



SUSTAINABILITY  
REPORT 2015





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## CEO MESSAGE

Dear Stakeholders,

Due to the developments both on national and international levels, 2015 was a challenging year. Nevertheless, we continued to pursue our growth-oriented investment strategy. Our customer-oriented approach permitted us to achieve healthy, sustainable growth in 2015.

Over the last two years, we have been strongly focused on strengthening our distribution network and infrastructure in order to ensure customer satisfaction and healthy growth. As of the end of 2015, we have completed the majority of our growth related investments with 77 new branches, –1,300 new ATMs and a headcount increase of 2,661 over the last two years. Accordingly, we closed the year with a strong network of 1,000 branches, 19,345 employees including our international subsidiaries and 4,332 ATMs. At the same time, in parallel to our growth-oriented investment strategy, we achieved great momentum in customer acquisition. In the last two years, we have introduced Yapi Kredi privileges to 1.2 million new customers, reaching a level of 11 million active customers. Leading the digital transformation of banking, we were able to widen our digital banking active customer base substantially to 2.6 million in the last two years, indicating a growth of 80%. The number of our active mobile banking customers increased by 94%, leading to a 12.4% market share in this area.

We continue to present our stakeholders Yapi Kredi's performance on social, environmental and economic fields, sustainability policies and practices, which accompany our financial achievements.

We carried out our sustainability reporting process for the sixth time in the light of our transparency and accountability principles. Similar to last year's report, our sustainability report has been prepared "in accordance" with the Core option of the Global Reporting Initiative (GRI) G4 Guidelines as well as with Financial Services Sector Disclosures.

In our report, we concentrated on material sustainability issues that we determined in light of our business goals and stakeholders' expectations. We present our performance in these areas to esteemed stakeholders in terms of five capitals that form the foundation of our success and affect the Bank's operations, products and services: Our Financial Capital, Human Capital, Social Capital, Intellectual Capital and Natural Capital. Some of the energy, emission, finance, occupational health and safety, employee training, anti-corruption and human rights indicators within the scope of our Sustainability Report have undergone a "limited and independent" review for the first time.

Yapı Kredi's performance in the areas of Corporate Governance and Sustainability Management has been affirmed once more by expert institutions. In 2015, we enhanced our dedication to principles of corporate governance by increasing our corporate governance rating, which is granted based on the principles set forth by the Capital Markets Board, from 9.25 to 9.34. Thanks to our successful performance in the field of sustainability, we maintained our position for the second consecutive year as one of the 29 organizations in the BIST Sustainability Index, created by the Istanbul Stock Exchange (Borsa Istanbul) in association with the Ethical Investment Research Services (EIRIS).

We place honesty and integrity at the core of all of our activities, as dictated by our corporate values. Consequently, bribery and anti-corruption are among the fields in which we never compromise. As a result of our invariable attitude in this area, we are guided by our "Bribery and Anti-Corruption Policy".

Through practices aimed at our employees, who constitute our human capital, we continued to provide a healthy, safe, fair and participative working environment. We also sustained our support for the career development of our employees. During the reporting period, we carried our performance in talent management and occupational training areas one step further by achieving a total of 877,413 person\*hours of training in material sustainability issues such as human rights, anti-corruption, occupational health and safety. The average training hours provided to our female employees increased from 36.3 person\*hours to 48.63 person\*hours; the training hours offered to our male employees increased from 22.3 person\*hours to 43.39 person\*hours. We raised the employee participation rate in the individual pension system to 71%. As part of the most important components of our understanding with regard to corporate social responsibility and within the scope of employee volunteerism, 2,661 Yapı Kredi volunteers supported societal efforts performed in collaboration with non-governmental organizations on nine main projects.

During the reporting period, Yapı Kredi carried on to create added value for customers, a principal element of our social capital, and contribute to the socioeconomic development. As part of our pioneering Enabled Banking Program initiated in 2008, 49% of our ATM network is now composed of specifically designed Enabled ATMs for customers with disabilities. We raised the number of active SME banking customers to over one million, steadily increasing support for these key drivers of employment and economic growth in Turkey. We continued to reap the positive results of this customer-oriented approach as we boosted customer satisfaction among Retail, Corporate, Commercial and Private Banking customers.

