Collaborations

The Banks Association of Türkiye
 Credit Guarantee Fund (CGF)
 KOSGEB
 Financial Literacy and Inclusion Association
 UNICEF
 Banking Regulation and Supervision Agency (BRSA)
 Turkish Ministry of Family and Social Policies
 Turkish Ministry of National Education
 Turkish Exporters Assembly (TIM)

ABOUT BNP PARIBAS

BNP Paribas is among the leading banking and financial services groups in Europe with an international presence in 65 countries as of year-end 2021. The Group caters to its vast customer base and business partners with 190,000 employees worldwide, including 145,000 in Europe, and a global network.

With a broad range of activities and a unique model, the Group has integrated commercial banking in Europe and across the world with specialized services (consumer loans, mobility and leasing services, new digital business lines) and insurance, retail banking and asset management alongside banking for large institutions.

The Group's two key fields of operation encompass:

- Retail Banking and Services (Domestic Markets, consisting of Belgium, France, Italy and Luxembourg) and International Financial Services
- Corporate and Institutionalized Banking

BNP Paribas is one of the first global banks to operate and grow in the Turkish market and all its international services are offered in Türkiye.

As a global leader in sustainability, BNP Paribas strives to bring its experience and best practices to its countries of

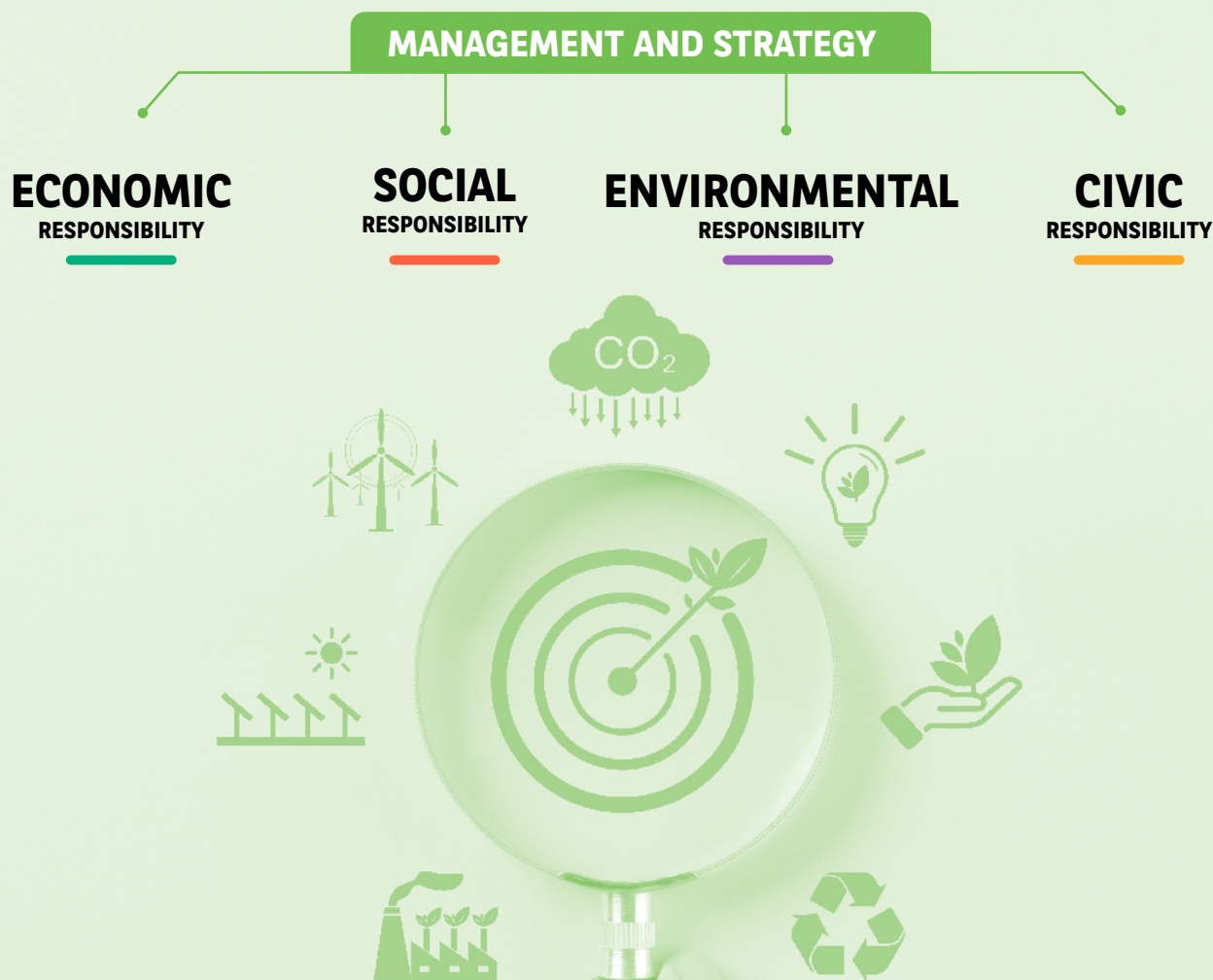
operation. BNP Paribas has further consolidated its position as a sustainability leader extra-financial rating agencies, with scores considerably higher than the banking sector averages. This performance was recognized by many organizations in 2021:

- In an extra-financial rating conducted by EcoVadis, BNP Paribas received a score of 72/100, ranking in the top 4% of the "Most Responsible Product and Service Providers" among the companies rated on the EcoVadis platform.
- BNP Paribas Group is listed in various extra-financial indices focused on social performance for its commitments to gender equality, diversity and inclusion.
- BNP Paribas was named "The World's Best Bank in Sustainable Finance" and "The World's Best Bank in ESG Data and Technology" by Euromoney magazine in 2021.
- BNP Paribas was recognized with the "Investment Bank of the Year" award in the Sustainable SSA Finance category at the 2021 Sustainable Banking Awards presented by The Banker magazine.
- The Group ranked 76th among the "Global 100 Most Sustainable Corporations" and named the "Leading French Bank" and "7th Best Bank Worldwide" by Corporate Knights magazine.

Organization	Rating (most recent)	Rating (previous)	Index
CDP	A- (2021)	A- (2020)	
FTSE Russell	4.4/5 (2021)	4.9/5 (2020)	FTSE4Good Global Index Series
ISS (ESG Corporate Rating)	C+ (2021)	C+ (2020)	Prime (best-in-class)
MSCI (ESG Corporate Rating)	AA (2021)	A (2020)	
SAM (Corporate Sustainability Rating)	82/100 (2021)	81/100 (2020)	DJSI World – DJSI Europe
Sustainalytics (ESG Corporate Rating)	Average Risk – 25.6/100 (November 2021)	Average Risk – 25.7/100 (November 2020)	STOXX Global ESG Leaders
Moody's ESG Solutions (ESG Profile)	71/100 (2021) Europe's No.1 Bank in the Rankings	71/100 (2020)	Euronext-Vigeo Eiris: World 120, Euro Zone 120, Europe 120 and France 20)

SUSTAINABILITY AT TEB

SUSTAINABILITY APPROACH



SUSTAINABILITY APPROACH ^{2-23, 2-24}

TEB's Sustainability Approach is defined in its Sustainability and Positive Impact Manifesto.

TEB SUSTAINABILITY AND POSITIVE IMPACT MANIFESTO

As global population approaches nine billion people, our world is undergoing changes at a tremendous pace. We are all affected by these changes – some good, some not. Our shared hope is to improve living standards on our planet in the face of increasingly scarcer resources.

To satisfy our ever-increasing needs we are consuming even more of those resources while at the same time we are also being confronted by a number of problems. It is at this very point that the issue of sustainable development becomes crucial. We have to use resources in order to take care of today's needs but we must do that without threatening the resources of future generations. Economic development poses social risks and we must all work together to find solutions to those risks without wasting time. Being mindful of the needs of future generations, this planet, whose resources we are depleting so rapidly, needs to be given the value it deserves.

Foremost among the global issues that are of direct importance to corporate sustainability are reducing income inequality and increasing global climate change awareness. At TEB, in accordance with the 17 UN SDGs, we stand ready to work together with all of our stakeholders to contributing toward solving these problems.

Our international partnership and our strong position in the Turkish financial sector make our role in this process even more important. We are happy to use our technological, financial and human resources for the benefit of society. We will continue to invest in the future with a collaborative and solution-oriented sustainability approach.

Embarking upon this effort, we first set up committees to develop projects aimed at meeting the social, economic and environmental expectations of our stakeholders. Directly supporting our sustainability strategy, these projects form the foundation of our future plans.

In line with the expectations of our stakeholders, we prioritize projects with a positive impact on society. Recognizing our responsibility as “A Good Bank”, we evolved our service approach into a more digital and customer-centric model.

As we worked toward our goals, we defined the key principles under TEB Sustainability and Positive Impact Manifesto in line with TEB’s “Good Bank” approach. Accordingly, we commit to:

- Place sustainability management at the center of TEB’s substantial projects and operational processes.
- Serve as an example for the future of sustainable banking by increasing our customers’ and other stakeholders’ awareness of such issues.
- Cultivate our ‘positive impact’ culture and social dialogue.
- Develop brand new, innovative solutions by introducing policies, products and services that support our customers and create positive impact on the environment.
- Keep people informed about the positive impact of the projects that we undertake together with our stakeholders through regularly published sustainability reports.
- Ensure gender equality in our recruitment and workplace practices.
- Implement solutions in accordance with Turkish laws and regulations and in alignment with BNP Paribas’ goals.
- Set specific sustainability targets for TEB and incorporate them into the Bank’s overall CSR, stakeholder engagement and inclusion goals. In pursuit of excellence in all our fields of operation, we also commit to support causes where we can have significant impact. We will achieve this by aligning our products and services, partnerships, business conduct, procurement policies, community engagement, social responsibility projects, volunteering activities and intrapreneurship initiatives.

FOR CLIMATE:

- As the entire TEB Family, we will strive to have a positive impact on the environment and track and measure our endeavors.
- We will collaborate with our customers and other stakeholders to create and enhance climate-change awareness and consciousness.
- We will extend financial support for projects that increase renewable-energy use and energy efficiency.

FOR THE YOUTH:

- We will promote projects that support young people and encourage them to participate actively in society and the banking system.

FOR ENTREPRENEURS:

- We will encourage people from different social backgrounds to start and develop businesses of their own by providing them with equal opportunities without any discrimination against religious beliefs, language, ethnicity, or gender; we will support social and entrepreneurial innovation.
- We will develop and offer solutions for female entrepreneurs in the business world to access financial resources.

FOR LOCAL ECOSYSTEMS:

- We will enhance the social and cultural contexts in locations where we operate.
- We will contribute to more sustainable growth.
- We will continue to improve the ways we collaborate with our customers.
- We will develop projects for the benefit of our communities and set an example in sustainability-related issues in keeping with TEB’s reputation as “A Good Bank”.

SUSTAINABILITY MANAGEMENT AND STRATEGY



Sustainability and Stakeholder Engagement Committee (SASECOM) ^{2-12, 2-13, 2-14, 2-16, 2-17, 2-24}

At TEB, all processes regarding sustainability are managed by the Sustainability and Stakeholder Engagement Committee (SASECOM). In 2018, TEB established SASECOM as the governance structure responsible for managing and coordinating the Sustainability and Stakeholder Engagement processes and assigned the relevant tasks.

SASECOM operates with the mission of ensuring that TEB Group reaches the necessary performance levels in line with global standards and voluntary codes in economic, ethical, social and environmental responsibility, and accurately and properly implementing the required policies, systems and standards within the Bank.

SASECOM, which convenes quarterly, is chaired by TEB's Chief Finance Officer (CFO). The committee consists of nearly 15 permanent members, including the C-Suite and Senior Executives, while the Brand and Communication Group Director serves as the secretary.

SASECOM submits regular reports to the Executive Committee and the Board of Directors to advise them on TEB's

*SASECOM operates with the mission of ensuring that TEB Group **reaches the necessary performance levels** in line with global standards and voluntary codes **in economic, ethical, social and environmental responsibility**, and accurately and properly implementing the required policies, systems and standards within the Bank.*

sustainability efforts and critical issues. The information disclosed in the sustainability reports is published after the approval of SASECOM.

In line with TEB's strategies and material topics, three sub-committees are formed under SASECOM. These committees are responsible for managing processes related to their respective areas, taking actions, monitoring outcomes and reporting to SASECOM:

- Economic Responsibility Sub-committee (led by Risk Management Group Head)
- Social and Civic Responsibility Sub-committee (led by Assistant General Manager – Human Resources)
- Environmental Responsibility Sub-committee (led by Assistant General Manager – Banking Operations and Support Services)

Sustainability Strategy

TEB's sustainability strategy is integrated with the Bank's corporate strategy, and aims:

- To earn the trust of our stakeholders by fulfilling our responsibilities as the scope of our social, environmental and economic impact expands.
- To be a leading, technologically superior bank that makes a difference with its services and products with an ethical, reliable, transparent corporate governance and accurate risk management approach,
- To contribute to building a sustainable environment and society by investing in future generations.
- To be a consistently growth-driven institution that invests in its employees.

Key Impacts and Opportunities

TEB's significant impacts on economic, social, civic and environmental issues are addressed in two aspects: direct and indirect. The Bank's direct impact includes the financial value it creates, its contributions to the national economy, operational standards and human rights practices with respect to its employees and suppliers, and the environmental impact caused mainly by its infrastructure and branch network. The indirect impact, equally or more important and created as a result of its services, covers a much wider sphere. Managing environmental and social impacts accurately through the products and services offered to customers, especially in the loan processes, also reduces risks significantly. Mitigating the risks that the borrowing entity may face leads to healthier operations, making it possible to maintain higher pay-back capabilities. Accurate management of impacts facilitates improved access to resources that promote social and environmental performance and financing at more advantageous terms.

For TEB, the duration of the impacts are defined as follows to align with risk planning:

- Short-term: 0-2 years
- Medium-term: 2-5 years
- Long-term: 5+ years

The impact is further strengthened by serving as a role model for responsible behavior for organizations that utilize financial services, guiding them and helping them improve their performance special products (such as environmental loans). Therefore, TEB actively participates in the activities of various organizations such as Turkish Banks Association (TBB).

The products and services, including Women Banking and Agricultural Banking, designed in accordance with the Bank's responsibility approach also make it possible to create added value for various customer groups.

MATERIAL TOPICS

As a provider of financial products and services, TEB aims to contribute to the economic development in the regions where it operates by conducting its business ethically and fulfilling its responsibilities. The Bank's material topics include designing products and services to meet the expectations and needs of key stakeholders and improving profitability, while supporting the development of all stakeholders and continuously increasing its direct and indirect contributions to the economy. In addition to reducing its environmental impact, TEB also strives to ensure that the stakeholders within its area of impact also fulfill their environmental responsibilities, and to develop products and services accordingly.

Empowered by the experience and expertise of BNP Paribas, TEB aims to become a role model both in Türkiye and in its sector by attaining global sustainability standards.

The stakeholders and their expectations form the basis of TEB's sustainability processes. The expectations and demands of different stakeholders are gathered through stakeholder platforms and assessed with the contributions of SASECOM and relevant departments. TEB's stakeholders and material topics, identified through activities conducted in accordance with the AA1000 SES standard, have been aligned with BNP Paribas' approach and finalized with the approval of the Senior Management. The material topics, disclosed transparently in the sustainability reports, are continuously

addressed and reshaped based on the feedback collected from the stakeholders every year.

Stakeholders and Stakeholder Engagement Platforms²⁻²⁹

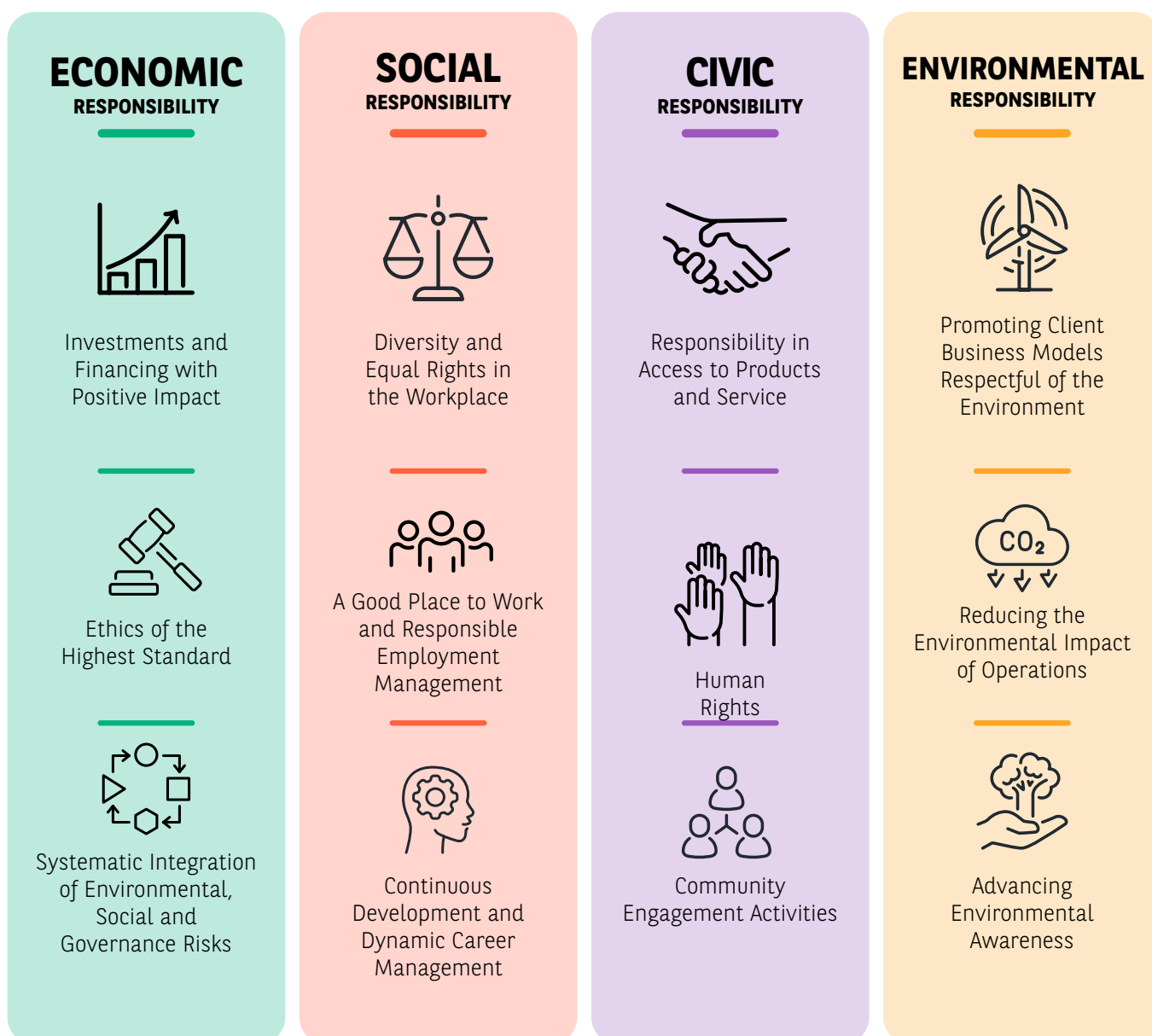
The focus of TEB's sustainability approach is its stakeholders, namely individuals and organizations, which are directly or indirectly impacted by its products and services, or that can affect TEB's processes and strategies. Stakeholder platforms related to the employees are addressed in detail in the 'Good Place to Work and Responsible Employment Management' section of this report, and the Supplier platforms in the 'Ethics of the Highest Standards' section:

Stakeholder Groups	Stakeholder Engagement Platforms
Business Partners	Website, email, Sectoral Associations and Organizations, Annual Reports
Competitors	Website, email, Sectoral Associations and Organizations, Annual Reports
Creditors	Annual Reports, Meetings (10-15 times a year), Website, email
Customers	Customer Satisfaction Surveys (annual), Customer Engagement Center, Website, email, Phone Calls, Branch Representatives, Financial Literacy Activities, NPS Net Promoter Score Survey (annual), TEB Private Economy Talks (periodic), Career Day Events
Employees	Satisfaction Surveys (annual), One-to-One Meetings, email, Intranet, Dinner/Lunch with Management (each quarter), Sales Tournaments, Birthday/Child Birth/Wedding Celebrations, Photography, Folk Dance and other Club Activities, New Year's Party
Media	Press Releases (10-15 times a year), Press Conferences (2-4 times a year), Launches, Product Promotions, Newsletters, Website, Interviews
Non-governmental Organizations	Conferences (3-5 times a year), Panel Sessions (8-10 times a year), Financial Literacy Activity
Rating Agencies	Annual Reports, Meetings (10-15 times a year), Website, email
Regulatory Agencies	Conferences and Panel Sessions (5-10 times a year), Meetings (5-10 times a year), Collaboration Platforms
Sectoral Associations	Meetings, Conferences (3-5 times a year), Seminars (annual), Training Programs, Correspondence to Exchange Views
Shareholders	Briefings (3-5 times a year), Presentations, Website, General Assembly Meetings (annual), Annual Reports
Subsidiaries and Affiliates	Briefings (3-5 times a year), Presentations, Website, General Assembly Meetings (annual), Annual Reports
Suppliers	Regular Meetings (twice a year), email, Phone Calls, Site Visits (as needed), Supplier Day (annual), Supplier Awards Program (annual), Supplier Portal

Material Topics ^{3-1, 3-2}

The demands and expectations of different stakeholder groups and the dynamics of the banking sector and Türkiye are addressed within the scope of TEB's material topics. The outcomes are also aligned with BNP Paribas' Material Topics and finalized after receiving the remarks and approvals of the Senior Management. All material topics are grouped under the main headings below. The material issues, which also comply with the organization of SASECOM, form the structure of this report. The material topics continue to evolve as a result of feedback received from stakeholders through

employee and customer satisfaction surveys and based on the global and local issues, applicable SASB standards and BNP Paribas practices. These topics are presented to all the stakeholders transparently through the sustainability reports, which also contain information about TEB's practices in these areas. In the reporting period, the material topics have remained the same.



THE CONTRIBUTION OF TEB'S MATERIAL TOPICS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

ECONOMIC RESPONSIBILITY

Investments and Financing with Positive Impact



SOCIAL RESPONSIBILITY

Diversity and Equal Rights in the Workplace



CIVIC RESPONSIBILITY

Responsibility in Access to Products and Service



ENVIRONMENTAL RESPONSIBILITY

Promoting Client Business Models Respectful of the Environment

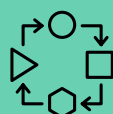


TEB contributes to various United Nations Sustainable Development Goals (UN SDGs) with its performance in material topics. These practices are explained in more detail in the relevant sections of this report.

Ethics of the Highest Standard



Systematic Integration of Environmental, Social and Governance Risks



A Good Place to Work and Responsible Employment Management



Continuous Development and Dynamic Career Management



Human Rights



Community Engagement Activities



Reducing the Environmental Impact of Operations



Advancing Environmental Awareness



The background of the entire page is a dark teal color. Overlaid on this is a faint, semi-transparent image of a city skyline at night, with several tall buildings and wind turbines visible. The text is arranged in a structured, top-down manner, with the main title at the top, followed by three horizontal bars, each containing a subtitle.

