

YAPI VE KREDİ BANKASI A.Ş.

ENVIRONMENTAL AND SOCIAL POLICY



Yapı Kredi commits to perform its operations with environmental awareness. In this context, United Nations Global Compact and United Nations Sustainable Development Goals form the general framework of Yapı Kredi's environmental efforts.

Yapı Kredi commits to;

- Minimize its impact on the environment,
- Constantly develop its environmental and social performance,
- Report its environmental and social performance regularly,
- Consult with its stakeholders on environmental and social issues.

As regards the development of environmental and social practices, Yapı Kredi takes into consideration the pioneering approach and policies of its principal shareholder Koç Holding, and carries out its activities accordingly.

Accordingly the bank;

- Follows all legal regulations and obligations on environment, ensuring full compliance with them in all its business activities,
- Strives to ensure the protection, efficient and effective use of natural resources of our country and the world, and undertakes to control and mitigate any environmental impact caused by its operations, encouraging its stakeholders to adopt the same commitment as well,
- Regularly measures greenhouse gas emissions arising from its operational activities and sets targets to minimize emissions as much as possible,
- Focuses on reducing energy consumption, water consumption, resource consumption and using natural resources efficiently,
- Determines the water risks arising from the geographies in which it operates and from its lending activities, conducts studies to manage these risks,
- Prioritizes preventing waste generation, reducing waste, increases recycling, recovery, reuse, reviewing the design processes by considering these principles and using waste as a resource whenever possible in line with the principles of Circular Economy,
- Sets targets to improve environmental performance, plans the actions, follows the results and focuses on continuous improvement,
- Communicates and cooperates with relevant institutions and organizations in developing legal regulations, other requirements, policies and standards regarding environmental management,
- Supports projects on the fields of renewable energy, resource efficiency, recycling, and waste reduction, which carry great importance in our country's sustainable development and climate change mitigation, and seeks maximum environmental and social benefit in projects it finances,
- Promotes switching to low carbon economy by developing environment-friendly products,
- Establishes an occupational health and safety culture for employees within the organization, and strives to provide a safe workplace through continuous monitoring and prevent occupational accidents and diseases,
- Closely follows global developments, scientific research and technologies in terms of environmental management,
- Evaluates loan applications above the determined threshold against the Environmental and Social Risk Assessment Model established as part of the Yapı Kredi Sustainability Management System. Determines risk categories based on identified impacts and monitors the measures taken by the beneficiary institution with regards to reduction of risks and compliance with the determined Environmental and Social Action Plan,
- Does not provide funding to any activity included in its "Exclusion List" annexed to this policy, without considering limits and without performing any environmental or social risk assessment,
- May take action as per the Board-approved Reputational Risk Regulations depending on the subject of activity with regards to the credit and applicant,
- Commits to monitor its environmental and social impacts according to globally accepted management standards,

- Carries out activities for the implementation of this policy by its employees, customers, suppliers, subcontractors and other operational stakeholders,
- Performs operations to improve environmental sensitivity, reduce environmental impact, increase environmental performance, improve capacities and raise awareness on sustainability among its stakeholders and takes into account the views of its stakeholders on environmental issues.

The Sustainability Committee is responsible for following-up, updating and implementing this policy whereas the Board of Directors is responsible for its approval and cancellation. This policy, which is a part of the Yapı Kredi Sustainability Management System, will be reviewed and updated when necessary immediately upon changes in legislation and emergence of violations or requirement for improvements. All updates to this policy will be shared with Yapı Kredi employees and all stakeholders via the Bank's communication channels (intranet, website, etc.)

This policy has entered into force on 24 November 2016 upon approval of the Board of Directors. During the annual review process in 2021, the policy was updated. The updated version of the policy has entered into force on 28 July 2021 upon approval of the Board of Directors.

EXCLUSION LIST

Yapı Kredi undertakes not to provide direct funding to the below-listed projects/activities within its knowledge;

- i.** Manufacturing or activities that encompass harmful or exploitative forms of forced labor/child labor,
- ii.** Manufacture and/or trade of any unlawful product or activity under the Turkish law,
- iii.** Manufacture, trade or use of friable asbestos fiber,
- iv.** Manufacture, commercial use, trade, storage or shipping of products that contain PCB (Polychlorinated biphenyls) or hazardous chemicals,
- v.** Manufacture or trade of internationally forbidden pesticides, insect repellants or ozone-depleting substances,
- vi.** Trade of wildlife or wildlife-related products subject to the CITES (Convention on International Trade in Endangered Species),
- vii.** Cross-border trade of waste and waste products that are non-compliant with the Basel Convention and its regulations,
- viii.** Activities conducted on the wetlands as defined by the RAMSAR Convention on Wetlands,
- ix.** Activities banned by the host country's legislation or international treaties with respect to protection of biodiversity and cultural heritage,
- x.** Drift net fishing in open sea, using drift nets longer than 2.5 km,
- xi.** Companies that produce weapons of mass destruction and land mines,
- xii.** New coal mining projects and new coal fired thermal power plant projects.