We sustained support for the societal activities undertaken by our main shareholders, Koç Holding and UniCredit. At the same time, Yapı Kredi also promoted its own projects in education, culture & arts, health, and sports. Literacy programs that we initiated in cooperation with the Mother-Child Education Foundation (AÇEV), aiming to enhance social participation of women who did not have the opportunity to attend primary education, reached 1,500 women in total. In cooperation with the Educational Volunteers of Turkey Foundation (TEGV), we continued to run the “I Read, I Play” project, which provides publicly underfunded primary school students with extracurricular opportunities. This project has served more than 120,000 children.

During the reporting period, Yapı Kredi Publications (YKY), one of the main indicators of the importance we place on culture and arts, published three

million books: a meticulously selected collection of 260 new titles and 719 reprints ranging from literature to fine arts, comic books to history.

Meanwhile, we continued to develop our expertise, resources and competencies in innovation and information technologies. Over the reporting period, the innovation efforts of our Research and Development team led to a variety of innovative products and services that have made life easier for our customers and differentiated Yapı Kredi in the sector. We also continued to ensure operational productivity. Our Idea Development Center Evreka, which was designed to collect novel and creative ideas from employees for evaluation and implementation and to promote a culture of innovation across Yapı Kredi, collected 9,513 suggestions, 76 of which were implemented.

During the reporting period, we continued to turn risks arising from climate change into financial opportunities. We procured USD 3.6 billion of financing for 124 different renewable energy projects in 2015, representing a total installed capacity of 5,900 MW. At the same time, we continued to minimize the environmental impact of Yapı Kredi operations. As a result of these efforts to achieve efficiency, we saved 2,038 GJ of energy in our Head Office facilities alone, and reduced our greenhouse gas emissions by 267.2 tons CO<sub>2</sub>e. Our waste management practices have led to a 100% recycling rate for non-hazardous wastes generated by our operations.

As was the case in previous years, Yapı Kredi's successful business and sustainability performance during the period was awarded by various organizations. We ranked amongst the leaders in Capital Magazine's "The Most Admired Companies" list and were also judged one of "the three most admired banks" in Turkey. The World Shopping Assistant application won the "Most Innovative Product" award at the Visa Europe Best Awards 2015. In the area of digital banking, Yapı Kredi was acknowledged with the "Best Mobile Banking Application" award at the Stevie Awards, one of the most prominent business awards in the world. And for the third year in a row Yapı Kredi was recognized in Turkey with the prestigious Etika award for dedication to ethical principles and values.

I would hereby like to extend my gratitude to all our employees, customers, shareholders and other stakeholders for their support in this sustainability journey.

Faik Açıkalın  
CEO





## ABOUT THE REPORT

This report was prepared to present the sustainability performance of Yapı Kredi and its domestic subsidiaries over the period of January 1, 2015 to December 31, 2015 to its stakeholders. Carried out annually since 2010 in line with Yapı Kredi's principles of transparency, responsibility and accountability, the practice of sustainability reporting also serves as an important tool of governance for the Bank.

The scope and content of the Yapı Kredi Sustainability Report 2015 has been determined in accordance with principles of G4 Reporting Guidelines core option by the Global Reporting Initiative (GRI), the globally recognized standard in sustainability reporting. The report discloses the social, economic and environmental performance of Yapı ve Kredi Bankası A.Ş. in its operations in Turkey, and performance data concerning the Bank's domestic subsidiaries are limited to financial and social indicators. Performance statements have been made in accordance with the GRI's G4 Guidelines and Financial Services Sector Disclosures, as well as the Ten Principles of the United Nations Global Compact, of which Yapı Kredi's main shareholders Koç Holding and Unicredit are signatories.