ECONOMIC

RESPONSIBILITY

INVESTMENTS AND FINANCING
WITH A POSITIVE IMPACT

ETHICS OF THE HIGHEST STANDARD

SYSTEMATIC INTEGRATION OF
ENVIRONMENTAL, SOCIAL AND
GOVERNANCE RISKS

ECONOMIC RESPONSIBILITY

TEB's primary responsibility in terms of services and its impact is contributing to the development of individuals and organizations by offering financial services within an ethical framework and therefore supporting economic development. Accordingly, TEB:

- ✓ Contributes to the real economy and creates added value for all its stakeholders.
- ✓ Assists its customers in achieving their goals by providing financial support with competitive products and services and supports economic development.
- ✓ Believes that SMEs are the cornerstones of the national economy, and stands by them with financial support and consultancy services available at every stage of their economic development.
- ✓ Aims to spread the 'right to accessing financial means' across society by identifying the challenges that small businesses and households face in benefiting from financial services, and contributes to elevating social welfare.
- ✓ Takes into consideration climate change-induced risks for a sustainable environment and community, and steers its activities according to its environmental policy.

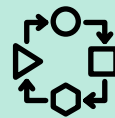
TEB categorizes its practices to fulfil its economic responsibility into three headings:



Investments and Financing with Positive Impact



Ethics of the Highest Standard



Systematic Integration of Environmental, Social and Governance Risks

1 INVESTMENTS AND FINANCING WITH POSITIVE IMPACT

3-3, 203-2



Cognizant of its economic responsibility, TEB strives to create positive impact with its financial products and services across its domains. Therefore, empowering **SMEs** as a key driver of the Turkish economy and developing products and services for them with a 'consultant banking' approach will always be a focus point. TEB also leverages the power of BNP Paribas' international network to provide special opportunities for its customers of all sizes to contribute to Türkiye's **integration with the global economy** and to support foreign trade balance. TEB strives to support all entrepreneurs with its financial and non-financial services for the success of its development policies. As part of this approach, the

Banks aims to encourage women's participation in the economy by further developing the specifically designed **Women Banking** and **Startup** ecosystems The **Positive Impact Loans** extended to meet the sustainable financing needs of public and private sector organizations through **access to sustainable financial resources** also strengthen TEB's environmental and social footprint. The Bank's performance in these areas contributes to United Nations Sustainable Development Goals, in particular SDG2 (Zero Hunger), SDG4 (Quality Education), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG17 (Partnerships for the Goals).

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Investments and Financing with Positive Impact	Providing the right products and services to create a positive impact on ESG issues.	<ul style="list-style-type: none"> Market loss (medium) Reputation loss (medium) High costs (medium) 	<ul style="list-style-type: none"> Acquiring new customers (short) Contributing to economic development (medium-long) Access to low-cost financing (short) Reducing customer-related risks (medium-long) 	<ul style="list-style-type: none"> Positive Impact Loans Women Banking Loans Startup Banking Performance

SMEs AND LOCAL ECONOMIC DEVELOPMENT

SME BANKING

TEB adopts a "consultant banking" approach to SME Banking, extending effective financing and offering non-financial products and services to create value for small and medium-sized enterprises. At TEB, SME Banking is focused on providing tailored solutions to customers of all sizes with different product and service requirements. TEB is organized to address these needs with financial solutions, while also providing support in non-financial aspects such as access to information, training and networking.

Through SME Banking, TEB aims to offer the best customer experience to small and medium-sized enterprises, drawing from its automation and digital transformation vision in banking processes, which gained momentum during the pandemic. Considering the effects of the pandemic and the evolving customer expectations, the Bank redesigned its products and processes to provide faster and more solution-driven services to SME customers. Accordingly, the loan payment deferral requests of customers facing cash flow issues were evaluated responsibly. New payment plans were created to suit the customers' cash flows and additional loan requests were granted. Meanwhile, TEB continued to support projects benefiting from Credit Guarantee Fund (KGF) and KOSGEB seamlessly.

TEB also introduced special products that enable the customers to manage their daily banking transactions at affordable costs thanks to its advantageous pricing structure. In addition to loans with grace periods, customers have also been offered specific products such as loans provided in return for ELUS (Electronic Product Certificate) and Flexible Gold Loan Scheme for the jewelry sector.

AGRICULTURAL BANKING

With the effects of global warming and climate crisis felt around the world, protecting and fostering agricultural production continues to gain importance and priority. Since 2007, TEB has offered agricultural banking products designed according to the conditions and dynamics of agricultural production to producers.

TEB Agricultural Banking, in line with its consultant bank approach, extends resources such as agricultural input finance and finances investment projects for agricultural producers of all sizes and for producer organizations (associations, cooperatives and chambers).

TEB Harvest Card ("TEB Harman Kart") continues to grow its partnerships and merchants, offering small and medium-sized farmers up to six months of interest-free period and facilitating the purchase of essential agricultural inputs such as operating capital, fuel, fertilizer and animal feed.

Given the strategic importance of agriculture, which the pandemic once again demonstrated, TEB started to digitalize the loan processes to support the sector players. Several processes were redesigned to enable the farmers to benefit from banking services without going to the branch, especially during the pandemic. The limits of Harvest Cards and agricultural credit lines were increased for customers who needed financing for agricultural production. In 2021, TEB participated in agricultural fairs to the extent allowed by pandemic measures, meeting with farmers and producers.

MICROBUSINESS BANKING

In 2021, TEB Microbusiness Banking continued to support the microbusinesses and tradesmen who were significantly impacted by the pandemic.

Several new functions, such as utilizing banking products and services like revolving loans and resetting passwords via SMS, were added to the banking app CEPTETEB İŞTE, a simple and easy-to-use digital platform designed with the "anytime, anywhere" approach for commercial users.

In 2021, approximately 93,000 Microbusiness Banking customers used CEPTETEB İŞTE, our secure digital platform where they can instantly see their POS sales and last 7-day transactions, utilize installment and revolving loans, make installment payments as well as check and monitor all cash management.

Special Solutions for the Healthcare Sector

As a Microbusiness Banking strategy, TEB began to focus more on niche segments. Within the framework of a cooperation agreement previously signed with the Turkish Pharmacists Association, exclusive services and benefits have been offered to the pharmacist customers of all branches through specifically-designed packages.

Drawing from the experience with pharmacist customers, special services have been designed for similar segments such as veterinarians and opticians. Agreements were signed with the professional chambers of both professional groups during the year, offering advantageous terms and conditions.

KOSGEB Support²⁰³⁻¹

TEB Microbusiness Banking has been involved in a number of programs, in which the Bank extends the principal loan amount and the interest is covered by the Small and Medium Enterprises Development Organization (KOSGEB). Through these programs, small businesses affected by various disasters, such as the Izmir earthquake disaster in 2020, the wildfires in 2021 and the floods in the Western Black Sea regions and the province of Van, have been supported. The businesses that documented how they were affected by these disasters benefited from loans up to TL 250,000 with a 36-month maturity, with a grace period for the first 12 months and equal quarterly repayments for the remaining three months.

PUBLIC BANKING ²⁰³⁻¹

TEB has been actively working since 2017 to expand its cooperation with the public sector through comprehensive products and services. The Bank aims to meet the public institutions' foreign trade, structured trade finance, cash management and alternative funding needs with longer-term and more favorable conditions leveraging the sectoral expertise and support of the BNP Paribas Group.

In 2021, TEB Public Banking continued to develop relationships with new public institutions, offering alternative funding facilities, starting with capital market instruments such as bond issuance, in line with institutions' medium and long-term strategies. As a bank that contributes to municipalities' faster implementation of infrastructure and superstructure investments and facilitates access to essential services, TEB also provided the first online/real-time collection service as a cash management solution, allowing people to fulfill their municipal obligations easily and swiftly.

INTEGRATION INTO THE GLOBAL ECONOMY

MULTINATIONALS DESK

Since 2006, TEB has been serving multinationals as well as Turkish firms with international operations. TEB provides

significant advantages and convenience, following BNP Paribas' "One Bank for Corporates" motto and leveraging the resources of its extensive network of local branches as well as those of BNP Paribas' nearly 190 thousand employees at more than 7,000 branches and some 30 million customers in 65 countries.

The Multinational Companies Desk caters to the clients with teams of experts at the Multinationals Corporate Branch, corporate branches and Head Office.

TEB delivers the service quality and standard that global partners of multinationals have come to expect from BNP Paribas to the maximum extent allowed by the local regulatory framework. TEB aspires to be the primary bank of all multinationals with operations in Türkiye along with nearly 1,300 multinationals from 45 countries that already do.

FOREIGN TRADE CENTERS AND SERVICES

BNP Paribas ranks among the world's top three banks in foreign trade finance and first in Europe. BNP Paribas' Trade Centers active at more than 100 locations enhance TEB's competitive edge in trade finance. With its capability of delivering global services, the Bank provides tailored solutions such as foreign trade legal framework consultancy and preparation of letter of credit documentation.

TEB Trade Centers, located in Istanbul, Bursa and Izmir, mark a first in the Turkish banking sector in terms of the foreign trade financing and foreign trade consultancy. Every TEB Trade Center employs a team of experts with experience in "structured trade and commodity finance," developing financing solutions specifically tailored to the customers' goods and cash flows. In addition to the conventional financing options, firms can be offered alternative solutions.

Maintaining correspondent relationships with more than 1,100 banks across the world, TEB constantly seeks to expand this network in line with its customers' needs. In addition to its strong correspondent network, TEB also benefits from the option of offering its customers competitive prices and maturity alternatives in foreign trade transactions using the network of BNP Paribas. Facilitating cross-border money transfer in 135 different

currencies to more than 180 countries, TEB also offers cash transfer services to customers who want to make bulk payments at competitive costs.

TEB is also active in the rediscount credit facility allocated by the Central Bank of Türkiye to Turkish exporters.

TEB provides exclusive consultancy to clients who engage in foreign trade activities and investments abroad. The Bank also collaborates with trade associations and regional organizations such as Exporters' Unions, Chambers of Commerce and Industry, Organized Industrial Zone Administrations, etc. to promote special foreign trade practices and host training programs and foreign trade seminars.

SMEs AND FOREIGN TRADE

In addition to extending financing, TEB SME Banking also contributes to increasing exporters' competitive strength in foreign markets through foreign trade training programs and free consultancy services in many areas delivered by its expert employees. In 2021, TEB introduced three Foreign Trade Expense Packages, differentiated according to the scale of the customers, offering importer and exporter SMEs SWIFT and other transfer transactions at no additional cost for up to 6 months.

START-UP BANKING

TEB aims to empower startups, which play an increasingly important role in the economy, and contribute to social welfare by supporting sustainable growth in the Turkish economy. As the first bank to have a division dedicated to creating synergy within the start-up ecosystem, TEB provides entrepreneurs with guidance on various topics from how they can turn their ideas into business with the funding they secure to how they can commercialize their projects. Through Start-up Banking, entrepreneurs can benefit from opportunities such as access to public sector incentives, presenting their innovative products on domestic and international platforms, growing and developing their companies, and acquiring new customers.

Start-up House Model

TEB's Start-up House model was developed to reach entrepreneurs across the country, help to increase the

Ongoing Support for Women Entrepreneurs

The AWE (Academy for Women) program was launched in 2021 in partnership with TİM-TEB Start-up House and the American Embassy with the objective of empowering women entrepreneurs in Türkiye and turning them into successful global entrepreneurs. Through the Academy's Start Up and Scale Up programs, 40 successful women entrepreneurs were supported. Five selected women entrepreneurs participated in Vivattech, Europe's largest technology fair in Paris, with all expenses covered by the program. Since 2015, more than 150 women entrepreneurs have been supported through various acceleration programs within the TİM-TEB Start-up House ecosystem, and the jobs created by women entrepreneurs reached 1,000 by year-end 2021.

number of techno start-ups, introduce their innovative business ideas to the economy and drive their healthy growth. The first house was launched in Istanbul in 2013 and the model has expanded in collaboration with Turkish Exporters Assembly (TİM), currently operating in seven provinces: Istanbul, Ankara, Izmir, Bursa, Mersin, Denizli and Gaziantep. In 2021, 40 programs were launched and 200 entrepreneurs participated in accelerator programs.

In addition to supporting next-generation startups, TEB also contributes to the digital transformation journeys of SMEs and corporations. As part of these efforts, tech startups with innovative solutions connect with corporations through the S2C (Startup/Scaleup2Corporate) programs launched as a TİM-TEB Start-up House events.

Supporting Global Entrepreneurship – French Tech

TEB also facilitates international cooperation for the entrepreneurship ecosystem. The Bank has partnered with French Tech Istanbul for forward-looking planning, while supporting the entrepreneurs with the TİM-TEB Start-up House ecosystem in accessing the European market, starting with France, and finding customers and investors.

TÜBİTAK BIGG

TEB is the first bank to participate in TÜBİTAK's Individual Young Enterprise (BiGG) Program as an implementing company, standing as a pioneer in the program's sixth year. To date, 92 startups have been established within the scope of BiGG, which extended the entrepreneurs a total of 15.4 million TL in grants.

Collaboration Meet-ups

In 2021, TEB hosted online SME-Startup Meet-ups to contribute further to the digitalization of SMEs, the drivers of the Turkish economy. These online events brought together SME customers from various sectors with startups that could have an impact on the way they operate. In addition, nearly 1,000 people attended 20 webinars on different topics.

START-UP BANKING	2019	2020	2021
Number of active customers	1,850	1,836	1,969
Loan volume (TL thousand)	215,257	301,845	427,931

WOMEN BANKING

Committed to being "women's consultant bank," TEB focuses on meeting the needs of women business owners. Supporting women's participation in professional life and empowering them in all areas are key in terms of creating added value for the economy.

Businesses owned and managed by women face problems in accessing financial resources, especially in finding collateral and obtaining loans in the early stages.

Therefore, solving these problems can play a key role in preparing the stage for women to take part in the economy, not only as consumers but also as producers. With services and solutions designed to meet the needs of women business owners with an integrated approach, TEB extends financial and non-financial support.

In 2021, TEB increased the volume of cash loans extended to women business owners by nearly 18%. During the same period, various events were organized at scale across Anatolia to reach women entrepreneurs.

WOMEN BANKING	2019	2020	2021
Active customers of women banking	26,030	27,326	29,188
Loan volume (TL thousand)	469	535	699

TEB Women Academy

TEB develops various solutions to provide women business owners with the information they need to grow their businesses. Created for this purpose, TEB Women Academy is a special program that offers women business owners training to build on their leadership and business management skills through workshops and brings them together with inspiring women of the business world. During the pandemic, online meetings were organized as an alternative to in-person events.

The Bank is a member of WEConnect International, which aims to increase the share of women in the supply chain of corporations. As part of this collaboration, meetings are organized to connect women entrepreneurs with corporations. In these events, diversity in supply chain and criteria for becoming a supplier are discussed from the perspective of corporations. Furthermore, women entrepreneurs get the opportunity to meet purchasing managers of corporations and hold one-on-one discussions. In 2021, several events were organized in Central Anatolia, Eastern and Southeastern Anatolia and the Mediterranean regions.

Coaching and Mentoring Support for Women Business Owners

Studies worldwide have shown that women, who receive coaching/mentoring support, experience improved self-confidence, higher awareness and better use of their skills. TEB launched Women Banking support programs to provide coaching and mentoring services for women business owners. With the TEB Star Cluster project, fifty TEB branch managers selected to support women bosses were trained as Enterprise Coaches based on a special curriculum in 2021. As the first program of its kind designed with this level of depth by a bank in Türkiye, this project intends

to provide coaching for women business owners to solve the day-to-day problems they face and help them take action to grow their companies.

With TEB Growth Academy – a group coaching program – selected women business owners attend a three-day special training program, where they develop their 180-day business plan and business goals. As part of the program, women entrepreneurs receive both training and coaching and they are also encouraged to take steps toward growing their businesses with a systematic method and perspective.

Incentives and Sponsorships

In addition to special products and services for women business owners, TEB also sponsors special events focused on women's role in social life and leadership and conducts communication activities.

TEB, while supporting women entrepreneurs in both financial services and non-financial topics, continued its "Empowering Women Entrepreneurs in the Supply Chain" project, run in collaboration with WeConnect during the pandemic, with online sessions. Meanwhile, the Bank also facilitated connections between women business owners with suppliers of corporations, supporting product and service sales. As part of the project aiming to empower women in e-commerce, TEB signed an agreement with Hepsiburada to offer special banking products and services to women entrepreneurs who own shops and operate on the e-commerce platforms. Furthermore, women entrepreneurs received online training on presentation skills, effective sales and other business topics.

SUSTAINABLE FINANCE

TEB signed two new agreements with the European Bank for Reconstruction and Development (EBRD) in 2021. Early in the year, a USD 58 million loan agreement was signed with 367-day maturity as part of the financing package created to address the negative impact of the pandemic on the economy. Funded by the EBRD Solidarity Package, the loan, extended on condition that utilization meets general compliance with the EBRD's social and environmental policies, aims to help micro, small and medium-sized businesses access financing in response to the economic effects of the COVID-19 pandemic. In the third quarter of 2021, a USD 50 million loan agreement was signed to support the companies in their foreign trade transactions. This loan was funded by the EBRD Trade Finance Program.

Sustainability-Linked Syndicated Loan

In 2021, TEB secured its first sustainability-linked syndicated loan with the participation of 22 banks from the US, the UK, EU and Middle East countries.

The loan, with a 367-day maturity, marked TEB's first sustainability-themed syndicated loan and reached a 113% renewal rate. The loan agreement signed on 27 October 2021 amounted to a total of USD 380 million and consisted of two tranches of EUR 230.5 million and USD 113 million. The total cost of the syndicated loan, to be used in general trade financing, was set at Euribor+1.75% for the Euro tranche and Libor+2.15% for the USD tranche.

The pricing of the loan was linked to three sustainability performance targets, which will be measured and monitored in 6-month periods:

- The loan amount used for financing renewable energy and energy efficiency transition in one year.*
- The ratio of employees in direct contact with large corporates, completing the sustainability training.*
- The ratio of electrical energy from renewable sources consumed by TEB.*

2 ETHICS OF THE HIGHEST STANDARD



In all its operations, TEB upholds ethics of the highest standard. All TEB employees, suppliers and business partners are also required to work in full compliance with the laws and regulations of the respective countries where they operate and to meet the professional standards in all their activities. TEB applies its Ethical Standards to the maximum with all its employees and also recognizes its responsibility toward its external stakeholders, starting

with the customers and suppliers. With these practices, TEB also contributes to United Nations Sustainable Development Goals: SDG10 (Reduced Inequalities), SDG12 (Responsible Consumption and Production) and SDG16 (Peace, Justice and Strong Institutions).³⁻³

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Ethics of the Highest Standards	TEB upholds high ethical standards in all its activities in compliance with laws and regulations.	<ul style="list-style-type: none"> Reputation loss (short) Legal and judicial fines (short) Customer loss (short) Decline in employee motivation (medium) 	<ul style="list-style-type: none"> Positive contribution to reputation (medium) Contribution to sectoral development (medium-long) Improvement in employee motivation (medium) 	<ul style="list-style-type: none"> Ratio of Employees Receiving Ethics Training Net Promoter Scores

ETHICAL STANDARDS

ETHICAL PRINCIPLES

At TEB, we operate with the mission of achieving sustainable profitability and aim to contribute to society at large through our operations as a good, exemplary bank. Therefore, we assign responsibility to all our managers and executives for creating work environments across all departments, regions and branches that fully comply with the Bank's ethical principles, defined in alignment with our core values. Accordingly, our executives and managers:

- Make their decisions and choose their actions by always remaining committed to our Group's mission, values and ethical principles.
- Set an example for their employees with their decisions and actions.
- Recognize their primary responsibility as building a corporate culture in alignment with our missions and values, ensure that the employees embrace our ethical principles.

- Create an environment that encourages employees to freely raise issues concerning the company's activities and ethical principles and promotes open communication.

TEB Group employees are required to adhere to the ethical principles addressed under the following headings: Protecting Customers' Interests, Financial Assurance, Market Integrity, Business Ethics, Respect, Protecting the Group, Community Relations, and Combatting Corruption. All employees take the TEB Code of Ethics training. All details of ethical principles are publicly disclosed on the corporate website.

Combatting Corruption and Compliance with Laws and Regulations ^{2-25, 2-26, 2-27}

TEB implements various measures to prevent corruption and ensure compliance with applicable laws and regulations. This topic is addressed in the Combatting Corruption Document, Code of Ethics, and Internal Reporting Guidelines. The job descriptions of the departments include relevant responsibilities and the necessary systematic control mechanisms are established.

Furthermore, the Compliance and Internal Control Group and the Inspection Committee perform on-site/remote audits within this scope.

In the event that employees detect unethical behaviors such as fraud, corruption or forgery in breach of corporate integrity, they can report such cases directly to the Internal Reporting Executive (Head of Compliance and Internal Control Group) via the dedicated internal reporting line. The dedicated phone line and email address to contact the Head of the Compliance and Internal Control Group:

- Phone: 0216 632 38 48
- Email: etikbildirim@teb.com.tr

The organizational structure for the internal control, internal audit and risk management systems at TEB was established in accordance with the provisions of the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Evaluation" published in the Official Gazette on 11 July 2014. This organizational structure is in alignment with the scope and structure of the Bank's activities and capable of responding to the changing conditions.

The Group Risk Management, Compliance and Internal Control Group, and the Inspection Committee are independent units but work in coordination with each other and report to the Board of Directors. In 2021, these units completed their duties as required.

The inspection system is established to cover all activities and departments of the Bank and its subsidiaries. As of year-end, TEB Inspection Committee operates with a team consisting of the committee head, four deputy committee heads, seven audit managers, two supervisor inspectors, five senior inspectors, three senior IT inspectors, 20 inspectors, nine authorized deputy inspectors, three authorized deputy IT inspectors, 17 deputy inspectors, one deputy IT inspector, one assistant data analyst, one Inspection Committee support and coordination officer and one executive assistant.

The Board of Directors has taken all necessary measures to ensure that the Inspection Board can review all activities and divisions of the Bank and its subsidiaries within the scope of consolidation without any limitations.

In 2021, inspections were conducted in 132 branch inspections as part of the solo, process and head office audits. In addition to the branch inspections, 38 inspections²⁰⁵⁻¹ were conducted, including 24 at the Head Office, nine in the subsidiaries, and five in Information Technologies.

The Internal Control Department, Legislation Department, Compliance Department, Information Technologies Control and Subsidiaries Coordination Department and TRNC Compliance Department are structured under the Compliance and Internal Control Group. Internal control

activities cover key control areas. In the internal control structure, critical control activities in branches and head office departments are performed by the Branch Control Department, Head Office Control Department, Finance and Treasury Operations Control Department, Control Design and Support Department, and Information Technologies and Support Services Control Department.

The Bank's Board of Directors resolved on November 8, 2005 to form an Audit Committee responsible for all TEB Group companies pursuant to the provisions of Article 24 of the Banking Law No. 5411.

The Audit Committee is responsible for monitoring the Group's risks on a consolidated basis, establishing checkpoints, reviewing written procedures for different activities, ensuring coordination between the Inspection Committee, Risk Management, Compliance and Internal Control groups, building an internal control system for the same purposes between the Bank and other Group companies, and fulfilling the obligations specified in the Banking Legislation.

The external audits of the Bank and its subsidiaries for the 2021 reporting were conducted by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The Bank also undergoes various audits performed by regulatory agencies, including the Banking Regulation and Supervision Agency and Turkish Central Bank.

