

## I. OBJECTIVE AND SCOPE

İşbank (the Bank), which was established in 1924 with the aim to support the economic development of Turkish Republic, has acted with social responsibility awareness since the date of its foundation and undertaken the mission of leaving a habitable world to future generations, by taking into account the public interest in performing its activities. With this awareness, supporting economic development by taking into account its environmental, social and governance dimensions has always been among the priorities of the Bank. The sustainability policies set forth the founding principles and basics with regard to preventing or minimizing the negative environmental and social impacts as well as maximizing the positive impacts of the business and other activities of both the Bank and its clients.

The following policies complement the Sustainability Policy.

1. Environmental and Social Impact Policy
2. Human Rights and Human Resources Policy
3. Anti-Bribery and Anti-Corruption Policy
4. Gifts and Hospitality Policy

## II. FOUNDING PRINCIPLES

The Bank has adopted the following principles regarding sustainability:

1. Monitors and manages the environmental and social impacts of the activities performed.
2. By playing an active role in transition to a low-carbon economy, responds to the changing demands of public on the axis of sustainability in new product and service development processes.
3. Takes into account the effects of climate change as well as climate-related risks and opportunities, and contributes to the global fight against climate change with its responsible banking activities.
4. Aims to create a contemporary work environment, where human rights are respected and social justice and working rights are improved continuously, and by this means to increase the awareness and consciousness of its stakeholders.
5. Refuses all kinds of discrimination which violate the principle of equal opportunity, differentiate, exclude or select people on the basis of gender, religion, political opinion, race, origin, sect or any belief, sexual orientation preference, mental or physical disability, age, cultural/social class and view/opinion differences and, aims to eliminate inequalities. It regards diversity in work force as one of the main components of its intellectual capital.
6. Respects the right to unionization and collective bargaining and plays a pioneering role in making the use of this right widespread.
7. In the framework of the legislation and practices related to occupational health and safety, continuously improves its processes with preventive, corrective and protective approaches by providing its employees with healthy, safe working environment.
8. Adopts an approach based on fair sharing of the values it creates and accumulates with its shareholders, clients, employees and other stakeholders.
9. Supports a just rewarding approach covering a collective working culture that is in harmony with its ethical values and strategic targets and taking into account the contribution of employees to its success.
10. Commits to train the qualified work force that is required for all management and specialist positions at different levels, on the basis of equal opportunity.
11. Regards its clients as the reason of its existence and always adopts a customer-focused business approach.
12. Never tolerates bribery and corruption and heavily penalizes these kinds of acts.
13. Organizes trainings with the aim of raising employee awareness on internalizing and managing sustainability.
14. Carries out supplier selection process in line with commercial practices in a fair, honest and unbiased manner. Performs purchasing and supplying transactions according to the Procurement Policy and the Supplier Code of Conduct created in accordance with this policy, taking into account the elements such as professionalism, product service quality, durability, reliability and price.

15. Adopts medium and long term strategies considering the rights and benefits of clients as well as public interest.
16. Adopts continuous improvement and regular sharing of sustainability practices with its stakeholders as a principle.
17. Employees or those representing the Bank shall not, directly or indirectly, demand or accept gifts from clients in violation of the provisions of the Bank's Gifts and Entertainment Policy or shall not perform acts that may be interpreted as such.

### **III. ROLES AND RESPONSIBILITY**

1. At the Bank, the sustainability practices are governed by the Corporate Governance Committee. Coordination of the sustainability activities within the executive units is made by Investor Relations and Sustainability Division. Sustainability Management System, structured with processes and descriptions of duties, is regularly subjected to audits, and results are submitted to the top management.
2. Sustainability action plans are executed under the documents which include Bank's business program and strategic plans.
3. The Bank regularly issues reports about sustainability activities and makes it available for access on corporate website.

### **IV. SUPERVISION/AUDIT**

Sustainability Policy and the other policies listed in "I. Objective and Scope" section are executed by the related Head Office divisions under the supervision of the Corporate Governance Committee. Compliance with the provisions of Sustainability Policy and other policies listed in "I. Objective and Scope" section is audited within the context of internal audit. Principles to perform the action plans that are required for the elimination of findings detected during the aforementioned audits are determined by the Corporate Governance Committee.

### **V. REVISION**

At least once in a year, all of the indicated policies are reviewed by the Corporate Governance Committee in accordance with the requirements and changing operating conditions. Required revisions and amendments, which are submitted to the Board of Directors by the Corporate Governance Committee, go into effect with the approval of the Board.

Aforementioned policies are made available to all stakeholders via corporate website of İşbank and also to employees via the Bank's corporate intranet site.

### **VI. EFFECTIVENESS**

This policy has been approved by the Board of Directors and gone into effect on the date of 31.12.2014.