All TEB employees, including members of the Board of Directors, have received anti-corruption training.²⁰⁵⁻²

Material Lawsuits and Fines

In 2020 and 2021, 904 civil lawsuits worth TL 11,650,350 and 964 civil lawsuits worth TL 15,707,488, respectively, were filed against TEB. Up to and including the year 2020, a total of 13,698 lawsuits were filed and 9,890 lawsuits were filed in 2021. TL 91,771,628 as of December 31, 2020 and TL 79,841,713 as of December 31, 2021 have been set as provisions for these lawsuits.

The total administrative fines imposed by regulatory and supervisory authorities against the Bank were TL 12,923,265 and TL 2,766,070 in 2020 and 2021, respectively. No administrative or judicial sanctions were imposed on TEB Board Members in either period.

Lawsuits due to Antitrust or Monopoly Incidents ²⁰⁶⁻¹	2020	2021
Total number of lawsuits concluded within the year or ongoing as of year-end	1	1

Pursuant to the revocation lawsuit filed by the Bank demanding revocation of the administrative fine imposed by the Competition Board on 12 banks on 08.03.2013, the Council of State Administrative Litigation Departments Committee decided to send the case file to the local court for a new decision.

Avoiding Conflicts of Interest ²⁻¹⁵

A conflict of interest refers to the inverse relationship between the interests of an organization and individuals/customers. TEB's approach to conflicts of interest is addressed in the Human Resources Regulation, Conflicts of Interest Implementation Guidelines, and the Conflicts of Interest Involving the Employees document. These rules apply to all employees, including the senior management:

- Personal interests must never be held above the interests of the Bank. One's position in the Bank, company property or service information shall not be used for personal interests. In case of a conflict of interest or any doubt thereof, the situation should be reported to the Legislation Department.
- Bank employees are always expected to perform their duties with full objectivity and diligence. They must never cause personal conflicts of interest with the customers.
- In their relations with the customers, Bank employees should follow the relevant provisions of the Regulation's articles on "Duties and Responsibilities" and "Actions Prohibited for Bank Employees."
- Bank employees should always perform their duties objectively, never hold their personal interests above those of the customers, and never give rise to a situation where a choice must be made between their own interests and those of the customers. Wherever a customer's interests are concerned, direct or indirect personal interests of the employees should not be a topic of consideration.

Bank Employees:

- a) Shall not derive any benefit from the customers or gain benefits by establishing an intermediary relationship between the customers.
- b) Treat all customers equally and fairly in case of conflicts of interest among customers.
- c) Do not let their personal interests keep them from performing their duties objectively.

The employees are required to adhere to the following rules to avoid conflicts of interest:

- a) Engaging in relationships that do not align with professional practices, such as opening debit-credit and joint accounts with customers is prohibited.
- b) Participating in events or local-international trips, whose expenses are fully or partially paid by the customers, without the knowledge and approval of their manager and/or superior or in violation of the Gift and Donation Compliance Regulation is not allowed.
- c) Engaging in business relations with one's spouse, relatives and friends is prohibited (if the situation is

for the Bank's interest, a business relationship may be established by obtaining the approval of the relevant senior executive).

It is critical that another officer working in the same department deals with the accounts of the relatives of the employees.

TEB's capital and shareholding structure and the external duties and responsibilities of the Chairman and Members of the Board of Directors in other organizations are transparently disclosed to all the stakeholders on the corporate website and in annual reports.

PROTECTING CUSTOMERS' INTERESTS**Policies and Processes to Protect Customers' Interests**

Protecting the rights of customers is an essential part of the TEB Group culture and the shared responsibility of all employees. The Bank has published the Protection of Customer Rights Policy to define the general principles for the protection of customer interests at every stage of the product/service lifecycle from product design to complaint management and customer relations management.

The Protection of Customer Rights Policy follows the general principle of protecting customer rights and specifies the code of conduct and organizational guidelines that should be considered in the product/service lifecycle and customer relations management. This policy applies to all kinds of commercial activities in the Bank and all types of distribution channels including customer categories and digital channels.

The Bank has established an organizational structure and assigned responsible teams to sell products that align with the customer's profile, inform the customer transparently and clearly, create processes to avoid conflict of interest and manage customer complaints effectively.

The Customer Rights Coordination Department, structured under the Compliance and Internal Control Group, implements measures to raise awareness about the protection of customer rights. This team monitors the effectiveness of the complaint management process with second-level controls and complaint analyses, and responds to requests for opinions from business lines by considering the protection of customers' interests.

Complaint Management ²⁻²⁵

At TEB, Customer Complaints are managed in accordance with the relevant Management Policy and Management Implementation Guidelines. Customers may submit their complaints through various channels:

- Corporate website (www.teb.com.tr), CEPTETEB website (www.cepteteb.com.tr), Private Banking website (www.tebozel.com)
- Direct fax or letter to TEB

- Online banking, CEPTETEB online banking
- TEBONCEMUSTERIMEMNUNİYETİ@teb.com.tr
- Review and complaint sites (www.sikayetvar.com, www.sikayetim.com, etc.), forums (Ekşi Sözlük, etc.)
- Social platforms (Facebook, Twitter, Instagram, LinkedIn, YouTube, etc.)
- Mobil app stores' review sections (App store, Google Play Store vb.)
- CEPTETEB İŞTE
- TEB Phone Banking at 0850 200 0 666, TEB Star Line at 444 0 766, TEB Private Banking Line at 444 0 966, CEPTETEB Support Center at 0850 222 09 29
- TEB Company Line at 444 0 832

TEB uses the Notification Management system, which receives and records every complaint with a reference number and then forwards it to the relevant units for investigation. This system also allows customer complaints (except for notifications containing reports of infringements) to be followed through by branches, Customer Engagement Center, business lines, and head office departments. All transactions performed and actions taken (letters, obtained documents, replies, emails and internal communications) to solve the complaint can be monitored as well.

Standard responses are communicated via the customers' preferred feedback channel using a template suitable for the declared contact information, while non-standard answers should be approved before they are sent out.

TEB Customer Engagement Center	2018	2019	2020	2021
Call Response Rate (%)	82	85	93	98

Customer Experience

TEB always aims to create positive experiences for its customers by making a difference in the sector. In line with its vision and goal of being "The Most Recommended Bank," TEB continuously measures customer experience and works to enhance its service excellence.

In 2021, the customers' experience levels were measured using the NPS (Net Promoter Score) system to assess the quality of their experience, their satisfaction with the products and services and their probability of recommending TEB. During the year, the survey results obtained by listening to the voices of approximately 211 thousand customers via five different channels, namely CEPTETEB, Customer Engagement Center, Branches and Turbo devices, were regularly analyzed with the relevant business units. Necessary improvements were made in development areas regarding customer experience.

Following the technological enhancements deployed in 2021, TEB continued to add digital channel alternatives to its customer experience measurement system. These enhancements facilitated and accelerated receiving customer feedback, while the customer measurement system was transformed into a multi-channel, digital structure. With the capability to communicate with the customers through their most preferred channels, TEB has integrated digital channels into its customer experience measurement system.

Due to the changes observed in customer behavior during the pandemic, digital transformation remained in TEB's focus. The main enhancement and improvement activities deployed by TEB in its digital and branch channels in 2021 were:

- Customer acquisition via digital channels.
- Increasing cash withdrawal limits at ATMs.
- Increasing the number of turbo display devices and improvements made to the devices.
- Prioritization efforts in the Customer Engagement Center.
- Intensive communication to direct customers to digital channels.
- Enabling pension transfers through digital channels.

TEB's NPS Rankings	2019	2020	2021
NPS (Corporate) (Ranking among BNP Paribas Banks)	1	Top 3	Top 3
NPS (SME) (Ranking among local banks)	2	3	5
NPS (Microbusiness) (Ranking among local banks)	3	3	2
NPS (Retail) (Ranking among local banks)	1	2	3

The necessary digitalization enhancements were introduced to enable customers to perform more transactions remotely with less contact. As part of the "3 Banks Single ATM" collaboration, withdrawal and deposit transactions using QR code were enabled in partner banks' ATMs.

Easy wire transfer to predefined accounts with QR code has been added as a new feature to the interbank wire transfer function, the most frequently used daily banking transaction.

With the Mastercard integration, customers can manage their TEB card payment instruments quickly and securely via the CEPTETEB Mobile Application in their online shopping.

The New Products and Services that enrich our Product Range are explained in detail in our Annual Reports:

<https://www.teb.com.tr/about-teb/annual-reports/>



ETHICAL SUPPLY MANAGEMENT ²⁻²⁹

TEB Supply Management follows the Purchasing Regulation, Code of Ethics and Gift Policy in its activities.

TEB complies with international norms, ethical criteria, corporate social responsibility approach and applicable laws and regulations as disclosed transparently in the "Who We Are" section on the Supplier Portal. As a company operating in the finance sector, TEB also adheres to the principles of the Banking Regulation and Supervision Agency and the provisions of the Banking Law in its sourcing processes.

TEB Supply Management always prioritizes values such as reliability, transparency, respectability, customer focus and generating solutions, aiming to maintain its relationship with the suppliers to ensure continuous quality and service delivery. Throughout the sourcing process from the supplier registration/selection to supplier performance assessments, financial aspects as well as environmental and social criteria, including ethics, are taken into consideration.

The primary stakeholder engagement platforms are listed below:

ENGAGEMENT PLATFORM	SCOPE	FREQUENCY
Supplier Day	Sessions and meetings on TEB's or the market's top agenda topics.	Annual
Supplier Awards	High-performing suppliers are rewarded and presented during the Supplier Day event.	Annual
Supplier Portal	TEB Supplier Portal is open to all prospective suppliers. Bids/offers from new suppliers who have not completed their registration process are only accepted via the portal.	Continuous

Local Procurement ²⁰⁴⁻¹

TEB Procurement *	2019	2020	2021
Number of Suppliers (total)	1,317	1,105	1,083
Number of Suppliers (local**)	1,205	1,011	959
Ratio of Local Suppliers (%)	91.5	91.5	88.5
Total Procurement (TL million)	1,063.8	1,046	1,276
Local Procurement (TL million)	976.6	942.3	1,237
Local Sourcing Ratio (%)	91.8	90.4	97

*The numbers and amounts refer to the purchasing invoices issued.

**Local supplier: Supplier registered in Türkiye

3 SYSTEMATIC INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS



While integrating Environmental, Social and Governance Risks into its processes, TEB also ensures that these risks are addressed within the scope of its operations and especially customer-related activities. In this process, TEB also follows the standards of BNP Paribas, a global leader in this field, and ranks among the leading institutions in Türkiye that fulfill the relevant responsibilities. TEB brings the same responsible approach to Supply Chain

Management and contributes to a number of United Nations Sustainable Development Goals (SDGs) with these practices: SDG3 (Good Health and Well-being), SDG5 (Gender Equality), SDG6 (Clean Water and Sanitation), SDG8 (Decent Work and Economic Growth), SDG12 (Responsible Production and Consumption), SDG13 (Climate Action), SDG14 (Life Below Water), SDG15 (Life on Land), and SDG16 (Peace, Justice and Strong Institutions).

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Systematic Integration Of Environmental, Social and Governance Risks	Incorporating environmental, social and governance risks into credit processes and stakeholder relations.	<ul style="list-style-type: none"> • Reputation loss (short) • Customer loss (short) • Legal and judicial fines (medium) • Physical risks of climate change (long) • Transition risks of climate change (short-medium) 	<ul style="list-style-type: none"> • Positive contribution to reputation (medium) • Decline in credit risk (medium) • Healthy development of customer portfolio (medium) 	<ul style="list-style-type: none"> • Ratio of Customers with ESG Assessment • Ratio of Employees Receiving ESG Training • Ratio of Sustainable Supplier Agreements

TEB'S ENVIRONMENTAL AND SOCIAL RISK APPROACH ³⁻³

As a provider of financial products and services, TEB bears a dual responsibility and role: the direct impact of its operations and indirect impact of its financing activities. Therefore, the Bank identifies the potential environmental and social risks for both and addresses them with proper strategies.

As part of its Environmental and Social Risk Approach, TEB promotes advanced environmental and social standards. Environmental and Social Risk Policies have been introduced with the aim of contributing to sustainable development, reducing impact on the environment and local communities, raising awareness among the employees and society regarding environmental and social issues, and ultimately contributing to the positive impact of the Bank.

To reach these goals, TEB commits to:

- Evaluate its direct and indirect environmental impact, execute business processes with responsible administrative and operational decisions.

- Manage direct environmental impact resulting from energy and paper consumption, travel and company vehicles in banking operations.
- Contribute to environmental sustainability by promoting the use of environmentally friendly products and services; support energy efficiency, clean technologies and renewable resources, reducing waste and recycling.
- Manage its indirect environmental and social risks responsibly, avoid financing of Excluded Goods and Activities,
- Place sustainability management and other operational norms at the center of TEB's major projects and operational processes.
- Set an example for the future of sustainable banking with responsible social and environmental actions by expanding the scope of training activities and raising awareness among employees, customers and other stakeholders.
- Comply with nationally and internationally recognized environmental and social laws and regulations,

outperform such legislation to set an example for the global/local financial sector.

- Contribute to the well-being of employees and consider gender equality in recruitment and workplace practices while working toward diversity and inclusion goals.
- Raise awareness about the importance of human rights by adopting applicable guidelines.
- Promote healthy ecosystems, social equality and good corporate governance across its ecosystem, starting with customers and the supply chain.

TEB's policy is to spread its commitment to responsible environmental and social business practices across the organizational structure up to the Board level and to encourage each employee to act responsibly both personally and professionally.

Climate Change and Related Risk Assessments ²⁰¹⁻²

Climate change and related risks are of particular importance to TEB. In 2011, BNP Paribas has identified climate change as a material topic across the Group due to its impact on the global economy. Banking institutions have an indirect impact on climate change both due to their operations and also their financing activities on a much larger scale. In addition, climate change poses serious risks for both financial institutions and their customers. Aiming to contribute to the efforts to tackle climate change, TEB has decided not to finance capacity increases in new or existing coal-fired thermal power plants, projects aiming to extend their lifespan and infrastructure investments for thermal coal (e.g. ports, railways) and to completely exit companies in the coal-fired energy sector by 2030. TEB clearly demonstrates this stance and actively participates in various organizations such as the Turkish Banking Association for the implementation of sector-specific regulations.

TEB has also initiated an assessment of physical risks and transition risks. Even though physical risks are expected to gain more importance in our country in the longer term, robust measures should be introduced in the short term in consideration of transition risks. Given European Union integration and particularly practices such as Carbon Border Adjustment Mechanism, TEB manages both its own risks and those of its customers actively.

Activities TEB Does Not Finance

TEB, in alignment with the practices of BNP Paribas, openly and transparently declares that it will not finance certain activities. Accordingly, working with organizations and businesses, with some exceptions, that manufacture and/or engage in products, many of which are sanctioned by national and international laws, is not allowed. This practice stems from an ethical approach to social and environmental issues beyond legal and regulatory compliance.

TEB does not finance the following activities:

- Production or trade of controversial weapons in accordance with the Defense and Security Industry

Corporate Social Responsibility Policy.

- Production, trade and use of drift nets over 2.5 kilometers in length.
- Production of asbestos fibers.
- Production or trade of products containing PCBs (polychlorinated biphenyls).
- Trade of any plant or animal species or products governed by the Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES) which are not authorized by a CITES permit.
- Cigarette manufacturers, wholesalers and distributors.
- Capacity increases for new or existing coal-fired thermal power plants, projects aimed at extending their lifespan, infrastructure investments for thermal coal (e.g. ports, railways). TEB will gradually exit companies in the coal-fired power generation sector by 2030.

Approach to Sectors with High ESG Risks - Sectoral Policies and Consideration of Sensitive Industries ^{304-2, 403-7}

Even though some industries are crucial to the economy and development, they inherently bear high risks, particularly for their employees and the environment. TEB aims to do its part in helping these industries develop, provided that they do so responsibly. Beyond simply allocating loans, which the companies may secure from other financial institutions without the same risk management approach, what matters the most is ensuring that the debtor adheres to the imposed rules. In this context, the company may be encouraged to take measures not to pollute the environment, and if needed, it may be trained and audited to make sure it fulfills the requirements. Transitioning to a lower carbon economy also requires adopting this approach.

TEB applies special environmental and social risk control mechanisms when financing the following industries, which have potential negative impact ⁴¹³⁻² on local communities, and only extends funds when compliance with these policies is assured:

1. Mining
2. Agriculture
3. Coal Fired Power Plants
4. Paper Pulp
5. Palm Oil
6. Oil and Natural Gas
7. Defense and Security
8. Nuclear Energy

Even though some industries are not as risky as the ones above, the risks of customers in these sensitive industries in terms of ESG have been actively assessed, starting from 2021. All customers in these industries will be assessed according to a schedule with questionnaires prepared specifically for the respective industries.

- Agriculture pre-chain activities and fishing,
- Automotive,
- Chemicals other than pharmaceuticals,
- Construction, building materials and other materials,
- Energy excluding electricity,
- Tools/equipment,
- Healthcare and pharmaceuticals,
- Hotels, entertainment and tourism,
- Household goods,
- Information technologies,
- Metallurgy,
- Transportation and storage,
- Public services: Electricity transmission and distribution,
- Utilities: Waste and water.

Equator Principles

TEB applies the Equator Principles when a loan exceeding USD 10 million (and some other loans) needs to be allocated for a single project. If a project falls within the scope of the Equator Principles, it is analyzed and classified into one of the "A", "B" or "C" categories based on its risk, due diligence is conducted and a follow up action plan (e.g. site visits, project progress reports, etc.) is created. Depending on the scope of these assessments, TEB may also collaborate with BNP Paribas when needed.

Implementation of Environmental and Social Risk Management

Analyzing environmental and social risks starts with assessing whether a company's operations are in excluded sectors/activities. If the company is engaging in these activities, the Bank will not proceed with the loan offer and cancel the transaction.

The customers whose activities are assessed within the scope of sector policies are expected to meet the Mandatory Criteria and Assessment Criteria for the respective industry. Mandatory Criteria form the core of the analyses, and customers who are currently or potentially unable to meet the specified conditions receive negative results. On the other hand, Assessment Criteria are not as sensitive as the Mandatory Criteria, and include general expectations in relation to the respective industry's development. If a company continues to fail certain assessment criteria, it may receive a negative result as with the Mandatory Criteria.

If the projects fall within scope, analyses are conducted according to the Equator Principles.

Customers who are not within the scope of sector policies but operate in sensitive industries undergo an ESG assessment, which informs the next actions.

At TEB, "Environmental and Social Risk Analysis" has become an integral part of the loan and criteria, such as the financial standing of a customer, are also considered in the final loan decisions.

MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN THE SUPPLY CHAIN

TEB Supply Chain ²⁻⁶

TEB procures a wide range of products and services and works with suppliers, mostly SMEs, from diverse industries. As a bank with multiple branches and a strong technological infrastructure, TEB's main procurement item is technology purchases followed by electrical, mechanical, construction and contracting purchases as other high volume items. A broad range of services and products from consultancy, stationery, and insurance to fleet rentals, training, and corporate communications are also among the significant purchasing items. Since signing a collaboration agreement in 2017, TEB Supply Management has also served TEB A.Ş. and BNP Paribas subsidiaries in Türkiye with a centralized supply chain and supplier management system.

Managing Environmental and Social Risks in the Supply Chain

Before starting to work with suppliers, TEB asks them to fill out a questionnaire about their environmental and social performance and requests submission of the required documentation via the "TEB Supplier Portal" (<https://tedarikciportal.teb.com.tr>), launched on TEB Supplier Day on 15 May 2018. Their answers are also used to score the suppliers. Some of the questions include the following:

- Do you provide occupational safety and equipment for your employees? Do you train your employees on this topic?
- Does the company hold an environmental certification? (ISO 14000, etc.)
- Do you have measurement, assessment and improvement systems to ensure, monitor and enhance employee satisfaction?
- Is your company a signatory to UN Global Compact?
- Does your company implement a comprehensive Corporate Social Responsibility policy with specific action plans?
- Please state the ratio of direct and indirect employment of people with disabilities in your workplace according to the Labor Law.

As the suppliers sign up to the system via the portal, they are also asked to sign and agree to the General Purchasing Terms and Conditions and its annex, TEB Supplier Corporate Social Responsibility Agreement.

TEB Procurement	2019	2020	2021
Ratio of Suppliers that have signed the Sustainable Supplier Agreement (%)	46	73	77





SOCIAL RESPONSIBILITY

DIVERSITY AND EQUAL RIGHTS
IN THE WORKPLACE

A GOOD PLACE TO WORK AND RESPONSIBLE
EMPLOYMENT MANAGEMENT

CONTINUOUS DEVELOPMENT AND
DYNAMIC CAREER MANAGEMENT

SOCIAL RESPONSIBILITY

TEB recognizes its responsibility for demonstrating an exemplary approach in all practices that involve its employees as its key stakeholders. Considering the 10,000 employees (direct or indirect through subcontractors), their families and close circles, this responsibility comes with significant impact. Therefore, TEB always strives to treat all employees fairly and equally, provide the best workplace and ensure their continuous development.

The activities related to Social Responsibility are grouped under three headings:



Diversity and
Equal Rights in
the Workplace

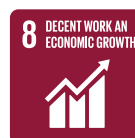


A Good Place
to Work and
Responsible
Employee
Management



Continuous
Development and
Dynamic Career
Management

4 DIVERSITY AND EQUAL RIGHTS IN THE WORKPLACE



All TEB employees have equal rights. No discrimination against age, language, religion, race, political opinion, health condition, gender or marital status is tolerated under any circumstance. 3-3 The related policy is disclosed transparently in the Code of Ethics on the corporate website. This approach also contributes to United Nations Sustainable Development Goals: SDG5 (Gender Equality), SDG8 (Decent Work and Economic Growth), SDG10 (Reduced Inequalities) and SDG16 (Peace, Justice and Strong Institutions).³⁻³

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Diversity and Equal Rights in the Workplace	All TEB employees and stakeholders are entitled to equal rights without any discrimination.	<ul style="list-style-type: none"> Reputation loss (medium) Loss of talent (medium) Decline in employee satisfaction (short) 	<ul style="list-style-type: none"> Contribution to reputation (medium) Recruiting talent (short) 	<ul style="list-style-type: none"> Female employment ratio in management Female representation among talents

Practices regarding employee rights are announced to the employees in the Human Resources regulation and the implementation guidelines published as its addendum. The employees who believe that there are inconsistencies between the policies and principles and the practices they encounter in the workplace may submit their questions and complaints to the senior management, managers and the human resources group without any pressure, feeling safe.

Human Resources practices, including the following, apply to all employees without any discrimination:

- Recruitment and resignation process,
- Working hours and leaves,
- Salaries, benefits and rewards,
- Career development, competency and performance assessments,
- Working order principles,
- Disciplinary offenses and actions, etc.

This principle applies to both our employees and also to our relations with all stakeholders. No discrimination incidences⁴⁰⁶⁻¹ have been reported in 2020 and 2021.

As of year-end 2021, women account for 55% of the employees. Breakdown of TEB employees and senior management by gender and age groups, and basic salary ratios by position and gender are listed in the following tables:^{202-1, 405-1, 405-2}

2020	Distribution by Gender		Distribution by Age Groups		
Position	Female (%)	Male (%)	<30 years (%)	30-50 years (%)	>50 years (%)
Board of Directors, Executive Committee	0.01	0.03	0.00	0.00	0.05
Senior Executives	0.05	0.16	0.00	0.05	0.16
Mid-level Managers	4.24	7.81	0.00	10.05	2.00
Other	50.36	37.34	17.71	68.26	1.72
Total	8,850		8,850		

2021	Distribution by Gender		Distribution by Age Groups		
Position	Female (%)	Male (%)	<30 years (%)	30-50 years (%)	>50 years (%)
Board of Directors, Executive Committee	0.01	0.03	0.00	0.00	0.05
Senior Executives	0.05	0.16	0.00	0.03	0.17
Mid-level Managers	4.32	8.28	0.00	10.41	2.20
Other	50.26	36.89	18.30	66.52	2.32
Total	8,572		8,572		

Average Pay Gap by Position (Average Female Salary/ Average Male Salary)	2020 (%)	2021 (%)
Board of Directors, Executive Committee	88	89
Senior Executives	79	76
Mid-level Managers	96	97
Other	91	92

Female Employment Ratios	2020 (%)	2021 (%)
Female Representation in Senior Management	-	25
Female Representation Among Talents (local + global)	47	47

Ratio of Starting Salary to Minimum Wage	2020 (%)	2021 (%)
Female Employees	110	124
Male Employees	114	132

Supporting Parents ⁴⁰¹⁻³

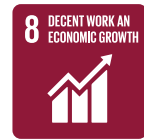
TEB stands by the parents to ensure that they can achieve a good work-life balance. The Bank has dedicated nursing rooms for mothers to help them attend to their babies during the nursing hours. TEB also presents gifts to the parents within the first year of their baby's birth.

TEB offers maternity/paternity leave in accordance with applicable laws. The employees who took such leaves are listed in the following table:

Female Employees	2019	2020	2021
Number of employees who were eligible for maternity leave	352	267	261
Number of employees who took maternity leave	352	267	261
Number of employees who returned to work after maternity leave	344	264	254
Return Rate (Number of employees taking maternity leave/ Number of employees returning to work after maternity leave) - %	98	99	97
Number of employees still working at TEB 12 months after returning to work following maternity leave	173	238	216
Retention Rate (Number employees taking maternity leave/ Number of employees still working at TEB 12 months after returning to work following maternity leave) - %	49	90	85

Male Employees	2019	2020	2021
Number of employees who were eligible for paternity leave	191	108	100
Number of employees who took paternity leave	191	108	100
Number of employees who returned to work after paternity leave	191	108	100
Return Rate (Number of employees taking paternity leave/ Number of employees returning to work after paternity leave) - %	100	100	100
Number of employees still working at TEB 12 months after returning to work following paternity leave	191	108	100
Retention Rate (Number employees taking paternity leave/ Number of employees still working at TEB 12 months after returning to work following paternity leave)- %	100	100	100

5 A GOOD PLACE TO WORK AND RESPONSIBLE EMPLOYEE MANAGEMENT



TEB regards providing the Best Workplace for its Employees as a priority and responsibility. In terms of people management, TEB aims to shape its human resource in line with its strategic goals, offer them a compensation commensurate with their authorities and responsibilities, maximize their health and safety, and continuously improve their satisfaction within the scope of their expectations. These practices also contribute to United Nations Sustainable Development Goals: SDG3 (Good Health and Well-being), SDG5 (Gender Equality) and SDG8 (Decent Work and Economic Growth).

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
A Good Place to Work and Responsible Employee Management	TEB takes responsibility for providing a workplace with the best conditions for its employees and managing them properly in every respect.	<ul style="list-style-type: none"> • Loss of talent (medium) • Decline in employee satisfaction (short) • Fines (short) • Workplace accidents (short) 	<ul style="list-style-type: none"> • Contribution to reputation (medium) • Heightened employee satisfaction (medium) 	<ul style="list-style-type: none"> • Employee Satisfaction survey results • Employee turnover • Volunteering hours

GOOD PLACE TO WORK POLICY 3-3

TEB

- respects the human rights of its employees, including the rights protected by laws and regulations and treats them equally without discrimination against their religion, language, race and gender.
- queries the expectations of its employees using various methods and implements necessary policies to provide the best working environment.
- takes all necessary measures for the health and safety of its employees and informs them of such.
- provides all kinds of training programs to keep the employees' basic professional know-how up-to-date, help them manage their careers and support their sectoral development, assesses their performances fairly and ensures that they benefit from equal opportunity.

TEB embarked on its "Best Place to Work" journey in 2012 with a "Positive Management" approach and practices that value employees. In 2016, TEB became the first and only bank to be included in the "Great Place to Work - Top Employers" list. Furthermore, Top Employers Institute, a globally recognized company in Human Resources policies and practices, has again named TEB among the Top Employers of Europe and Türkiye in 2021, which marks the ninth consecutive year of these accolades.

EVOLUTION OF EMPLOYMENT AT TEB 2-7, 2-8

As of year-end 2021, TEB employed 8,572 people. The composition of employees is as follows:

- 55% - female employees
- 50% - branch employees
- 99.2% - based in Türkiye (71 employees in TRNC)
- 99.92% - on permanent employment contract
- 99.97% - employed full time

TEB always strives to learn the expectations of its employees, a key stakeholder group, foster their development while responding to their requests and maximize their satisfaction.

Key Principles

- 1. Trust, Respect & Transparency:** We value each other and adopt a culture built on trust, respect and transparency.
- 2. Responsibility:** We act with responsibility towards all our stakeholders.
- 3. Agility:** We take ownership of the Bank as our own workplace and act with an agile mindset.
- 4. Discipline:** We comply with all rules and regulations and we implement our decisions and actions with a disciplined attitude.
- 5. One Bank / We Culture:** We always think and act as One Bank.

As a bank with operations across Türkiye, TEB's organization structure is based on regions except for the Head Office. The vast majority of the employees work full time on permanent contracts. Due to the outsourced services, the majority of the subcontractor employees working at TEB are cleaning, security and cafeteria staff.

Permanent and Temporary Employees (by Gender)	2019	2020	2021
Permanent Employees	8,916	8,843	8,565
Female Employees	4,841	4,831	4,678
Male Employees	4,075	4,012	3,887
Temporary Employees	38	7	7
Female Employees	35	6	5
Male Employees	3	1	2
Total Employees	8,954	8,850	8,572
Female Employees	4,876	4,837	4,683
Male Employees	4,078	4,013	3,889

Permanent and Temporary Employees (by Region)	2019	2020	2021
Permanent Employees	8,916	8,843	8,565
Mediterranean Region	346	345	332
Anatolia 1 Region	376	361	344
Anatolia 2 Region	408	391	374
Ankara Region	478	460	434
Europe 1 Region	320	300	281
Europe 2 Region	333	322	294
Çukurova Region	455	438	392
Aegean Region	454	441	405
Southeastern Anatolia Region	354	339	339
Izmir Region	344	329	319
Black Sea Region	317	306	287
Marmara Region	448	414	383
Thrace Region	408	395	372
TRNC	71	71	65
Active Sales Region	187	205	201
Head Office/Non-regional	3,617	3,726	3,743

Temporary Employees	38	7	7
Mediterranean Region	5	-	1
Anatolia 1 Region	4	2	3
Anatolia 2 Region	5	3	-
Ankara Region	4	1	-
Europe 1 Region	8	-	-
Europe 2 Region	1	-	-
Çukurova Region	2	-	-
Aegean Region	2	-	-
Southeastern Anatolia Region	-	-	-
Izmir Region	5	-	-
Black Sea Region	-	-	-
Marmara Region	-	-	-
Thrace Region	1	-	2
TRNC	-	-	-
Active Sales Region	-	-	-
Head Office/Non-regional	1	1	1

Total Employees	8,954	8,850	8,572
Mediterranean Region	351	345	333
Anatolia 1 Region	380	363	347
Anatolia 2 Region	413	394	374
Ankara Region	482	461	434
Europe 1 Region	328	300	281
Europe 2 Region	334	322	294
Çukurova Region	457	438	392
Aegean Region	456	441	405
Southeastern Anatolia Region	354	339	339
Izmir Region	349	329	319
Black Sea Region	317	306	287
Marmara Region	448	414	383
Thrace Region	409	395	374
TRNC	71	71	65
Active Sales Region	187	205	201
Head Office/Non-regional	3,618	3,727	3,744

Full-time/Part-time Employees (by Gender)	2019	2020	2021
Full-time Employees	8,945	8,845	8,569
Female Employees	4,871	4,833	4,680
Male Employees	4,074	4,012	3,889
Part-time Employees	9	5	3
Female Employees	5	4	3
Male Employees	4	1	-
Total Employees	8,954	8,850	8,572
Female Employees	4,876	4,837	4,683
Male Employees	4,078	4,013	3,889

Outsourced Services/Number of Workers	2019	2020	2021
Security	281	273	273
Cleaning	574	546	555
Technical Services	19	18	18
Post – Delivery	9	7	7
Porter	4	5	5
Gym (Trainer)	4	0	0
Other	3	0	0
Total	899	849	858

Employees by Function (by Gender and Employment Contract)	Head Office			Regional Offices			Branches			Customer Engagement Center			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Female Employees	1,462	1,498	1,502	363	362	388	2,671	2,554	2,363	380	423	430	4,876	4,837	4,683
Male Employees	1,270	1,283	1,328	448	443	402	2,206	2,098	1,947	154	189	212	4,078	4,013	3,889
Total Workforce	2,732	2,781	2,830	811	805	790	4,877	4,652	4,310	534	612	642	8,954	8,850	8,572
Full-time Employees	2,732	2,780	2,830	809	805	790	4,877	4,652	4,310	527	608	639	8,945	8,845	8,569
Part-time Employees	-	1	-	2	-	-	-	-	-	7	4	3	9	5	3

RECRUITMENT AND EMPLOYEE TURNOVER ⁴⁰¹⁻¹

TEB accepts job applications via traditional and digital channels, including social media. In 2021, 69% of the new recruits were under the age of 30 and 54% were women. The ratio of new recruits to the total workforce was nearly 14%.

Like every organization, TEB requires a healthy employee turnover. Changes in the number of employees are managed by a specific system to employ new talents while assigning more responsibilities and promoting successful employees.

Recruitment (by age groups)	2019	2020	2021
Number of new recruits under 30	567	443	846
Number of new recruits under 30 / Number of employees under 30 by year-end (%)	32	28	53
Number of new recruits between ages 30 to 50	214	181	376
Number of new recruits between ages 30 to 50 / Number of employees between ages by year-end (%)	3	3	6
Number of new recruits over 50	4	4	9
Number of new recruits over 50 / Number of employees over 50 by year-end (%)	1,5	1	2
Total number of new recruits	785	628	1,231
Total number of new recruits / Total employees by year-end (%)	9	7	14

Recruitment (by gender)	2019	2020	2021
Number of new male employees	314	281	570
Number of new male employees/Total number of male employees by year-end (%)	8	7	15
Number of new female employees	471	347	661
Number of new female employees /Total number of female employees by year-end (%)	10	7	14
Total number of new employees	785	628	1,231
Total number of new employees / Total employees by year-end (%)	9	7	14

Recruitment (by regions)	2019	2020	2021
Mediterranean Region - number of new recruits	13	8	17
Mediterranean Region - number of new recruits / Total employees by year-end (%)	4	2	5
Active Sales Region - number of new recruits	52	31	36
Active Sales Region - number of new recruits / Total employees by year-end (%)	27	15	18
Anatolia 1 Region - number of new recruits	28	15	47
Anatolia 1 Region - number of new recruits / Total employees by year-end (%)	7	4	14
Anatolia 2 Region - number of new recruits	13	12	33
Anatolia 2 Region - number of new recruits / Total employees by year-end (%)	3	3	9
Ankara Region - number of new recruits	23	12	42
Ankara Region - number of new recruits / Total employees by year-end (%)	5	3	10
Europe 1 Region - number of new recruits	36	10	49
Europe 1 Region - number of new recruits / Total employees by year-end (%)	11	3	17
Europe 2 Region - number of new recruits	18	7	27
Europe 2 Region - number of new recruits / Total employees by year-end (%)	5	2	9
Çukurova Region - number of new recruits	24	10	28
Çukurova Region - number of new recruits / Total employees by year-end (%)	5	2	7
Aegean Region - number of new recruits	21	1	15
Aegean Region - number of new recruits / Total employees by year-end (%)	5	0	4
Southeastern Anatolia Region - number of new recruits	16	7	25
Southeastern Anatolia Region - number of new recruits / Total employees by year-end (%)	5	2	7
Izmir Region - number of new recruits	20	6	34
Izmir Region - number of new recruits / Total employees by year-end (%)	6	2	11
Black Sea Region - number of new recruits	19	9	17
Black Sea Region - number of new recruits / Total employees by year-end (%)	6	3	6
TRNC Country Management - number of new recruits	8	5	12
TRNC Country Management - number of new recruits / Total employees by year-end (%)	11	7	18
Corporate Banking Branches - number of new recruits	15	6	13
Corporate Banking Branches - number of new recruits / Total employees by year-end (%)	7	3	7
Marmara Region - number of new recruits	5	6	28
Marmara Region - number of new recruits / Total employees by year-end (%)	1	1	7
Private Banking Region - number of new recruits	4	3	8
Private Banking Region - number of new recruits / Total employees by year-end (%)	5	4	11
Thrace Region - number of new recruits	12	12	22
Thrace Region - number of new recruits / Total employees by year-end (%)	3	3	6
Head Office - number of new recruits (excl. Customer Engagement Center)	192	262	456
Head Office - number of new recruits / Total employees by year-end (%)	7	9	16
Total number of new recruits	785	628	1,231
Total number of new recruits / Total employees by year-end (%)	9	7	14

Recruitment (by Functions)	2019	2020	2021
Head Office - number of new recruits	192	260	456
Head Office - number of new recruits / Total employees by year-end (%)	7	9	16
Regional Offices - number of new recruits	82	46	61
Regional Offices - number of new recruits / Total employees by year-end (%)	10	6	8
Branches - number of new recruits	257	116	392
Branches - number of new recruits / Total employees by year-end (%)	5	2	9
Customer Engagement Center - number of new recruits	254	206	322
Customer Engagement Center - number of new recruits / Total employees by year-end (%)	48	34	50
Total number of new recruits	785	628	1,231
Total number of new recruits / Total employees by year-end (%)	9	7	14

Employee Turnover (by Age Groups)	2019	2020	2021
Number of employees under 30 that resigned	388	310	587
Number of employees under 30 that resigned / Number of employees under 30 by year-end (%)	23.3	19.8	37.4
Number of employees between ages 30 - 50 that resigned	813	376	837
Number of employees between ages 30 - 50 that resigned / Number of employees between ages 30 - 50 by year-end (%)	11.9	5.4	12.7
Number of employees over 50 that resigned	116	50	90
Number of employees over 50 that resigned / Number of employees over 50 by year-end (%)	25.9	14.4	22.2
Total number of employees that resigned	1,317	736	1,514
Total number of employees that resigned / Total employees by year-end (%)	14.7	8.3	17.7

Employee Turnover (by Gender)	2019	2020	2021
Number of male employees that resigned	593	349	706
Number of male employees that resigned / Total number of male employees by year-end (%)	14.5	8.0	17.3
Number of female employees that resigned	724	387	808
Number of female employees that resigned / Total number of female employees by year-end (%)	14.8	7.5	16.6
Total number of employees that resigned	1,317	736	1,514
Total number of employees that resigned / Total employees by year-end (%)	14.7	8.3	17.7

Employee Turnover (by Functions)	2019	2020	2021
Head Office - number of employees that resigned	377	250	545
Head Office - number of employees that resigned / Total employees by year-end (%)	4.2	2.8	6.4
Regional Offices - number of employees that resigned	114	56	100
Regional Offices - number of employees that resigned / Total employees by year-end (%)	1.3	0.6	1.2
Branches - number of employees that resigned / Total employees by year-end (%)	595	284	582
Branches - number of employees that resigned / Total employees by year-end (%)	6.6	3.2	6.8
Customer Engagement Center - number of employees that resigned / Total employees by year-end (%)	231	146	287
Customer Engagement Center - number of employees that resigned / Total employees by year-end (%)	2.6	1.6	3.3
Total number of employees that resigned	1,317	736	1,514
Total number of employees that resigned / Total employees by year-end (%)	14.7	8.3	17.7

Employee Turnover (by Regions)	2019	2020	2021
Mediterranean Region - number of employees that resigned	31	8	21
Mediterranean Region - number of employees that resigned / Total employees by year-end (%)	0.3	0.1	0.2
Anatolia 1 Region - number of employees that resigned	45	30	54
Anatolia 1 Region - number of employees that resigned / Total employees by year-end (%)	0.5	0.3	0.6
Anatolia 2 Region - number of employees that resigned	33	24	41
Anatolia 2 Region - number of employees that resigned / Total employees by year-end (%)	0.4	0.3	0.5
Ankara Region - number of employees that resigned	74	34	57
Ankara Region - number of employees that resigned / Total employees by year-end (%)	0.8	0.4	0.7
Europe 1 Region - number of employees that resigned	59	25	57
Europe 1 Region - number of employees that resigned / Total employees by year-end (%)	0.7	0.3	0.7
Europe 2 Region - number of employees that resigned	45	21	39
Europe 2 Region - number of employees that resigned / Total employees by year-end (%)	0.5	0.2	0.5
Çukurova Region - number of employees that resigned	54	25	59
Çukurova Region - number of employees that resigned / Total employees by year-end (%)	0.6	0.3	0.7
Aegean Region - number of employees that resigned	48	16	43
Aegean Region - number of employees that resigned / Total employees by year-end (%)	0.5	0.2	0.5
Southeastern Anatolia Region - number of employees that resigned	49	22	28
Southeastern Anatolia Region - number of employees that resigned / Total employees by year-end (%)	0.5	0.2	0.3
Izmir Region - number of employees that resigned	45	23	51
Izmir Region - number of employees that resigned / Total employees by year-end (%)	0.5	0.3	0.6
Black Sea Region - number of employees that resigned	26	16	25
Black Sea Region - number of employees that resigned / Total employees by year-end (%)	0.3	0.2	0.3
Marmara Region - number of employees that resigned	48	25	63
Marmara Region - number of employees that resigned / Total employees by year-end (%)	0.5	0.3	0.7
Thrace Region - number of employees that resigned	50	28	40
Thrace Region - number of employees that resigned / Total employees by year-end (%)	0.6	0.3	0.5
TRNC Country Management - number of employees that resigned	8	5	19
TRNC Country Management - number of employees that resigned / Total employees by year-end (%)	0.1	0.1	0.2
Active Sales Region - number of employees that resigned	54	18	46
Active Sales Region - number of employees that resigned / Total employees by year-end (%)	0.6	0.2	0.5
Head Office/Non-regional - number of employees that resigned	648	416	871
Head Office/Non-regional - number of employees that resigned / Total employees by year-end (%)	7.2	4.7	10.2
Total number of employees that resigned	1,317	736	1,514
Total number of employees that resigned / Total employees by year-end (%)	14.7	8.3	17.7

Note: All employee turnover data refers to resignations alone. Active Sales and Customer Engagement Center employees are included.

RECRUITING YOUNG TALENT

Youth Meet-ups

TEB Cares About Youth...

TEB offers young people a work environment where they can unlock their potential, continuously improve themselves and create added value.

The Bank promises a healthy, pleasant and voluntary work environment as well as successful, innovative and continuous development opportunities with the slogan "My TEB, My World" for TEB employees and young candidates who aspire to work at TEB.

As part of the Future Leaders programs, TEB hired 69 new graduates for the Bank's IT teams and 58 young people for other departments to be stationed at the Head Office and to work in the field in 2021. TEB aims to continue these programs every year to attract more talent to the Bank.

A Test Drive in the Finance Sector: TEB Internship Program

Future leaders want to test an organization before they develop a sense of belonging. The Online University Internship program is created for university students who want to take a test drive at TEB. In 2021, the program offered 12 young people 4 weeks of internship experience, where they could work on a project with TEB managers. In addition to project work, the students also attended face-to-face training sessions in virtual classrooms and took e-learning courses on the Digital Campus.

For the "One Day at TEB" event, university students are invited to the Bank to observe life at TEB in person. TEB hosted 100 university students in 2020. The event, held in our Ümraniye Head Office Building and TEB Saklıköy Formation Academy, gave university students an opportunity to experience a day in the banking sector.

Campus Meetings offer university students a chance to connect with TEB managers and explore the world of finance. In 2020-2021, due to the pandemic restrictions, several campus events were moved to digital platforms. In 2020 and 2021, TEB engaged with thousands of students through virtual promotional activities, presentations, career days, executive talks, elevator pitch and case studies, and campus events. Through such activities, TEB provides guidance and introduces opportunities for young people with career aspirations in finance.

TEB Young Engineers Meet-up is an annual event organized every December for engineering students, bringing together over 500 students and TEB executives to discuss important banking applications and technologies along with inspiring topics about the future of the sector. In the Young Engineers Meet-up of 2021, the Bank's IT leaders told their career stories and answered questions that many students, who are about to embark on their careers, wanted to know.

Interview Simulation was implemented with the TEB recruitment team to support second, third and fourth year university students in their job/internship quests. Students were given the opportunity to experience a real interview and discover their strengths and development areas with the feedback they received from expert recruiters after the interview.

TEB is committed to attracting young people to the sector, accelerating its efforts in this area by offering structured programs supported by training for the Head Office and field teams. In 2020 and 2021, 750 young people under the age of 25 started their careers at TEB.

TEB Innovation and Youth Meet-ups

The annual innovation meet-ups, organized with a different theme every year since 2007 to bring together TEB talents, were held online for the first time in 2021. The event included inspiring presentations and career talks with TEB executives for the participating university students.

During the online event, like in the previous in-person meet-ups, the innovative and creative TEB employees, who submitted their ideas to the Internal Innovation Competitions, and the customers, university students, new graduates and tech entrepreneurs who were placed among the winners in the "Akıl Fikir Innovation Competition," were presented prizes.

EMPLOYEE BENEFITS

Remuneration Policy ²⁻³⁰

The objective of the Remuneration Policy is to attract and retain employees with the right skills and expertise to serve TEB's strategic goals in both business lines and support functions. The Policy has been prepared according to BRSA's Communiqué on Corporate Management of Banks and Guidance on Good Remuneration Practices in Banks, and within the scope of the principle of proportionality.

SECOM is responsible for drafting the Remuneration Policy on behalf of the Board of Directors in accordance with applicable local laws and regulations and by considering BNP Paribas policies, provided that they do not contradict TEB's policies. SECOM determines the principles of the remuneration policy by seeking the opinions of Human Resources, Financial Affairs, Risk, Compliance and Internal Control Groups. TEB employees are not unionized. After reviewing the remuneration policy, SECOM submits it to the Board of Directors for approval. The remuneration policy is reviewed annually.

Core principles of remuneration are:

- Meeting legal requirements
- Adjusting remuneration according to profitability, risk and capital
- Maximizing the performance of the employees and the Bank,
- Attracting and retaining talent,
- Adjusting salaries for different divisions and responsibilities, and
- Crafting a simple and transparent remuneration policy.

Remuneration and Benefits ⁴⁰¹⁻²

At TEB, salaries are paid in net amounts after legal deductions on the last business day of each month. In addition to monthly salaries, all TEB employees may be entitled to merit, sales or annual performance bonuses based on the results of their performance appraisals in terms of achieving quantitative and qualitative targets. TEB Group employees are also entitled to various benefits such as private health insurance for all employees and life insurance for certain positions based on specific criteria. TEB also offers different pension plans. Full-time and part-time or temporary employees are offered benefits without any variations per the type of their employment.

The minimum notice periods are determined according to the employee's tenure in the company:⁴⁰²⁻¹ 2 weeks for 0 to 6 months, 4 weeks for 6 months to 1.5 years, 6 weeks for 1.5 years to 3 years, 8 weeks for 3 years and longer.

Performance Bonus and Sales Bonus

An annual performance bonus pool is set by considering the Bank's profitability, financial results and target realizations in line with market practices (local and/or professional). Performance assessment criteria are applied to reward the employees' quantitative and qualitative collective and individual achievements, which are measured by observing performance and conducting assessments. Performance bonuses are paid if at least 80% of the targets are met for the relevant year and based upon the recommendations of the Selection and Compensation Committee (SECOM).

The Bank's financial statements included TL 137.5 million and TL 194.1 million for 2020 and 2021, respectively, set aside to be paid out the following year as total performance bonus and sales bonus amounts. These total amounts consisted of TL 124.8 million and TL 179.5 million as performance bonus for 2020 and 2021, and TL 12.6 million and TL 14.2 million as sales bonus in the respective years.

Health and Life Insurance

The employees may benefit from the healthcare services of the Social Security Institution (SGK), with which they are registered. In addition to Social Security Institution's healthcare services, all Bank employees and their dependent spouses and children are covered by the Special Group Health Insurance for diagnosis, treatment, clinical examination and lab work. The employees can also benefit from "Life Insurance" coverage, which have set limits within certain criteria.

Pension Plans ²⁰¹⁻³

In addition to the pension plans of the Social Security Institution, TEB also offers Private Pension scheme with employer contribution in the amounts determined individually for different positions and titles. The employees' participation in this scheme is optional.

Position/ Employer Contribution (TL)	2020		2021		2022	
	0-5 Years	5+ Years	0-5 Years	5+ Years	0-5 Years	5+ Years
Assistant General Manager and Higher	350	600	350	600	700	1200
Director and Higher	300	400	300	400	600	800
Manager	250	300	250	300	500	600
Supervisor and Lower	125	150	125	150	250	300
Administrative and Support	100	100	100	100	200	200

HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY SYSTEM AT TEB ^{403-1, 403-3, 403-6, 403-7, 403-8}

Occupational Health and Safety is a material topic for TEB and addressed with a systematic approach in line with the general strategies to achieve continuous improvement. The roles and responsibilities of managers and supervisors are defined, and the employees' participation in OHS activities is ensured. Occupational Health and Safety is a system that involves identifying the OHS risks, mitigating them with measures, complying with the applicable laws, delivering the right type of OHS training to the right people, preparing for emergency response, monitoring performance, using the results for improvements and inspecting, reviewing and documenting the relevant activities. This system makes it possible to identify the hazards and risks systematically and scientifically, take

precautions against such hazards and risks to prevent accidents and other impacts that may be harmful to health, and create a safer workplace.

The Occupational Health and Safety Law No. 6331 applies to both TEB employees and outsourced workers. The OHS system in the TEB Head Office buildings, where a full-time occupational safety specialist and a workplace physician are employed, covers all TEB employees and outsourced workers. Furthermore, all outsourced workers, including one-time jobs in our buildings, are checked for compliance with OHS legislation and only granted work permits if their documents are complete.

Given the importance of the topic, additional practices are implemented beyond legal requirements. Regular site inspections and outsourced service (cafeteria, cafe and hairdresser) inspections are conducted in the TEB Head Office buildings and duly reported. Emergency response team members are renewed at least every three months. Quarterly monitoring and measurement plans (including follow through of periodic inspections and checks, especially regarding technical sites) are created. Once a week, a dietician provides polyclinic service for our Ümraniye and Dudullu Head Office employees, while partner laboratories offer lab work options at the same locations on certain days of the week. Furthermore, various events (breast cancer awareness month, World Diabetes Day, etc.) are organized to raise health awareness among employees on special days.

TEB Occupational Health and Safety system covers all direct and indirect employees. All OHS measures are applied without discrimination between employees, visitors and outsourced workers. Occupational health professionals intervene in emergencies and provide preventive health services for TEB employees and outsourced workers at every location where they work. A workplace physician, occupational safety specialist and also auxiliary healthcare personnel are employed to perform first aid and emergency treatment and provide preventive health and safety services, assigned. Laboratory services are provided on certain days of the week for disease diagnosis and follow-up. When needed, guidance is available regarding access to external doctors through SGK and/or private health insurance. TEB employees are required to undergo examinations prior to recruitment, periodic checkups and clearance for returning to work. The employee's work environment may be re-evaluated and appropriate actions may be taken for their health and safety when needed. Once a week, a dietician offers polyclinic service for our Ümraniye and Dudullu Head Office employees, while partner laboratories offer lab work options on certain days of the week at the same locations.

The Bank's Inspection and Internal Control Units conduct internal occupational health and safety audits, while external audits are performed by the Joint Health and Safety Unit authorized by the Ministry and the Labor Inspectors assigned by the Ministry of Labor. The Inspection Board under the Ministry of Family, Labor and Social Services also conducts random occupational

health and safety inspections during the year. Furthermore, the outsourced services and their locations (kitchen, cafe, hairdresser, etc.) are inspected monthly. If any OHS nonconformities are found, necessary actions are determined.

MANAGEMENT OF THE RISKS AND THE OHS COMMITTEE

403-2, 403-4

Occupational Health and Safety risk identification is based on the Occupational Health and Safety Law no. 6331 and applicable regulations, the occupational health and safety hazards and risk groups (covering physical, chemical, biological, and ergonomic risk factors). Then, a risk assessment table is created using information from site, health and workplace inspections, near-miss incidents, workplace accidents and relevant units. Quantitative assessments and risk measurements are performed using the Fine-Kinney method. These are then communicated first to the relevant units and later followed through by the OHS unit to ensure that necessary measures are taken regarding the identified risks and their solutions. Solutions to issues that require management decisions or involve high costs are discussed by the Occupational Health and Safety Committee.

TEB has established an Occupational Health and Safety Committee, with a number of members above the requirements of the relevant law. The Occupational Health and Safety Committee, consisting of 26 members in 2020-2021, including employer representatives, occupational safety specialists, workplace physicians and human resources representatives, convenes quarterly. Outsourced workers do not participate in the OHS committee since they are not legally required. However, they are allowed to submit their concerns in case of nonconformities, which are then addressed during the OHS committee meetings.

The agenda, place, date and time of the committee meetings are communicated to the members by the occupational safety specialist at least forty-eight hours before the meeting. The agenda is determined by priority of issues and OHS projects, if any. Committee members may request the agenda items to be changed. If the committee finds the request appropriate, the agenda is changed accordingly. In cases of death, loss of limb or serious workplace accidents or significant incidences requiring special precautions, any member may call the committee for an extraordinary meeting. Such proposals should be communicated to the committee head or secretary.

The committee convenes with absolute majority and chaired by the employer or employer representative and reaches resolutions with the absolute majority of the attendees. The members are not allowed to abstain from voting. In the event of a tie, the vote of the committee head determines the resolution. In the event that a majority cannot be reached or the meeting is not held for any other reason, the situation is recorded in "Committee Adjournment Minutes."

At each meeting, the committee head or secretary advises the members about the previous resolutions and related actions before moving to the agenda. The resolutions

passed at the meeting are communicated to the relevant parties for necessary action. Furthermore, issues that the employees should be informed about are announced at the workplace. The committee head and attendees sign the meeting minutes, containing the resolutions passed. Once the resolutions are signed, they are deemed to have been notified to the employer without the need for any other action.

Other employees may also communicate their OHS-related feedback to employee representatives. The names of employee representatives are available on the "Occupational Health and Safety Page" of Intrateb-Human Resources Portal. Employee representatives bring the issues reported to them to the OHS committee and duly inform the employees regarding the issue or issue a general announcement.

The committee's duties and authorities include:

- Drafting workplace-specific occupational health and safety directives, submitting them to the employer or the employer's representative for approval and monitoring implementation, reporting the results, determining the necessary measures and bringing them to the committee's agenda.
- Providing OHS guidance for the employees in respective workplaces, assessing the OHS hazards and measures, determining the necessary measures and informing the employer or the employer's representative.
- Conducting investigations regarding each workplace accident and any incidents, which are not considered workplace accidents, reported to the occupational safety committee with the potential to damage the workplace or work equipment or in case of an occupational disease or a risk related to occupational health and safety, determining the necessary measures and submitting a report to the employer or the employer's representative.
- Planning occupational health and safety training and education in the workplace, designing programs on these matters and preparing guidelines, submitting them to the employer or the employer's representative for approval, monitoring implementation and providing feedback in case of deficiencies.
- Planning the necessary safety measures for maintenance and repairs in the workplace and monitoring implementation.
- Monitoring the adequacy of the safety measures against fires, natural disasters, sabotage and similar hazards in the workplace and the operations of the teams.
- Preparing yearly reports on the occupational health and safety practices in the workplace, evaluating the activities of the relevant year, assessing and addressing the issues to be included in next year's work program drawing from the experiences and submitting proposals to the employer.
- Developing a consistent and general prevention policy to address the effects of factors related to technology, work organization, working conditions, social relations and work environment.

OCCUPATIONAL DISEASES AND WORKPLACE ACCIDENTS

403-2, 403-9, 403-10

Non-ergonomic work conditions, noise, dust, long periods of sedentary activity and psycho-social risk factors are among the top causes of occupational diseases. As a preventive measure, the employee is checked for fitness for the job during the recruitment stage and periodic examinations are performed in a timely manner. Furthermore, measurements are conducted in indoor spaces (for noise, dust, lighting, thermal comfort, etc.) and personal exposure levels are also checked. According to the results of indoor noise measurements, a hearing test is performed annually for employees in the noise-related risk groups. The employees with chronic diseases and certain health conditions are evaluated for the job and those who are not found to be fit for a specific job are recommended for job changes. Furthermore occupational health and safety training curriculum includes topics on the causes and prevention methods of occupational diseases.

Distraction, carelessness and haste are among the key causes of workplace accidents in the offices. To prevent such accidents with a proactive approach, regular inspections are performed in the offices, common areas and personnel shuttles. If any nonconformities are detected, a site inspection report is prepared and submitted to the relevant units to take the necessary measures. Nonconformities are also followed up by the OHS committee and recorded in the risk assessment report.

The OHS training informs the employees about the causes of workplace accidents and preventive measures. An employee, who experiences a workplace accident or develops an occupational disease, is provided additional training on the causes of the accident or occupational disease, protection methods and safe working methods before returning to work. The Occupational Health and Safety unit drafts a post-incident form and delivers it to the employee in person or by email.

The employees may report dangerous conditions verbally or in writing to the OHS unit and the employee representatives by filling out the Risk Notification Card. Both the relevant contact details and the card are available on Intrateb. If the employees experience a workplace accident, they can report to our clinic, which has a full-time workplace physician and/or a full-time healthcare professional.

Employees are free to report incidents. The most commonly reported workplace accidents in the Bank include slips and falls, cuts and simple burns, which can be treated with first aid. Since no accidents are caused by human negligence or disagreements between employees, the individual reporting the incident is not subject to any reaction or punishment. In the event of such an incident, the OHS unit issues the necessary reports, while the Human Resources Group files the relevant notifications. Even if there are no written instructions, the rights of all employees are fairly protected as required by TEB corporate culture.

To ensure that the employees' personal health data is protected in confidence, the pre-employment health examination forms and other health documents provided during the pre-employment process are sent to the personnel team by the workplace physician in a sealed envelope to be kept in the personnel file. Only the physician's notes regarding the periodic health examinations are sent to the personnel department. In healthcare units, personal health files and/or forms are kept in a locked cabinet and can only be accessed by healthcare professionals. The OHS software (Ironica) features a health screen, which is only used by our healthcare professionals.

Occupational Diseases – TEB Employees	2019	2020	2021
Fatal Incidents	0	0	0
Number of Occupational Disease Cases	0	0	0

Occupational Diseases – Outsourced Workers	2019	2020	2021
Fatal Incidents	0	0	0
Number of Occupational Disease Cases	0	0	0

Workplace Accidents – TEB Employees	2019	2020	2021
Fatal Incidents	0	0	0
Fatal Incident Rate (Number of Fatal Incidents/Total Hours Worked *2000) – %	-	-	-
Accidents resulting in serious injury (excl. fatal incidents)	0	0	0
Serious Injury Rate (Number of Serious Injuries/Total Hours Worked *2000) – %	-	-	-
Workplace Accidents	66	33	41
Workplace Accident Rate (Number of Workplace Accidents/Total Hours Worked *2000) – %	0.0053	0.0026	0.0033

Workplace Accidents – Outsourced Workers	2019	2020	2021
Fatal Incidents	0	0	0
Fatal Incident Rate (Number of Fatal Incidents/Total Hours Worked *2000) – %	-	-	-
Accidents resulting in serious injury (excl. fatal incidents)	0	0	0
Serious Injury Rate (Number of Serious Injuries/Total Hours Worked *2000) – %	-	-	-
Workplace Accidents	15	10	5
Workplace Accident Rate (Number of Workplace Accidents/Total Hours Worked *2000) – %	*	*	*

*TEB does not keep a record of the annual employee numbers and the daily work hours of the subcontractors.

OHS TRAINING 403-5

TEB employees are required to take the basic face-to-face OHS training and the online refresher training every three years at the latest. The eight-hour OHS training is provided by occupational safety specialists and workplace physicians.

Occupational health and safety training for outsourced workers, who are not employed by TEB, is delivered by the occupational safety specialists and workplace physicians of the relevant companies, according to the hazard classes of the businesses. Since their job-specific training (i.e. hygiene, etc.) is crucial for their work, these training programs are followed up by the TEB OHS unit.

An employee who experiences a workplace accident or develops an occupational disease is provided additional training on the causes of the accident or occupational disease, protection methods and safe working methods before returning to work. The Occupational Health and Safety unit drafts a post-incident form and delivers it to the employee in person or by email. Employees who are on leave for longer than six months for any reason are required to take refresher courses before they return to work.

OHS committee members, the risk assessment team and employee representatives take job-specific training, while employees who use personal protective equipment (PPE) receive PPE training.

EMPLOYEE SATISFACTION

TEB has not conducted the annual Global People Survey in 2020 due to the pandemic. Starting from 2021, the comprehensive annual employee surveys were replaced with the shorter and more frequent Pulse Surveys with the aim of adapting to changes more quickly, anticipating the rapidly evolving expectations and taking swift action. In 2021, three local employee's voice surveys and one global survey (on ethical and virtuous behavior, diversity and inclusion) were conducted.

The Ethics and Virtue, Diversity and Inclusion survey yielded high results in all three categories, with Ethics and Virtue averaging 80, Inclusion 83 and Diversity 82. To further improve the results, the entire management team has received training on the golden rules of the Bank's code of ethics and respecting employees. A golden rules hotline, a dedicated phone line for reporting complaints, risks and inappropriate behaviors regarding unethical behavior in the workplace, was launched and an Ethics and Virtue video was prepared and shared for all employees.

The 2021 local employee's voice surveys queried the opinions of all employees on different topics: Communication, Leadership, Remote Work, Agile Approach, Performance Management, Occupational Health and Safety, Customer Focus, Empowerment, Positive Management, Training and Development, Employee Engagement, Productivity, Positive Banking, Collaboration and Teamwork, and Innovation. According to the survey results, which had a response rate of 70%, various actions were taken across business lines and business processes:

- The survey results are shared with all stakeholders, evaluated together in a transparent environment, and applications like "Calling TEB" are introduced.
- Career Development Journey Project.
- Remote Work / Future Ready Project.
- Positive Sales Culture Project.
- Several projects aimed at increasing customer focus and efficiency.

The annual **HR Roadshow Meetings** bring together nearly 3,500 TEB employees from the field and head office teams. The meetings provide an opportunity to evaluate the global people survey results together with the employees, share the latest HR trends and new practices, collect feedback and answer questions transparently.

TEB employees are allowed to participate in **Corporate Volunteering** events organized in partnership with various organizations by choosing an activity of their choice during working hours.

Corporate Volunteering	2020	2021
Volunteering Hours	209	492

Digital HR

TEB has introduced innovative digital HR applications to streamline the employee experience. TEB aims to provide its employees with a practical guidelines for the recruitment processes, training and development applications, talent management systems and other processes in the digital environment. The bank uses applications such as HR Chatbot, HR Mobile App, TEB Digital Campus, TEB Digital Library, and TEB HR Analytics along with BNP Paribas' applications to facilitate its employees' work.

HR Solution Center is created to serve as the first point of reference to rapidly and accurately respond to the questions and requests that the internal customers may submit regarding TEB's Human Resources practices, improve their satisfaction and build a communication platform supported by the latest technologies. In the reporting period, the Center also made it possible to hold one-to-one interviews with the employees to answer questions or find solutions to their problems, elevating employee satisfaction as a result.

TEB Clubs are formed to encourage employees to engage in activities of interest and to bring them together outside the workplace. They include TEB Band, Turkish Classical Music Choir, TEB Photography Club, TEB Chess Club, TEB Drama Club and TEB Diving Club.

TEB Sports Academy

TEB Sports Academy is the umbrella concept that organizes in-house sports events to improve employee well-being, enhance team spirit and "we" awareness, strengthen the sense of belonging and creating social value as part of social responsibility. The employees are also encouraged to participate in external sports activities and represent the Bank in these events.

TEB Formation Academy SAKLIKÖY

TEB Formation Academy, located on 17 acres of land surrounded by linden and hornbeam forests in Saklıköy is both a training center and also a facility, where employees and their families can take advantage of the sports, arts and workshops and dine at its restaurant. TEB Formation Academy also serves as a venue for important meetings of head office groups, business lines, Group companies and BNP Paribas.

Employees can meet up and bring their relatives for social purposes at Saklıköy, where TEB carries out training and development activities. After the implementation of pandemic measures, Saklıköy resumed serving TEB employees.

Employee Engagement Platforms and Transparency²⁻²⁹

TEB uses various Employee Engagement Platforms as part of its Responsible Employee Management efforts and increases its transparency.

Engagement Platforms	About the platform	Frequency
Pulse Survey	Organized with the participation of all employees. Conducted to measure employee engagement and identify practices that need improvement. The results are shared with all employees.	2-3 times/year
Employees' Voice Platform	A platform that brings together employee representatives from each Group and Region to evaluate results of the global people survey and create action plans.	Annual
Internal Customer Satisfaction Survey	Organized with the participation of all employees. Conducted to measure the satisfaction levels and quality of service that the teams receive from each other and to develop practices to improve service quality. The results are shared with the groups inside the Bank.	Annual
TEB Intrapreneurship Program	A training program to raise intrapreneurs among TEB employees to develop innovative projects that may change the future of the Bank and enable them to implement these projects.	Annual
Executives Meeting	An event where the Bank's future targets and strategies are shared with all executives.	Annual
TEB Leaders' Café	Talks where senior executives share their knowledge and experiences.	Every 2 months
TEB Talent Day	An event where the Bank's talents come together with TEB and BNP Paribas executives and are introduced to increase their recognition and visibility.	Annual
TEB Talks	Talks by experts in their respective fields about their inspiring careers and success stories.	Quarterly
Roadshow (BizBize) Meetings	Regional meetings, where the results of employee surveys are shared with all groups and regions, suggestions are received, and questions replied.	Annual
TEB Sports Academy	Internal and external sports activities to promote well-being among employees, build team spirit, and reinforce "we" awareness.	Continuous
TEB Clubs	Club activities that allow employees to be actively engaged in their interests and meet out of office as well.	Continuous
Innovation (Akıl Fikir) Competition	A competition that reflects innovation efforts outside the organization.	Annual
Spark (Kivılcım) Portal	In-house innovation portal.	Continuous
Breakfast Meetings	Breakfast meetings where the newly recruited employees meet Senior Executives.	Monthly
Talents Meet Leaders	Informal meetings, where Bank employees considered as "Talents" with their high performance and potential come together with their respective Assistant General Managers.	Quarterly
CEO Roadshow	CEO meets with the Head Office Groups and Regional Offices.	Twice a year
Efficiency Meetings	Regional meetings where business lines communicate their messages across the field.	Monthly
"What's up at TEB?" (TEB'de Ne Var Ne Yok) – Newsletter	Online newsletter featuring a range of relevant topics such as daily highlights, recent news about business lines, achievements of colleagues and messages of executives to follow the latest developments in the world of TEB.	Weekly
Happy Hours	Social breaks to motivate the employees during office hours.	Continuous
Branch Cleaning Services Survey	Conducted among branch employees. Service quality and service provider's performance are measured; actions are taken for improvement.	Annual
Head Office Cleaning Services Survey	Conducted among Head Office employees. Service quality and service provider's performance are measured; actions are taken for improvement.	Annual
Catering Services Survey	Conducted among Head Office employees. Catering service providers' performance is measured; actions are taken for improvement. Annual	Annual
Personnel Shuttle Services Surveys	Conducted among shuttle users. Service quality and service provider's performance are measured; actions are taken for improvement.	Annual
Talent Management Newsletter	A resource supporting talent development, featuring special articles on talent, inspiring stories, internal and external practices, latest book, film, video, training and application recommendations.	Quarterly

TEB Corporate History Exhibition

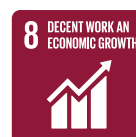
TEB Corporate History Exhibition Project documents the 94-year legacy and proud history of TEB.

To reflect the Bank's values, the work on TEB's Corporate History and collections was conducted in cooperation with specialized companies and various information, documents and photographs were obtained from the employees. As part of these activities, interviews have been held with existing and former TEB employees, who could shed light on the Bank's past.

The history exhibition, featuring some of the most precious memories of TEB, opened on Friday, March 9, 2018, in İzmit, where TEB was founded, Çarşı İzmit and Alemdar Branches.

6

CONTINUOUS DEVELOPMENT AND DYNAMIC CAREER MANAGEMENT



TEB aims to build the workforce of the future by creating continuous development opportunities. The Bank believes that superior performance can only be achieved by creating career opportunities with processes and systems that continuously improve quality, increasing the individual and team performance of the employees and developing their personal and responsibility-focused competencies. TEB also prioritizes innovation as a key factor that drives corporate and individual development. These activities contribute to United Nations Sustainable Development Goals SDG4 (Quality Education), SDG5 (Gender Equality), SDG8 (Decent Work and Economic Growth) and SDG10 (Reduced Inequalities).³⁻³

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Continuous Development and Dynamic Career Management	TEB makes plans and personalizes practices to ensure that employees develop professionally and individually and advance toward their career goals.	<ul style="list-style-type: none"> Decline in employee quality (medium) Decrease in employee satisfaction (short) Failure to attract or retain talent (medium) 	<ul style="list-style-type: none"> Qualified employees (medium) Becoming an attractive employer for talent (medium) 	<ul style="list-style-type: none"> Ratio of employees receiving training Training hours per person Executive level positions filled from internal sources

CAREER MANAGEMENT ⁴⁰⁴⁻²

The HR teams provide advice to all TEB employees in line with their individual career maps together with the relevant business lines and function managers, and ensure that the employees are placed in the right positions that require their competencies and performance levels. Based on their competencies and skills, the employees are also supported when transferring to different departments and divisions. Promotion possibilities also increase depending on the employees' performances. All job descriptions and career maps at TEB can be accessed via IntraTEB, which is available to all employees.

TEB offers Assessment Center and Leadership Skills Development Programs to guide future leaders in their career journeys by assessing their management skills, identifying and improving their strengths and development areas. Accordingly, personalized development programs are offered. In principle, manager and above positions are filled from internal sources. In 2020 and 2021, 80% and 83% of the managerial appointments, respectively, were filled from internal sources. In 2021, a total of 538 employees were promoted, including 122 managers and above, while 261 employees transferred to different functions, changing duties.

Local and Global Mobility

The Bank, supported by its strategic partner BNP Paribas, offers internal and international mobility opportunities to the leaders of the future at TEB. In line with TEB's objective and open communication approach, all vacant positions in BNP Paribas and TEB Group are announced across the Bank and Group Companies to give all the employees an opportunity to apply. The core principle in this practice is to execute the manager and upper level appointments from internal resources. Mobility Days, organized annually to encourage local or global mobility within the organization, were held online in 2020 and 2021 with the theme "You Are the Lead in Your Career."

Talent Management

A key component of TEB's human resources management approach is to train future leaders. Talent Management at TEB refers to the process of identifying and developing employees who work at different levels at the Bank, have a proven track record with their skills and performance, and may play key roles in the Group in the future, to create a competitive advantage. Accordingly, the Bank designs new processes and systems to create a work environment where employees can continuously develop and benefit from various career opportunities by enhancing their performance and building on their skills. In 2020, 754 talents benefited from

special training and development opportunities. In 2021, leadership programs specific to talents were redesigned and 200 talents participated in new leadership programs, while 84 manager candidates and 10 director candidates participated in the talent development program.

Local and global talent pools are determined and reviewed every two years. The process begins with first tier managers filling out the performance and potential forms, which are escalated through the system, and ends with group heads verifying the lists. Talents are followed in three tiers - Emerging, Advanced and Top - based on their experience, and special development programs are offered for each tier.

High-performing TEB employees with high potential are given the opportunity to meet with senior executives at various events, introduce themselves, and share their ideas in an open and friendly environment.

TEB provides personalized training and development opportunities for future leaders, guiding their career journeys. Our global talents may also be offered a chance to participate in BNP Paribas' Global Talent Development Programs. In 2020, 25 talents participated in the global talent development programs, which were moved online in 2021 due to the pandemic, opening them to all global talents.

As part of the regular succession plans created every year to ensure continuity in bank management, the succession plans for critical roles were reviewed and updated in 2021.

Managing Young Talents at TEB

As part of strategic HR planning, a set number of successful Young Talents go through a multi-stage recruitment process and start working at TEB. During the two-year Young Talent Development Program, the employees follow a special training and development process. In addition to building on the technical knowledge and skills of the participants, the Development Program also aims to raise awareness among the employees about developing their individual competencies and prepare them for their professional careers. The performance of the Young Talents, who are tomorrow's banking professionals, and their future development plans are closely monitored.

TEB Leadership Academy

Various leadership programs have been designed as development journeys under the umbrella of TEB Leadership Academy to train leaders who will drive TEB into the future. The development steps for the leadership skills that a young talent in the talent pool should possess until becoming a senior manager have been defined.

PERFORMANCE MANAGEMENT

The objective of the Performance Management System is to align the individual targets and business results with TEB Group's goals and strategies, guide the employees toward the right targets, ensure their development and deliver organizational efficiency. TEB conducts performance appraisals based on objective criteria, taking into account the rate of realization of business goals defined for employees and the success of employees in achieving their competency targets.

In this system, TEB's corporate goals are cascaded from the highest to the lowest, all the way down to the "individual" level. Performance assessments are performed using objective criteria, taking into account the realization of business goals reduced to individual level and the success of employees in reaching their competency goals. The employees identified as high performers in these assessments are rewarded.

Performance and Skill Development Assessment System

This system helps to manage and improve corporate and employee performance by planning and measuring the employees' direct contributions to the efficiency and effectiveness of the Bank, and their individual performances in line with corporate goals. It also helps to gather opinions on potentials and performances as part of the Talent Management process.

The Performance and Skill Development Assessment System aims to ensure that the employees focus on their goals, strengthen and develop their performances, and subsequently rewards the highest performers. The Performance and Skill Development Scorecard is built on the idea of having a balance among one's goals and enables the superiors to measure their subordinates' performance and target realization levels and assess their skills. The Bank employees' Performance and Skill Development Scorecards are created digitally by the Human Resources Group in the relevant app. Every year, the goal setting and tracking process starts at the beginning of the assessment period, continues with regular check-ins during the year, and ends with year-end assessments.

Goals should be specific, measurable, agreed upon, relevant and time-restricted. The assessor guides the assessed employees toward their performance and skills targets verbally during quarterly check-ins and in writing during mid-year check-ins. Providing guidance and advice is a development process and involves check-ins where the assessor comes together with the assessed employees to review the results achieved and gives them support and advice to reach their goals effectively and efficiently. The Performance and Skill Assessment process spans the full year while skill and performance assessment check-ins take place in July. Performance assessments are applied to all employees⁴⁰⁴⁻³ who have worked for at least three months at the Bank.

TRAINING PROGRAMS

Recognizing that a “qualified and trained workforce” is the key distinguishing factor in the financial sector, TEB effectively supports its employees’ personal and professional development. TEB’s training activities are gathered under the TEB Academy umbrella.

TEB Academy supports employees with training programs designed to develop the competencies they will need at every stage throughout their careers. The technical training topics required for the banking and finance sector include risk perspective, sales, risk, and leadership, etc. The curriculum is regularly updated to align with the new competencies that the business world seeks in line with new trends and approaches.

During the pandemic of 2020 and 2021, the Bank supported the employees’ development with online training programs and webinars on current topics. The 49 webinars hosted in 2020 and 29 in 2021 were attended by 2,681 and 1,800

employees, respectively. In 2021, nearly 8,500 TEB employees attended classroom training sessions, with 62% delivered by internal trainers.

A monthly training newsletter is published to inform TEB employees about internal and external development opportunities. These newsletters feature information on webinars, videos and seminars, along with articles and book recommendations, etc. based on the respective month’s theme.

INNOVATION

Innovations contribute to building capabilities and developing business models. TEB Group recognizes that all innovations and inventions that change lives are triggered by a small spark. The best way of finding a good idea is to generate multiple ideas. The more sparks are triggered in the minds of the employees, the more change can be driven in ways of working and making a difference. The main goals are to create a work environment, where generating innovative and creative ideas and implementing them is natural and easy, to build a corporate culture capable of “Continuous and Spontaneous Innovation” and to ensure the continuity of this environment.

Since 2007, TEB has included its customers, students, entrepreneurs, academics and suppliers in addition to its employees in its innovation ecosystem. As the Bank’s products and services are redesigned through collaboration, the culture of innovation spreads to much wider audiences.

TEB’s innovation-focused endeavors were mentioned as an example in the global consultancy firm Gartner’s report on “Establishing a Culture of Innovation” in the financial sector. In 2014, TEB was recognized as the Türkiye’s Innovation Champion. From 2013 to 2016, TEB was also named the “Most Successful Innovation Management Bank” by the European Financial Management Association (EFMA) for four consecutive years. Furthermore, Top Employers Institute published the TEB Intrapreneurship Program as a case study in 2021.

Intrapreneurship Program

TEB has driven innovation further since 2014 and marked a first in the sector by launching the Intrapreneurship Program, which creates an entrepreneurial culture within the organization and trains entrepreneurs, who can develop and implement innovative projects that can change the future of the Bank. The program makes it possible to change the existing ways of doing business, offer a work environment where TEB employees can develop and implement their projects like entrepreneurs, and provide training, mentoring and coaching support to improve their entrepreneurial skills.

In 2021, the TEB Intrapreneurship Program marked its seventh year. The program, which received more than 200

Average Training Time (Person-Hours) ⁴⁰⁴⁻¹	2019	2020	2021
Board of Directors, Executive Committee	19	4	31
Women	43	3	60
Men	12	4	23
Senior Level	20	16	28
Women	32	22	47
Men	16	13	21
Mid-level	32	19	20
Women	30	19	24
Men	32	19	18
Other	33	20	30
Women	35	19	30
Men	31	21	29
Total	33	20	29

TEB Mentoring Program

The objective of this program is to create a professional development platform where the Bank employees benefit from the know-how of experienced employees and improve their individual competencies and business skills. TEB Mentor Program, ongoing since 2009, is available for all employees.



project applications in 2020 and 120 in 2021 from TEB employees with an intrapreneurial spirit, was conducted in digital environment. All components of the program, including the Hackathon, jury, mentor meetings and acceleration program, were carried out online.

Intrapreneurs selected by the TEB Innovation Committee, consisting of senior executives, were included in the acceleration program and benefited from mentoring, coaching and training support to develop their projects like entrepreneurs. As a first in 2021, Innovation Talks sessions were organized on the theme of the year with the participation of experts from Türkiye and abroad, specific to the application themes of the year.

TEB HOME – Startup Collaboration Program

With TEB HOME, a collaborative work platform to accelerate innovation, innovative projects received through various channels are prioritized and teams are formed for implementation. Innovative methods are used to realize the projects and startups are brought in as partners. Projects included in TEB HOME can be implemented not only in TEB, but also in other markets of BNP Paribas, the Bank's strategic partner.

The Home program offers TEB employees the opportunity to test their ideas and projects leveraging the technological skills of the entrepreneurs/startups and bring the agile world of fintech startups to the Bank. In such an environment, TEB

employees are trained to find solutions and take initiatives for change with improved entrepreneurial strengths.

TEB Innovation Competition (Akıl Fikir)

The TEB Innovation Competition, an important reflection of TEB's innovation efforts to the outside world, has been organized for 14 years. All program processes take place online. The finalists, mostly university students, are selected from among the participants and prepare for the competition in a special innovation and entrepreneurship camp. In addition to financial rewards, the winners also benefit from career opportunities at TEB, an MBA scholarship and priority entry to the TEB Startup House ecosystem. As of 2021, a total of 12 finalists have joined the TEB family.

TEB Young Engineers Meet-up

The annual TEB Young Engineers Meet-up was organized online, bringing together more than 710 new engineering graduates and students in 2020 and over 450 in 2021. During the event, young attendees learned about banking and the positions they could take as engineers in the finance sector.



CIVIC

RESPONSIBILITY

RESPONSIBILITY IN ACCESS TO
PRODUCTS AND SERVICES

HUMAN RIGHTS

COMMUNITY ENGAGEMENT
ACTIVITIES

CIVIC RESPONSIBILITY

Beyond being an exemplary institution, the Bank believes that it also bears responsibility toward its communities to create a positive impact on issues within its scope. Starting with compliance with laws and regulations, the Bank strives to deliver excellence and plays an active role in matters where it can make a difference, aiming to drive change in society. Accordingly, TEB works to enable access to financial services for disadvantaged groups and facilitate communities' access to services, especially through digitalization. TEB also aims to ensure that Human Rights are respected by society at large, and in particular by the communities and stakeholders within its impact area. To create positive impact in society, the Bank also carries out engagement projects meeting various civic needs.

The work on these topics is shaped around three focus areas:



**Responsibility in Access to
Products and Services**

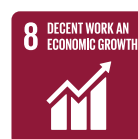


Human Rights



**Community
Engagement Activities**

7 RESPONSIBILITY FOR ACCESS TO PRODUCTS AND SERVICES



One of the effective methods of driving economic development is to support all segments of society in accessing financial products. TEB operates with a responsible marketing approach and strives to enable disadvantaged groups to access these services while facilitating stakeholders' access to services through innovation and digital transformation. These activities also support United Nations Sustainable Development Goals SDG1 (No Poverty), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG10 (Reduced Inequalities).

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Responsibility for Access to Products and Services	TEB considers stakeholder expectations when designing its products and services, improves access to such facilities and acts with environmental and social responsibility awareness.	<ul style="list-style-type: none"> Customer Loss (short) Failure to protect customer information (short) Disruptions in digital services (short) Fines (short) 	<ul style="list-style-type: none"> Customer acquisition (medium) Higher transaction volume (medium) 	<ul style="list-style-type: none"> Ratio of customers using online services Number of accessible branches

Product and Service Responsibility Policy ³⁻³

Leveraging its international banking strength and expertise, TEB commits to:

- Offer integrated services, including banking services that consider customer needs and market expectations.
- Manage all processes effectively to provide service beyond expectations and deliver the best response by regularly surveying customer expectations.
- Maintain a "continuous and sustainable training" approach to ensure that the employees understand and respond to the needs of customers effectively and rapidly.
- Embrace a responsible marketing approach to inform its customers fully and accurately about its products and services and build the necessary systems to provide continuous, complete and accurate information.
- Consider the environmental and social impact of its products and services as a priority.
- Comply with all applicable laws and regulations on responsible communication and marketing.
- Consistently enhance its performance with a quality service approach.
- Use its financial and non-financial resources to support social development.

RESPONSIBLE MARKETING ⁴¹⁷⁻¹

The Bank receives requests and provides information about its products via the website and the Customer Engagement Center to ensure that the content of the products and services are understood accurately. Occasionally, the branches also distribute various informative documents about certain products. In customer acquisition efforts and prior to utilizations of products, a pre-agreement information form is presented to the customers to give them enough time for consideration. This approach is also taken into account in channel development activities. In addition to presenting product documentation in a clear and understandable format, the Bank also ensures that such documents do not contain misleading statements. After obtaining information with the "Know Your Customer" principle, the Bank offers products and services that match the customer profile with accurate information, and measures customer satisfaction levels to make the necessary improvements.

In addition to offering financial products to the customers with favorable terms and conditions, TEB also values issues such as their health and safety, providing accurate and transparent information on all topics, protecting their personal data and maintaining their satisfaction with the services they receive beyond compliance with laws and regulations. TEB

policies and practices on this subject are addressed in more detail in the 'Ethics of the Highest Standard' and 'Human Rights' sections of this report.

CUSTOMER HEALTH AND SAFETY ⁴¹⁶⁻¹

TEB employs a wide range of practices and applications to ensure safe and healthy use of its products by the customers.

Depending on the weather conditions and climate, ATMs are cleaned and disinfected at least once a week. All outdoor ATM cabins and wall units are fitted with features to keep direct sunlight and rain away from the user. Each ATM is equipped with a card protection kit to prevent card replications, and a CCTV system.

The waiting areas in the branches are designed to be spacious and comfortable. Customer areas are fed with fresh air via ventilation systems and the stale air is discharged via an exhaust system. Depending on the specifications of the service provided, certain account representative desks are placed in enclosed or semi-enclosed spaces to ensure privacy when necessary. The financial transactions carried out in the non-branch channels are monitored 24/7 in real time, and in suspicious cases, transactions can only be resumed after the customer's confirmation. Latest information and videos related to incidents of fraud encountered in the sector are featured on teb.com.tr.

Aiming to facilitate the access of people with disabilities or senior citizens over 65 to branches, various tools such as wheelchair ramps, call buttons, and Braille lettering in ATMs and signposts are provided. Non-slip strips are applied on the stairs and railings are installed for safety. Electrical shafts and boards cannot be accessed from the customer waiting areas. The edges of glass partitions are beveled not to cause any injury to customers and the glass panes are coated with frosted film to avoid running into them. Technical and support teams visit the branches periodically to inspect physical conditions. Online banking and CEPTETEB mobile banking app are compatible with screen reader programs to help visually impaired customers perform their transactions smoothly.

ACCESSIBLE BANKING

Since 2014, TEB has worked to introduce the "Accessible Banking" concept at the branches and in other service channels. Through these efforts, the Bank eliminates the barriers to accessing banking services and ensures that disabled customers easily perform banking transactions.

Accordingly, customers with at least 40% disability can benefit from the following services free of charge/with a priority if they apply to our branches, CEPTETEB Internet Branch or www.teb.com.tr with documents indicating their disability status:

- Priority access to the TEBMatik queue ticket system at the branches.
- Option to connect directly to a customer representative with priority in the Customer Engagement Center's voice response system.
- Longer voice response system keying times for our visually impaired customers.
- Transactions such as balance inquiry, cash withdrawal and deposit, credit card debt inquiry and payment using debit or credit cards in other bank ATMs and all TEB ATMs across the country without any additional cost or fee.

TEB caters to visually impaired customers at 280 branches, all TEB ATMs and via 45,207 POS devices, and to orthopedically impaired customers at 310 branches and 685 ATMs. The bank also provides priority services to disabled customers through other channels.

Accessibility of the Branches for Disabled Customers

All disabled customers defined in the Bank system are given priority access to the TEBMatik queue ticket system. In line with the regulation on "Accessibility Monitoring and Inspection," some branches are becoming "Accessible Banking" branches for people with orthopedic disabilities and visual impairments. The accessibility measures include the following:

For the Hearing Impaired:

- Adding warning/call buttons to branch entrances where our disabled customers can call for help/support.
- Being able to get video support and report lost/stolen cards by connecting to customer representatives from ADK corners.

For the Orthopedically Impaired:

- Ramps will be placed to access the branches and entrance doors will be widened for orthopedically disabled people, handrails will be added to the stairs.
- Counters will be designed to accommodate wheelchair use.
- If there is a second ATM, it will be accessible for the orthopedically disabled.

For the Visually Impaired:

- Directional tactiles will be applied on the surfaces to guide the visually impaired in the branches.

- Branch doors will feature logo and braille alphabet for the visually impaired.
- Call buttons will be installed at branch entrances.

APPLICATIONS OF CARD SYSTEMS

Debit and Credit Card Transactions

All customers who are defined in the Bank system with a disability can perform free of charge transactions such as balance inquiry, cash withdrawal and deposit, cash advance, credit card debt inquiry and credit card debt payments with a debit card and credit card using other bank ATMs.

The visually impaired customers, who have registered their disability with the Bank, are informed by text messages when they perform payment transactions with TEB Debit Card/ Credit Card and ATM transactions with financial results without using the voice assistant.

POS Transactions

The POS applications are offered in line with the access standards for disabled customers. All POS terminals of the Bank feature the raised "5" (five) key, suitable for the visually impaired.

APPLICATIONS OF ALTERNATIVE DISTRIBUTION CHANNELS

ATM Transactions

The Bank aims to ensure that disabled customers can access ATMs. Therefore:

- ATMs are placed in zones, with at least one ATM accessible by the orthopedically impaired, and their availability is announced.
- ATM buttons are positioned like phone layouts.
- Privacy and access is provided for wheelchair users and quick transactions.
- An easy-to-use voice-assisted menu is provided for the visually impaired, ensuring privacy in ATMs, converted for accessibility.

All TEB ATMs have a voice-assisted menu function for the visually impaired. The voice-assisted menu function of the ATMs can be used for transactions such as balance inquiries, cash withdrawals and deposits, cash advances, credit card debt inquiries and payments from the debit/ credit card menu.

Online and Mobile Banking Transactions

The CEPTETEB online banking and CEPTETEB mobile applications are compatible with the screen reader programs used by the visually impaired customers.

Customer Engagement Center Activities

To increase the accessibility of the Customer Engagement Center:

- Disabled people get priority access in the voice response system and can connect directly to the customer representative.
- Voice response system keying times are extended longer for the visually impaired customers.

Furthermore, if a disabled customers call the Customer Engagement Center and provide their disability details, relevant information is entered into the system when registering as a new customer or proceeding as an existing customer. The customer is also advised that they can perform their transactions in the branches with the necessary documentation or on CEPTETEB online banking.

Remote Video Access with Sign Language Assistance

If the hearing- and speech-impaired customers have registered their disability information with the Bank, remote video support can be offered via the Customer Engagement Center to communicate in sign language. Remote video support service can be accessed from the Alternative Distribution Channel corners in the branches, on www.teb.com.tr and the accessible banking website.

Live Support Line for Customers with Disabilities

Disabled customers may seek assistance and report lost/ stolen cards by connecting to the customer representative via CEPTETEB online banking and CEPTETEB Mobile App and communicate live by texting as well.

TECHNOLOGICAL INFRASTRUCTURE AND DIGITAL TRANSFORMATION

Digitalization is key for expanding and facilitating access to financial services. TEB constantly enhances its infrastructure to ensure that the desired service can be easily and securely received anywhere any time.

DIGITAL BANKING

TEB continuously enhances its product and service range in response to evolving customer expectations, market trends and especially the advancements in digitalization. In 2021, 86.13% of TEB customers used non-branch channels. Offering fast and easily accessible loan solutions through its digital channels, TEB has updated its pre-approved loan solutions to take the customer experience one step further. Loan applications through digital channels accounted for 70% of sales while the share of deposit accounts opened via these channels in total volume rose to 69%.

CEPTETEB: TEB has enriched the digital banking experience offered to its users with innovative solutions through its digital banking platform CEPTETEB in 2021. Starting from May 1, 2021, CEPTETEB has taken its customer acquisition process 100% to the digital environment.

CEPTETEB SÜPER: CEPTETEB's world of privileges advanced one step further, as the Bank began to work with API technology and leading business partners in the sector, turna.com and Gen-pa to initiate a superapp development. As result, the new marketplace platform CEPTETEB Super was launched. CEPTETEB Super provides convenience for customers shopping for flight tickets and electronic products. The app also offers its users an effortless shopping experience and special discounts by enabling them to fill enter required information securely and quickly with API technology at the time of purchase and payment.

CEPTETEB İŞTE (BUSINESS): TEB launched CEPTETEB in 2013 to serve its retail customers and CEPTETEB İŞTE (BUSINESS) in 2019 as a mobile app to perform various financial transactions easily and quickly for businesses. Most recently, the following functions were added in 2021:

- CEPTETEB İŞTE Digital Loan Application.
- FAST 7/24 wire transfer.
- KOLAS - Easy Address integration and transfer.
- Revolving (BCH) credit utilization and repayment.
- SWIFT payment tracking and payment follow-up (SWIFT GPI).
- Email verification and deletion.
- Payment with QR Code (using credit card).
- Insurance policy tracking functions.

CEPTETEB for Private Banking: The Financial Analysis Report menu, enabling Private Banking customers to analyze their current and past portfolios, was expanded and the Return Analysis report was introduced. This report shows the total value and distribution of portfolios, allowing the user to examine their return performance.

CEPTETEB Digital Card: With the pandemic conditions changing consumer habits, users who instantly become TEB customers through CEPTETEB can apply for CEPTETEB Digital Card and start using their cards in online shopping immediately without having to go to a branch or waiting for the physical card to arrive.

TURBO®: TEB also generates solutions for customers who prefer to receive service at the branches as well as non-branch channels. The Turbo® devices, developed as a result of the IT department's R&D work, enable nearly 85% of the transactions handled by the bank clerks to be performed through this channel instead. The Turbo® devices placed in TEB branches are used for transactions requiring physical presence such as cash withdrawals and deposits, all payment transactions and credit card delivery along with procedures like loan utilization where an original signature is required. As of year-end 2021, Turbo® devices are actively used in a total of 166 TEB branches.

POS Apps: In 2020, TEB became one of the few banks to develop its own POS app in Android POS, using its information technology resources. This device-specific system is currently being further enhanced to support the devices of different providers, with plans to the spread the apps even wider in 2022.

In 2021, the number of banks with joint POS agreements with TEB reached 7, and the models compatible with recording devices 21. TEB offers merchants payment options by POS terminals as well as revenue and transaction analyses and business-specific reporting, creating added value.

With a rich set of functions and ease of use, the Bank enables merchants to perform their daily banking transactions effortlessly, offering tools for easy tracking of all POS transactions. As of year-end 2021, TEB:

- Serves 1.2 million customers, who hold 2.1 million credit cards.
- Provides services at 118,500 merchants with direct POS agreements.
- Extends merchants various options such as payments in installments and redeeming points via 41,700 Bonus-branded POS terminals.
- Works with multiple payment institutions on virtual POS, leveraging a comprehensive and reliable infrastructure for the recognition and management of sub-merchants. Through this working model, services are provided to nearly 235,000 sub-merchants.
- Has nearly 60,000 POS agreements in the payment recording device market, with a 3.6% cash register POS market share.
- Supports contactless payments with 78,000 contactless POS terminals/cash registers, solutions especially for chain stores and communication campaigns.

Digital Solutions

TEB has also developed the following solutions:

- TEB Cash Management unit developed a new product, **TEB Mobile Collection Platform**, to facilitate collections, a key concern for corporate and commercial customers.
- TEB was among the first banks to join the **FAST - Instant and Continuous Transfer System of Funds** system that TCMB introduced in early 2021.
- **SWIFT SCORE (The Standardized Corporate Environment)** payment service has been launched for corporate customers.
- The Corporate Internet Banking channel offered the capability to issue **IBKB** (Export Price Acceptance Document) for the needs of foreign trade customers.
- TEB SME Banking started to extend loans against **ELUS (Electronic Product Certificate)**.
- Potential CEPTETEB customers with NFC (Near Field Communication) supported smartphones and Turkish Republic IDs may become TEB customers wherever they are by making video calls via the mobile app.
- **TEB Private Mobile Approval** project was introduced to digitalize the instruction process via CEPTETEB Mobile Banking and Online Banking channel, enabling the customers to send instructions and confirmations digitally and eliminating the need for printed instructions and original signatures.
- **Digital Solutions for Retirees:** Customers were offered the possibility to transfer their SGK pension payments to TEB by applying via the CEPTETEB Mobile App without visiting a branch during the pandemic. "My Pension is at TEB" menu was added to enable retirees to view and benefit from special offers and campaigns.

TEB Financial and Non-financial Services Group and Digitalization

TEB Faktoring A.Ş.: One of the biggest and most active players in its industry, TEB Faktoring A.Ş. (TEB Factoring) provides export, import and domestic factoring products and services to corporate and commercial customers and SMEs. As the one and the only company in the world to be named the "Best Export Factor" seven times by Factors Chain International (FCI), the global representative body for factoring companies, TEB Factoring was the leader of the Turkish export factoring market in 2021.

Aiming to address customer needs and benefit from feedback in its innovation and digital transformation projects, TEB Factoring has focused on the Instant Application feature and TEB Factoring mobile app to enable customers to send their applications with invoiced checks any time anywhere.

TEB Factoring aims to build a system for customers to perform their transactions remotely, to the extent permitted by legislation. Having moved the application process to the digital environment, TEB Factoring aims to further strengthen its digital channel infrastructure in 2022 by closely following trends and developments for an enhanced and simplified customer experience.

TEB Portföy Yönetimi A.Ş.: TEB Asset Management, established in 1999 with the mission of becoming a leading digital asset management company in Türkiye, has launched several projects, conceived as part of digitalization in 2021.

TEB Asset Management created its Second Basket Fund and offered it to the investors. Utilized by 20 financial institutions, including the BNP Paribas network, this Fund boasts an asset size of Euro 50 billion, serving over 1 million end-users. Following an agreement with GAMBIT, the largest digital investment platform in Europe, robotic consultancy service has been introduced.

Social media accounts were opened and communication started on digital channels, fund videos were created and published on digital channels to diversify digital materials and better explain investment funds to the target investors. The automation process was enhanced by signing agreements with various fintech companies. TEB Asset Management's investment funds were promoted to customers via CEPTETEB Mobile App.

In 2022, TEB Asset Management will continue to work toward increased presence in digital and social media channels with content management, media planning, agency management, event management, optimized media relations and a renewed website.

TEB Yatırım Menkul Değerler A.Ş.: Having started its operations in 1996, TEB Investment performs the investment services and operations of the TEB Group as a "Broadly Authorized Brokerage House" and operates as an investment house licensed by the Capital Markets Board of Türkiye (CMB).

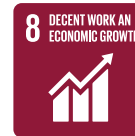
TEB Investment recognizes that digitalization, driven by technological trends, leads to changes in the structure of

the sector and ways of doing business. Accordingly, digital transformation projects were implemented in 2021 to create a customer experience supported by the effective use of technology and research, and to shape TEB Investment as a more efficient and more digital company. Working to offer innovative digital platforms to its customers, TEB Investment will introduce infrastructure innovations to accelerate new investment apps and service processes and to enhance customer experience in early 2022.

TEB ARF TEKNOLOJİ A.Ş.: TEB ARF Technology, launched in December 2020, designs and implements R&D and innovation projects for fintech. As of 2021, the company operates in the Technology Development Zones in Istanbul and Izmir with nearly 120 employees, focusing on research and development of digital technologies, advanced data analytics and artificial intelligence.

Aiming to transform meaningful outputs of data science into products and services, TEB ARF Technology continues to expand its AI and Data Science team in order to provide digital technology services, machine learning & artificial intelligence solutions, first for TEB and its affiliates, and ultimately for local and international businesses seeking fintech solutions.

8 HUMAN RIGHTS



TEB respects Human Rights in all its processes and relations with its stakeholders. The policies and practices in this field are diligently implemented in and outside the Bank. These activities also support United Nations Sustainable Development Goals SDG1 (No Poverty), SDG2 (Zero Hunger), SDG8 (Decent Work and Economic Growth) and SDG16 (Peace, Justice and Strong Institutions).

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Human Rights	Human Rights TEB bases all its processes and relations unconditionally on human rights and expects all its stakeholders to adopt the same approach.	<ul style="list-style-type: none"> Reputation damage (short) Customer data privacy breaches (short) Employee data privacy breaches (short) Subcontractor and supplier risks (short) Fines (short) 	<ul style="list-style-type: none"> Contribution to reputation (medium) Development of subcontractors and suppliers (medium) 	<ul style="list-style-type: none"> Ratio of employees receiving Human Rights training

HUMAN RIGHTS AT TEB

Human Rights Policy ^{3-3, 2-23}

TEB;

- recognizes its responsibilities for protecting fundamental human rights and promoting their importance, with the vision of being a leader in the Turkish Banking Sector. Its corporate values and ethical policies serve as the most important guides for the Bank.
- adopts the "OECD Guidelines for Multinational Enterprises" that include respecting fundamental human rights and guide TEB's responsible management approach.
- expects all its customers and suppliers to treat their employees, the society and other stakeholders rightfully and respectfully. Therefore, TEB does not take partake in any way of doing business that violates human rights, and manages related necessary processes diligently.

TEB upholds human rights in all business processes.

Human Rights Training

All TEB employees take general and responsibility-specific training programs on Human Rights. TEB employees also take e-training on Human Rights as part of the 'Behavior Journey and Code of Ethics' trainings. Nearly 99% of our employees have benefited from this content.

Security Officers play a critical role in terms of Human Rights. The security officers are employed by subcontractors, but they are within TEB's direct area of impact. Starting in 2023, all security staff, including those employed by TEB and subcontractors, will take Human Rights training. ⁴¹⁰⁻¹

Privacy of Personal Data

Personal data of employees is confidential and cannot be disclosed to anyone other than the authorities. Employees receive their personal information, marked with the label "private". The employees keep their "personal" data private to ensure no one has access to it and do not disclose such information to anyone. In cases where confidentiality of personal data is found to be violated, a disciplinary action is imposed.

- Pursuant to the principle of confidentiality regarding salaries, screens or payrolls must not be used to access other people's salaries, bonuses, etc.
- Performance score and performance increase date cannot be queried.
- People who have access to personal information such as salary, performance and health conditions of other employees due to their positions must take utmost care to keep such information confidential.

Privacy of Personal Data

Protection of personal data is specifically addressed from two angles: employees' personal data and customers' personal data.

Privacy of Employee Data

The personal data of our employees is protected in the relevant internal procedures of TEB in addition to the applicable laws and regulations. TEB discloses its data privacy approach transparently to all stakeholders on the corporate website.

Orange Day

To mark the International Day to End the Violence Against Women (Orange Day), the head office building was lit up in orange. The action was posted to social media and shared with employees.





Privacy of Customer Data

The employees are required to strictly comply with the professional confidentiality principles stipulated by law. Accordingly, all employees are obligated not to disclose any information related to the customers, activities and transactions of the TEB Group companies to anyone other than the legal authorities and authorized employees, which are expressly specified in the laws. TEB's Code of Ethics stipulates that no information that the employees learn about customers and group companies due to their duties can be disclosed to anyone other than the legal authorities and authorized employees. The Implementation Guidelines for Disclosing Information to External Persons and Organizations address the principles regarding protection of customer data in detail.

HUMAN RIGHTS AT STAKEHOLDERS

TEB promotes an approach that respects Human Rights in its external stakeholders, who are directly or indirectly affected by the Bank's activities. The general practices on this subject are addressed in more detail in the "Ethics of the Highest Standard" section of this report.

Human Rights in Financing and Investment Activities

TEB regularly addresses compliance with national and international legislation and ethical values in all its processes starting from customer acquisition. The relevant policies, drafted in alignment with national and international laws and the policies of BNP Paribas Group, specify various sensitive sectors and impose certain limitations in terms of working with and extending loans to companies operating in these sectors. Companies operating in various industries are assessed for their human rights practices and employee rights, as well as the impact of their activities on the local people and the environment. The results of these assessments are considered in customer acquisition and credit decisions.

Human Rights at TEB's Subcontractors

TEB encourages, oversees and imposes sanctions, when needed, on the proper implementation of human rights in its subcontractors. In accordance with current working conditions and regulations, the following clauses are included in the subcontractor agreements. Accordingly, all TEB subcontractors agree, declare and undertake that:

- they will not adopt a recruitment and employment policy, which discriminates against religion, skin color, gender, language, political views or other opinions, nationality or ethnicity, or economic status, prevents or eliminates or targets to eliminate equal treatment of their employees, pursuant to the prohibition of discrimination regulated in Article 14 of the European Convention on Human Rights, Article 10 of the Constitution of the Republic of Türkiye regulating equality before the law, and Article 122 of the Turkish Penal Code No. 5237,
- they will not impose forced labor or bad working conditions on any of their employees,
- they will take all necessary measures for compliance with international human rights and democratization principles,
- they will only employ children and young workers in accordance with Labor Law No. 4857, Regulation on the Procedures and Principles of Employment of Children and Young Persons, Social Insurance and Universal Health Insurance Law No. 5510, and all other applicable legislation, and
- they will fully meet all legal labor payments and rights arising from such legislation, and they will comply with the current Labor Law and legislation as well as International Labor Organization's principles on minimum working age and child labor, freedom to unionize, freedom of assembly and organization, forced labor, gender equality in respect of employment, discrimination at work, working hours and minimum wage.

Human Rights at Suppliers

The agreements signed with the suppliers before entering a commercial relationship include various provisions on human rights, occupational health and environment. Accordingly, the suppliers agree and declare that they will:

- not tolerate any discrimination,
- not impose forced labor or bad working conditions on their employees,
- take all necessary measures related to occupational health and safety,
- comply with the applicable Labor and Social Insurance laws and regulations in Türkiye,
- adhere to the principles declared by the International Labor Organization,

- work to ensure environmental compliance, and
- establish programs to recycle products and services.

Regarding service providers, submitting full documentation related to Occupational Health and Safety, conducting environmental management awareness training and having the relevant certification are key factors that influence the supplier selection decisions positively.

Supplier Performance Assessments are conducted annually and different sanctions are imposed on suppliers who are found to be non-compliant, such as failing to comply with code of ethics.

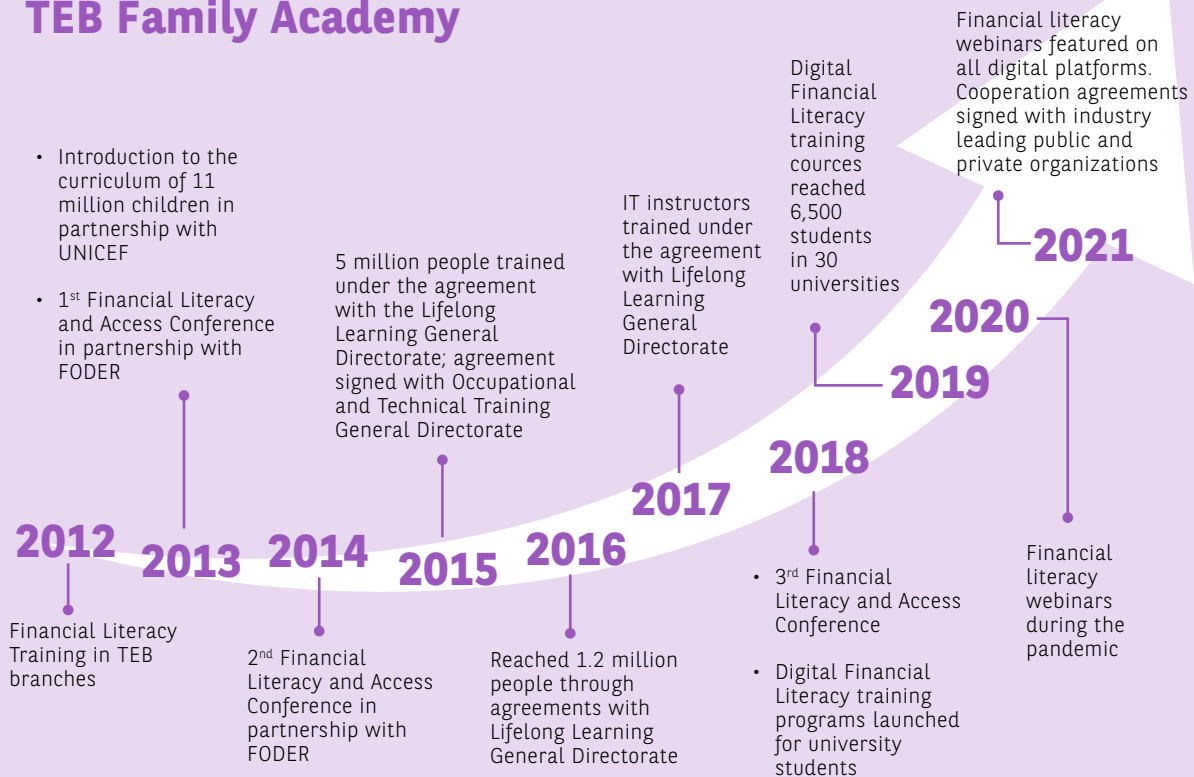
9 COMMUNITY ENGAGEMENT ACTIVITIES



TEB's Community Engagement Activities serve multiple goals, starting with efforts in its own area of impact and expertise to serve the social needs. During these activities, TEB also encourages the individual and voluntary participation of the employees, who contribute to the efforts and enrich them. These activities also support United Nations Sustainable Development Goals SDG1 (No Poverty), SDG2 (Zero Hunger), SDG4 (Quality Education), SDG5 (Gender Equality), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure), SDG10 (Reduced Inequalities) and SDG17 (Partnerships for the Goals).³⁻³

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Community Engagement Activities	TEB takes actions within its area of impact to meet the needs of its communities.	<ul style="list-style-type: none"> • Reputation damage (short) • Employee health and safety risk (short) • Fines (short) 	<ul style="list-style-type: none"> • Contribution to reputation (medium) • Contribution to employee satisfaction (medium) 	<ul style="list-style-type: none"> • Number of people receiving financial literacy training

TEB Family Academy



FINANCIAL LITERACY

TEB launched the TEB Family Academy as a product of its responsible banking approach in 2012 with the slogan, "Economy Starts in the Family," and implemented several projects. The Family Academy aims to elevate the level of financial literacy in the community and spread it across the base, contribute to sustainable economic growth and raise a financially literate generation. These objectives have formed the focus of the systems and training programs and more than 20 million people have taken these sources to date.

TEB Family Academy's free financial literacy training, designed for diverse groups including youth, women, workers, entrepreneurs and retirees, is available to all individuals. TEB Family Academy offers basic training on topics such as savings, budget management, proper use of loans and credit cards, evaluating and planning investments, risk perception, information on financial rights and obligations, raising financial literacy awareness and achieving income-expense balance.

In 2021, TEB, preparing for the post-pandemic era, continued to deliver training programs on financial

literacy, access to finance and improving saving habits mostly online. In this period, eight diverse industries, nearly 50 organizations and more 10 thousand individuals benefited from 150 sessions of financial literacy training. These organizations included deep-rooted companies, logistics companies, educational institutions and one of Türkiye's largest e-commerce companies along with retail chains.

Financial Literacy and Access Index

TEB has partnered with Boğaziçi University Analytics and Insights Research Center since 2013 to achieve a society with high financial awareness, determine the level of financial literacy across the country and measure this level periodically by measuring the Financial Literacy and Access Index. In 2020, the financial consequences of the pandemic and the changes it brought about along with digital finance topic were included in the research. The results showed differences in the digitalization of individuals, their savings methods and the reasons for savings due to the pandemic.

Since 2020, face-to-face sessions have been suspended due to the pandemic and training has been moved to digital platforms. Studies on financial literacy indicate that financial access score has increased permanently,

regardless of the pandemic. Furthermore, improved access to banking products in Türkiye with easier and user-friendly apps contributes to digital access.

According to 2020 data, the Financial Literacy Index of consumers was calculated as 60.8. Compared to 59.8 in 2013, this marks a significant leap in financial literacy in recent years for a country.

- In terms of financial literacy by demographic attributes, the advantaged group consisted of mostly men, single, in the 25-44 age group, highly educated, with high income and socio-economic status, and mostly business owners, managers, working retirees, non-managerial civil servants/technical staff/experts, single-workers, salaried and freelance experts (lawyers, doctors, architects, engineers, etc.).

UN SDG		TARGET	
	End poverty in all its forms everywhere	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2.3	By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
		4.5	By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
	Achieve gender equality and empower all women and girls	5.a	Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws
		5.b	Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
		8.10	Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.3	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets
	Reduce inequality within and among countries	10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

- Conversely, the disadvantaged group in terms of financial literacy consisted of mostly women, married, over 55 years of age, individuals with relatively low education, income and socio-economic status, and typically the unemployed, housewives, students and farmers.

According to 2020 data, Financial Access Index was calculated as 45.9 for Türkiye, demonstrating a significant increase compared to 31.5 in 2013.

In training programs, we prioritize underserved groups. In particular, training programs for women who are trying to create their own brands or who are at the beginning of their entrepreneurial journey were included in this framework. Another focus has been university students. During the pandemic, financial literacy training sessions were held online in cooperation with finance clubs at universities.

Financial literacy directly affects financial inclusion. Individuals who receive training and have knowledge on financial issues access and utilize financial more easily. Therefore, TEB Family Academy is an initiative that contributes to multiple Sustainable Development Goals, supports various stakeholders economically and socially, and has a very wide area of impact.

SOCIAL RESPONSIBILITY ACTIVITIES

TEB Sports Academy

TEB organizes internal events under the umbrella of TEB Sports Academy with the aim of promoting employee well-being, reinforcing team spirit and “we” awareness, strengthening the employees’ sense of belonging with the company, and creating social and civic benefits as part of its social responsibility approach. For the same purposes, employees are encouraged to participate in external sports events and the Bank’s teams to represent TEB.

TEV-Mentor Program

TEB volunteers meet once a month within the scope of the TEV-Mentor Program to provide career mentoring to high school and university students on TEV scholarships. The objective of the program is to support university students in starting their careers one step ahead.

Run for Good

In 2021, 23 TEB volunteers ran the Istanbul Marathon, raising donations for the “A Child Changes, Türkiye Develops” project. The donations that the volunteers raised on behalf of TEGV cover the annual education expenses of several students who have difficulty accessing education.

TEGV - Education Volunteers Program

In this program, TEB volunteers provided educational support to underserved primary school children on six topics: Science, Mathematics, Art, Coding, Reading, and Writing.



SPONSORSHIPS AND DONATIONS

Tennis

TEB, empowered by its strategic partner BNP Paribas, the 'world's leading tennis supporter' with over 40 years of experience in this field, has focused on this sport and its development in Türkiye since 2011. TEB has succeeded in cementing the image "We are Tennis" with the investments made in this sport to date. The international tournaments organized with TEB as sponsor help to elevate Türkiye's brand value as well. Therefore TEB regards investing in tennis as an investment in the future of the country, and continues to work toward promoting tennis across a wider audience and further developing this sport in Türkiye.

Financial Literacy

Acquiring financial awareness is key for sustainable growth. Therefore, TEB strives to elevate financial literacy and spread an awareness of savings across the society. Within this scope, TEB launched the TEB Family Academy in 2012 to provide free financial literacy training to all. TEB runs a number of projects and partners with various institutions and organizations to bring financial literacy awareness and savings habit to all corners of Türkiye. In addition to Family Academy, TEB is also a sponsor of the Financial Literacy and Access Summit.

Innovation

TEB is among the sector's most entrepreneurial and innovative banks as it continues to take important steps to develop and spread innovation on different platforms within the organization and across the country. Aiming to support the country in transitioning to an economic model that creates technology and added value, TEB works to strengthen an innovation-driven entrepreneurship ecosystem. TEB encourages all and especially the youth for innovation and entrepreneurship to ensure that the community embraces a culture of innovation and considers it as a foundation of a new economic model in Türkiye, supporting them in their endeavors.

Donations

TEB makes donations in cash and in kind for various causes. More information about TEB's donations is provided in the Annual Reports.

(<https://www.teb.com.tr/about-teb/annual-reports/>)





A silhouette of a person standing in a field, looking out over a landscape under a warm, orange-hued sky, suggesting a sunset or sunrise. The person is on the left side of the frame, facing right.

ENVIRONMENTAL RESPONSIBILITY

PROMOTING CLIENT BUSINESS
MODELS RESPECTFUL OF THE
ENVIRONMENT

REDUCING THE ENVIRONMENTAL
IMPACT OF OPERATIONS

ADVANCING ENVIRONMENTAL
AWARENESS

ENVIRONMENTAL RESPONSIBILITY

TEB recognizes its environmental responsibility as part of the financial services it provides. Customers constitute the primary and widest area of impact. Therefore, the Bank offers products and services that will support the environmental transformation of its customers. In doing so, TEB remains focused on reducing the direct environmental impact of its own operations and improving environmental awareness in all its stakeholders.

Environmental responsibility is addressed under three main headings:



Promoting Client Business Models Respectful of the Environment



Reducing the Environmental Impact of Operations



Advancing Environmental Awareness

TEB Environmental Responsibility Policy

For TEB, environmental responsibility involves taking responsibility for future generations as well. Raising environmental awareness by supporting corrective and preventive actions for a sustainable society and environment is among the Bank's highest priorities.

Aiming to minimize its environmental impact and conduct its operations effectively, TEB:

- makes managerial and operational decisions by considering its environmental impact and executes business processes accordingly.
- uses new technologies to utilize natural resources efficiently, sets up necessary systems and raises awareness to minimize electricity, water and paper consumption throughout its branch network.
- aims to establish required systems to dispose of and reuse wastes without harming the environment.
- aims to contribute to environmental sustainability efforts by promoting environmentally-friendly products and services.
- strives to raise environmental awareness among the employees and other stakeholders, promoting environmentally responsible behaviors.
- complies with all applicable environmental laws and regulations, outperforming their requirements to be an exemplary bank for society.
- regularly reviews and improves its environmental performance.

10 PROMOTING CLIENT BUSINESS MODELS RESPECTFUL OF THE ENVIRONMENT



TEB integrates its environmental responsibility into the design process of its products and services, and works to encourage the customers to embrace a more environmentally friendly approach and transition to a lower carbon economy. As a financial institution, TEB's greatest contribution to environmental protection is to promote and facilitate the transition of its customers to environmentally friendly business models. These activities also support United Nations Sustainable Development Goals SDG7 (Affordable and Clean Energy), SDG9 (Industry, Innovation and Infrastructure), SDG11 (Sustainable Cities and Communities) and SDG13 (Climate Action).³⁻³

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Promoting Client Business Models Respectful of the Environment	TEB offers products and services that support the environmental transformation of its clients.	<ul style="list-style-type: none"> Market loss (medium) Reputation damage (medium) Credit Risk (medium) 	<ul style="list-style-type: none"> New customer acquisition (short) Contribution to economic development (medium-long) Mitigating customer risks (medium-long) Reducing financing costs (short) 	<ul style="list-style-type: none"> Number of events organized to inform customers

TEB'S APPROACH TO ENVIRONMENTAL TRANSFORMATION AT CLIENTS

TEB considers the needs of its clients in managing climate change and other environmental impacts properly. The regulations passed in the European Union and our country are putting higher pressure on organizations. Aligning the business with the environment, modernizing it or installing a waste system could be a very costly process. TEB developed its Energy Efficiency and Renewable Energy Policies to respond to these needs and disclosed them transparently:

Energy Efficiency Policy

TEB's Energy Efficiency Policy provides a general framework that aligns with the Bank's economic responsibility and saving activities approach. The policy has four objectives:

- to support the customers in all operational efforts that provide access to modern, economic and efficient energy sources.*
- to help customers develop their energy efficiency solutions that are socially, economically and environmentally sustainable.*
- to measure and monitor the carbon footprint of the Bank's operations.*
- to instill energy savings awareness among TEB employees and the supply chain.*

Renewable Energy Policy

The objective of TEB's Renewable Energy Policy is to increase the use of renewable energy sources such as solar, wind, small-scale hydro and bio-energy. The Renewable Energy Policy should be considered together with TEB's energy efficiency policy.

The policy focuses primarily on the following topics:

- *supporting Research and Development (R&D) projects and university collaborations.*
- *green building financing.*
- *designing branch offices with lower environmental impact.*
- *promoting the production of biogas in the agricultural sector with the help of consultancy, expertise and funding.*

GREEN PRODUCTS

Aiming to create "positive impact" by considering environmental and social responsibilities in the services offered to the customers, TEB develops sustainable products and services that raise awareness. The evaluations within the scope of the CSR policy contribute to increasing the environmental awareness of customers. Regular interim evaluations and their results are used to inform customers about current practices and latest developments.

In particular, major projects are already financed with products designed for circular economy, energy efficiency and environmentally friendly projects or operating capital needs of corporate customers. Some of these projects include:

- USD 60 million loan in cooperation with BNP Paribas for the production of electric vehicles and batteries.
- Euro 31 million loan for financing solar panels.
- USD 25 million cash loan for the construction of wind turbines.
- USD 14 million bid bond for a ship platform that builds wind turbines.
- USD 5 million loan for the increase in solar panel capacity.
- TL 6.9 million loan for the purchase of EURO6 certified buses.
- USD 2 million loan for financing of rooftop solar panels.

Environmental Training Provided to TEB's Stakeholders

TEB provides training for its employees and customers to raise awareness among internal and external stakeholders and to help them gain knowledge and competencies. The training topics include:

- Positive Banking
- Green Products
- Circular Economy

Contribution to National Practices and Regulations

Sustainability Guide: TEB actively participated in the revision of the 'Sustainability Guide for the Banking Sector' prepared by the Banks Association of Türkiye and contributed to the development of the guide in cooperation with other banks.

TBB Working Groups: TEB actively participates in the studies carried out by the Banks Association of Türkiye and the Banking Regulation and Supervision Agency for the transition to a green economy and contributes to the implementation of guiding practices in the sectors.

Sustainability Linked Loan Agreements

- *In 2019, TEB intermediated a Sustainability Linked Loan between BNP Paribas and the largest Turkish GSM operator, marking a first in the Turkish corporate loan market. In 2021, the amount of this Euro 50 million loan was increased to Euro 70 million. The company, aiming to meet 100% of its electricity consumption from its own renewable energy sources by 2030 and achieve net zero by 2050, revised its loan utilization targets based on its 2030 and 2050 commitments.*
- *In 2021, we marked another first in the financial markets in terms of sustainability by intermediating a Sustainability Linked Loan for a local energy company in Türkiye. The aim of the Euro 650 million loan, granted with 6 other banks, is to significantly increase the share of the said company's renewable energy investment and to reach the best global standards in gender equality.*

11

REDUCING THE ENVIRONMENTAL IMPACT OF OPERATIONS



TEB needs to use energy efficiently and manage its waste with an environmentally friendly approach to reduce the direct environmental impact of its operations. These activities also contribute to United Nations Sustainable Development Goals SDG9 (Industry, Innovation and Infrastructure), SDG11 (Sustainable Cities and Communities), SDG12 (Responsible Production and Consumption) and SDG13 (Climate Action).

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Reducing the Environmental Impact of Operations	TEB constantly strives to reduce the direct environmental impact of its operations.	<ul style="list-style-type: none"> Reputation damage (medium) Fines (medium) 	<ul style="list-style-type: none"> Employee Satisfaction (medium) Reducing expenses (short) 	<ul style="list-style-type: none"> CO₂ emissions per employee Water consumption per employee Quantity of paper purchased per employee Ratio of sustainability certified paper purchased Ratio of branches with LED transformation Ratio of branches undergoing energy transformation

ENERGY EFFICIENCY 3-3, 302-1, 302-3, 302-4

Most of TEB's direct energy consumption is the result of the electricity used in its offices and servers in buildings. Therefore, energy efficiency efforts mostly concentrate on reducing electricity consumption. The total direct energy consumption of TEB in the reporting period is detailed in the following tables:

TEB Energy Consumption (MWh)	2019	2020	2021
Internal Energy Consumption (Ümraniye + Dudullu + Branches + ATMs)			
Natural Gas	16,084	17,779	16,436
Electricity	45,932	44,936	42,647
Diesel	1,846	1,475	881
External Energy Consumption	19,030	13,693	15,374
Gasoline	1,343	749	467
Diesel	17,687	12,944	14,907
Total Energy Consumption	82,892	77,883	75,338

Internal Energy Consumption per Employee (MWh)	2019	2020	2021
Internal Energy Consumption (MWh)	63,862	64,190	59,964
Consumption per Person (MWh) - (Energy Consumption/Average Number of Employees)	6.93	7.21	6.88

LED Transformation Project

Since 2014, the Bank has converted to energy-efficient LED luminaires in all renovated branches, with nearly half already using these fixtures. As result, the lighting fixtures deliver 10% savings in energy consumption.

Digital Energy Monitoring Project

The objective of this project is to develop savings measures by monitoring and measuring the energy consumption of the branches remotely and to inform the branches about how they can save. Nearly half of the branches use Digital Energy Infrastructure technology to measure their energy consumption, comfortable temperature levels and energy quality, and have an early warning system. As a result, nearly 300 branches save 3% in energy consumption.

The sunrise and sunset times are calculated automatically according to the latitude and longitude of the location using an astronomical time relay in the branches to utilize optimal daylight on weekdays. Furthermore, lighting and mechanical systems are shut down in the off days, improving efficiency in energy consumption.

Environmental Sustainability in Information Technologies

As our banking processes and the digital needs of our customers increase, so does the footprint of our IT systems. We have introduced various internal governance processes to both keep this increase under control and ensure that it is manageable. Our goals include ensuring that our systems are efficient, up-to-date and able to adapt to new technologies. Similarly, we strive to improve the efficiency of our energy and data centers, ensuring continuous control through monitoring systems. IT teams are also encouraged to gain higher awareness.

CO₂ Emissions 305-1, 305-2, 305-4, 305-5

CO ₂ Emissions (ton)	2019	2020	2021
Electricity	19,750	19,321	18,337
Natural gas	3,215	3,553	3,285
Diesel	392	313	187
Gasoline (Fleet)	357	199	124
Diesel (Fleet)	3,894	2,751	3,169
Total	27,608	26,137	25,102

Low-Carbon Electricity Use

In the last quarter of 2021, I-REC certification has been initiated.³⁰²⁻¹ 1,935 tons of CO₂ emissions have been offset for 4,500,000 kW. The Bank intends to increase this figure further in 2022. The electronic and mechanical improvements made in the Ümraniye, Dudullu and Gayrettepe Head Office buildings have resulted in saving of 63,331 kW (27 tons of CO₂) in electricity consumption and 53,076 m³ (113 tons of CO₂) in natural gas consumption in 2021.

Environmental Impact Metrics	2018	2019	2020
CO ₂ Emissions per Employee (t CO ₂ /FTE)	3.25	3.25	3.09
Purchased paper per employee (kg/FTE)	103.93	95.60	75.25

CO₂ emissions per employee are calculated by measuring the energy consumed in buildings (electricity, natural gas and diesel) and the energy used by employees in business travel (gasoline and diesel).

WASTE MANAGEMENT 3-3, 306-1, 306-2, 306-5

A significant part of the waste generated at TEB is due to consumption of office supplies. The objective of the Bank's waste management is to generate as little waste as possible, recycle the amount of waste generated or dispose of them through specialized companies to minimize environmental impact. The wastes collected in the Head

Office buildings are delivered to the Ümraniye and Beşiktaş municipalities in İstanbul for recycling.

Paper Consumption and Paper Waste

Paper is the most important consumption item and waste in the Bank's daily processes. The digitalization efforts in the banking sector, and simplifying and moving many processes to the electronic medium with applications such as Registered Email systems (KEP), paper consumption at TEB has decreased significantly.

The paper documents that have expired in TEB archives are donated to TEMA for recycling, and the proceeds contribute to afforestation. To ensure compliance with the legislation and regulations, documentation of the recycling facilities that TEMA uses are checked and on-site inspections are conducted. Paper waste generated in the Head Office buildings and branches is collected separately from other waste. After the papers are shredded, they are donated to NGOs for recycling or delivered to the relevant municipalities.

To reduce paper consumption:

- Non-print documents are stored electronically in Bank systems (such as TEBFlow) without printing them out and the process continues with digital document approval (an annual impact of 50 million pages). These documents can be shown to the customer whenever they want.
- Multifunctional printers are used in branches. With a default setting of double-sided printing, less paper is consumed.
- A hybrid model is used for documents that require a physical signature; a single page is printed and the other pages are digitally approved.

The Bank delivers all paper waste to recycling facilities. Nearly 30% of the paper purchased is FSC certified:

Paper Waste	2019	2020	2021
Total paper waste (tons)	365	279	309
Paper waste delivered for recycling (tons)	365	279	309

Purchased Paper	2019	2020	2021
Head Office, Dudullu and Branches (tons)	856	666	489
FSC-certified Paper (%)	46	29	31

Other Wastes

Other wastes originating from offices and cafeterias are collected and delivered to licensed companies for recycling or environmentally friendly disposal. The wastes in this scope are shown in the table below:

Recycled/Environmentally Disposed Wastes	2019	2020	2021
Fluorescent Bulbs (kg)	0	620	0
Waste Oil (liters)	1,360	2,530	3,228
Waste Batteries (kg)	0	110	35

Note: Fluorescent bulbs and battery wastes are delivered for recycling when they reach a certain quantity; therefore collection activities continued in 2019.

Technically, we are not able to measure waste generated outside of recycling. These wastes are collected by local municipalities.

Plastic Cup Elimination Project

The plastic cups used in the Head Office and branches have been replaced with cardboard cups, resulting in saving an average of 12 tons of plastic waste per year.

Blue Bottle Cap Campaign

The blue caps collected at the Head Office and Regional Offices are delivered to Ataşehir Municipality to purchase wheelchairs for people in need. As of year-end 2021, 12 wheelchairs have been delivered to their new owners by collecting 250 kg of bottle caps for one wheelchair.

Environmental Sensibility in Constructions

TEB does not own a property or real estate that may have an impact on biodiversity. In all expert reports prepared for the Bank regarding a property, the zoning file and zoning plan in the municipalities are examined. If zoning plan or zoning file includes a legal decision or correspondence regarding environmental impact, this is stated in the expert report. TEB makes decisions accordingly.

TEB does its utmost to use materials that do not harm the environment, are recyclable, known for their first-

class efficiency and superior quality in its constructions. By doing so, the products are used until the end of their economic life, and then delivered to recycling companies.

SWATER CONSUMPTION ^{303-1, 303-3}

No other source of water is used in our buildings other than municipal water. Photocell faucets have been installed in Ümraniye and Dudullu Head Office buildings.

TEB Water Consumption (m³)	2019	2020	2021
Head Office and Dudullu	46,230	28,458	24,298
Branches	64,705	71,093	62,083
Total	110,935	99,551	86,381

In the reporting period, no fines have been imposed on TEB for non-compliance with environmental laws and/or regulations.³⁰⁷⁻¹

12 ADVANCING ENVIRONMENTAL AWARENESS



TEB organizes various activities to promote and raise environmental awareness and to better inform all its stakeholders about best practices. These activities also contribute to United Nations Sustainable Development Goals SDG13 (Climate Action) and SDG 17 (Partnerships for the Goals).³⁻³

MATERIAL TOPIC	DESCRIPTION	RISKS (TERM)	OPPORTUNITIES (TERM)	METRICS
Advancing Environmental Awareness	TEB constantly strives to reduce the direct environmental impact of its operations.	<ul style="list-style-type: none"> Reputation loss (medium) 	<ul style="list-style-type: none"> Employee satisfaction (medium) Environmental awareness among stakeholders (medium) 	<ul style="list-style-type: none"> Number of saplings planted

TEB EMPLOYEES AND ENVIRONMENTAL AWARENESS

The stakeholder group that TEB can reach most quickly and effectively is its own employees. With nearly 10,000 direct and indirect employees, this group also makes up a significant audience with the addition of their families and close circles. Therefore, Environmental Awareness activities are generally shaped around the employees. Some of the activities include the following:

- **Earth Hour Event:** The lights of the Head Office buildings are turned off for one hour and an awareness message is delivered to the employees about the event.
- **World Water Day:** Announcements to promote the day are communicated to the employees.
- **TEB Innovation Day and TEB Supplier Awards:** The agenda of these events include topics to raise awareness.

- **Awareness Announcements:** Various announcements are shared with the employees to address climate change and sustainability. The announcements in 2021 were on the following topics.

- Waste Management
- World Water Day
- Earth Hour
- Sustainable Finance
- Water Footprint
- Turning Blue Caps into Wheelchairs
- Climate Change
- Responsible Water Consumption at TEB

As part of the Bank's Training and Development strategies and targets, the following actions were taken in the reporting period;

- The virtual Environmental Training launched in 2020 marked another step to raise awareness among all our employees.
- As of 2021, Environmental and Waste Management training has been made available to all employees as

Positive Impact for a Better Future

TEB supported the #EarthHour awareness movement organized with the theme of "#TogetherPossible to Stop Climate Change" by symbolically turning off the non-security lighting in our Head Office buildings for one hour.

#PositiveImpact for a Better Future





part of our sustainability efforts. In 2021, 48% of our total employees completed the relevant training.

- Training programs titled Circular Economy, Positive Banking, and ESG were taken by 91% of our Corporate Banking employees within the target audience.
- Green Deal training was delivered to 92% of our target audience consisting of Corporate Banking and SME Banking employees.

CUSTOMERS AND ENVIRONMENTAL AWARENESS

TEB My Tree Project

With TEB's My Tree project, the contributions of customers, who use CEPTETEB online banking instead of visiting a branch, and thereby reduce carbon emissions are supported. As part of this project, TEB donates a sapling to the TEMA Foundation on behalf of the customer when the amount of carbon emissions prevented by the use of online banking reaches a level to save a tree. To date, TEB My Tree has enabled more than 50 thousand saplings to be planted on behalf of the customers.

Corporate Banking Practices

TEB engages in a variety of activities to offer awareness raising and sustainability-focused products and services in line with its goal of creating "positive impact" by incorporating environmental and social responsibilities into its services. Accordingly, assessments within the scope of the CSR policy contribute to raising environmental awareness among customers while the regular interim assessments are used to inform the customers about the latest practices and developments. The Bank also assesses compliance with the Equator Principles when specific

criteria are met in project finance loans. Sustainability topic, which includes environmental awareness, is also covered in customer communications and events.

SUPPLIERS AND ENVIRONMENTAL AWARENESS

TEB prepares various Environmental Reports every year starting with paper use and travel information. These reporting activities contribute to increased awareness for suppliers that provide such products and services.

Within the scope of environmental reporting, paper suppliers are asked to provide total weight of paper and paper-containing products procured from them and how much of this tonnage is labeled/certified as sustainable.

As part of the environmental reports, the ticketing agencies are also asked to provide information on long and short distance flights to measure carbon emissions, and car rental companies to provide mileage information on diesel and gasoline consumption. The mileage that the employees make with their own vehicles during business trips is also recorded in the system and included in the reports.



GRI CONTENT

INDEX

GRI CONTENT INDEX



CONTENT INDEX
ESSENTIALS SERVICE

2024

Türk Ekonomi Bankası A.Ş. has reported in accordance with the GRI Standards for the period from January 1, 2020 to December 31, 2021. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is presented clearly and in a manner consistent with the standards and that the references for disclosures are aligned with the appropriate sections of the report. An industry standard has not been used. The service was received for the report's Turkish version (Turkish GRI Content Index).

GRI STANDARD	DISCLOSURE	PAGE/LINK/DIRECT ANSWER	OMISSIONS
GRI 2: General Disclosures 2021	1) The organization and its reporting practices		
	2-1 Organizational details	5,10, 99	
	2-2 Entities included in the organization's sustainability reporting	11, The sustainability report includes the performance of Türk Ekonomi Bankası A.Ş.	
	2-3 Reporting period, frequency and contact point	5, 99	
	2-4 Restatements of information	There are no restatements.	
	2-5 External assurance	No external assurance was taken for the sustainability report.	
	2) Activities and workers		
	2-6 Activities, value chain and other business relationships	10, 45	
	2-7 Employees	51	
	2-8 Workers who are not employees	51	
	3) Governance		
	2-9 Governance structure and composition	14	
	2-10 Nomination and selection of the highest governance body	14	
	2-11 Chair of the highest governance body	14	
	2-12 Role of the highest governance body in overseeing the management of impacts	14, 24	
	2-13 Delegation of responsibility of managing impacts	24	
	2-14 Role of the highest governance body in sustainability reporting	24	
	2-15 Conflicts of interest	40	
	2-16 Communication of critical concerns	24	
	2-17 Collective knowledge of the highest governance body	24, Briefings are conducted whenever needed	
	2-18 Evaluation of the performance of the highest governance body	14	
	2-19 Remuneration policies	16	
	2-20 Process to determine remuneration	16	
	2-21 Annual total compensation ratio		Confidentiality constraints: No declaration is made on this subject due to confidentiality of personal data.
	4) Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	8	
	2-23 Policy commitments	21, 75	
	2-24 Embedding policy commitments	21, 24	
	2-25 Processes to remediate negative impacts	38, 40	
	2-26 Mechanism for seeking advice and raising concerns	38	
	2-27 Compliance with laws and regulations	38	
	2-28 Membership associations	19	
	5) Stakeholder engagement		
	2-29 Approach to stakeholder engagement	25, 42, 61	
	2-30 Collective bargaining agreements	56	

GRI STANDARD	DISCLOSURE		PAGE/LINK/DIRECT ANSWER
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	27
	3-2	List of material topics	27
Investments and Financing with a Positive Impact			
GRI 3: Material Topics 2021	3-3	Management of material topics	33
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	34, 34
	203-2	Significant indirect economic impacts	33
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	10
	201-4	Financial assistance received from government	No financial assistance was received from the government in the reporting period.
Ethics of the Highest Standard			
GRI 3: Material Topics 2021	3-3	Management of material topics	38
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	39
	205-2	Communication and training about anti-corruption policies and procedures	39
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	39
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	42
Systematic Integration of Environmental, Social and Governance Risks			
GRI 3: Material Topics 2021	3-3	Management of material topics	43
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	44
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	44
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44, 57
GRI 413 Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	44
Diversity and Equal Rights in the Workplace			
GRI 3: Material Topics 2021	3-3	Management of material topics	49
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	49
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	49
	202-2	Proportion of senior management hired from the local community	100% of the General Manager and Assistant General Managers are citizens of the Turkish Republic.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	49
	405-2	Ratio of basic salary and remuneration of women to men	49
GRI 401: Employment 2016	401-3	Parental leave	50
A Good Place to Work and Responsible Employment Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	51
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	53
	401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	56

GRI STANDARD	DISCLOSURE		PAGE/LINK/DIRECT ANSWER
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	56
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	57
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	57
	403-2	Hazard identification, risk assessment, and incident investigation	58, 59
	403-3	Occupational health services	57
	403-4	Worker participation, consultation, and communication on occupational health and safety	58
	403-5	Worker training on occupational health and safety	60
	403-6	Promotion of worker health	57
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44, 57
	403-8	Workers covered by an occupational health and safety management system	57
	403-9	Work-related injuries	59
	403-10	Work-related ill health	59
Continuous Development and Dynamic Career Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	62
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	64, There are no training programs specifically designed for employees who leave the organization
	404-2	Programs for upgrading employee skills and transition assistance programs	62
	404-3	Percentage of employees receiving regular performance and career development reviews	63
Responsibility in Access to Products and Services			
GRI 3: Material Topics 2021	3-3	Management of material topics	69
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	70
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	69
Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	75
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	75
Community Engagement Activities			
GRI 3: Material Topics 2021	3-3	Management of material topics	77
GRI 415: Public Policy 2016	415-1	Political contributions	There have been no political contributions.
Promoting Client Business Models Respectful of the Environment			
GRI 3: Material Topics 2021	3-3	Management of material topics	85
Reducing the Environmental Impact of Operations			
GRI 3: Material Topics 2021	3-3	Management of material topics	87, 88
GRI 302: Energy 2016	302-1	Energy consumption within the organization	87, 88
	302-3	Energy intensity	87
	302-4	Reduction of energy consumption	87

GRI STANDARD	DISCLOSURE		PAGE/LINK/DIRECT ANSWER
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	88
	305-2	Energy indirect (Scope 2) GHG emissions	88
	305-4	GHG emissions intensity	88
	305-5	Reduction of GHG emissions	88
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	88
	306-2	Management of significant waste-related impacts	88
	306-5	Waste directed to disposal	88
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	89
	303-2	Management of water discharge-related impacts	Wastewater is discharged directly into the sewage system.
	303-3	Water withdrawal	89
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	We do not operate in protected or highly biodiverse areas, or in close proximity to them.
	304-3	Habitats protected or restored	There are no habitats protected or restored.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	There are no species in this scope affected by our operations
Advancing Environmental Awareness			
GRI 3: Material Topics 2021	3-3	Management of material topics	90

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