Energy, emission, finance, occupational health and safety, employee training bribery and anti-corruption and human rights indicators provided in this report have undergone a "limited and independent" review by the international audit firm Ernst & Young. Detailed information on the audited indicators is shared in GRI G4 Content Index for the attention of our stakeholders. Yapı Kredi Sustainability Report 2015 was printed in limited numbers in order to minimize its environmental impact. A PDF version of the report is available to stakeholders at [www.yapikredi.com.tr](http://www.yapikredi.com.tr). Stakeholders may direct their feedback, suggestions, inquiries and criticism to the e-mail address [sustainability@yapikredi.com.tr](mailto:sustainability@yapikredi.com.tr).





## ABOUT YAPI KREDİ

Established in 1944 as Turkey's first private national bank with a focus on retail banking, Yapi Kredi is today the fourth largest private bank in Turkey with a consolidated asset size of TL 235.3 billion. As one of Turkey's 10 most valuable brands thanks to its customer-centric approach to banking, innovative approach, and a strong focus on sustainable value creation, Yapi Kredi aims to enhance customer satisfaction along with profitable, sustainable growth.

Operating as an integrated financial services group supported by domestic and international subsidiaries, Yapi Kredi enjoys a strong position in the Turkish finance sector thanks to its strong balance sheet, robust equity capital and professional management. Yapi Kredi serves its customers through retail banking (comprising individual banking, SME banking and card payment systems), corporate and commercial banking as well as private banking and wealth management. The Bank's operations are supported by domestic subsidiaries in asset management, investment, leasing and factoring as well as international banking subsidiaries in the Netherlands, Russia, Azerbaijan and Malta.

Yapi Kredi was recognized in 2015 with the "Award for Customer Focus" in the European Business Awards, and was selected "Turkey's Best Bank in Cash Management" and "Best Trade Finance Provider" by Euromoney.



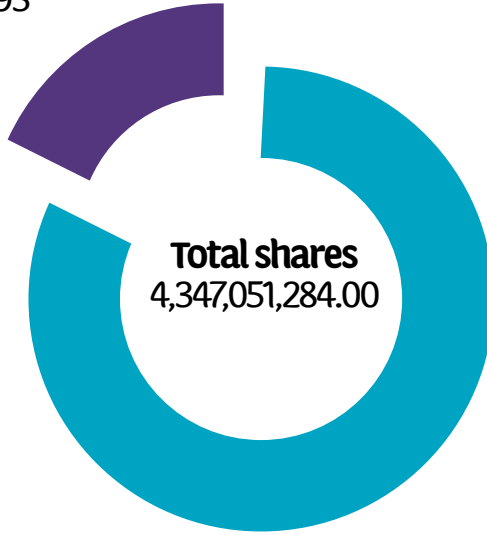
Visit <https://www.yapikredi.com.tr/en/investor-relations/about-yapi-kredi/business-model.aspx?selectTab=subsidiaries> for detailed information about Yapi Kredi's subsidiaries.

## SHAREHOLDING STRUCTURE

Yapı Kredi has a strong shareholding structure ensuring sustainable and profitable growth. 81.8% of the Bank's shares are owned by Koç Financial Services (KFS), a 50%-50% joint venture between UniCredit Group and Koç Group. The remaining 18.2% is publicly traded on Borsa Istanbul and Global Depositary Receipts that represent the Bank's shares are quoted on the London Stock Exchange.

### other shares

(18.20%);  
791,338,887.93



**Total shares**  
4,347,051,284.00

**Koç Financial  
Services A.Ş.**  
(81.80%);  
3,555,712,396.07

### Our Sustainability Journey

#### 1944

Yapı Kredi is established as Turkey's first private national bank with a focus on retail banking.

#### 1945

Yapı Kredi lays the foundation of Yapı Kredi Publications with the magazine Doğan Kardeş.

#### 1991

Yapı Kredi introduces Turkey's first credit card – Yapı Kredi Worldcard.

#### 1992

The Bank consolidates its activities in publishing, culture and arts under the umbrella of Yapı Kredi Cultural Activities, Arts and Publishing Inc.

#### 1995

Yapı Kredi becomes the first bank to receive ISO 9001 Quality Assurance Certification.

#### 1997

In an effort to lend its support to the Turkish theater, Yapı Kredi initiates the Yapı Kredi Afife Theater Awards to perpetuate the memory of the first Turkish actress, Afife Jale. Yapı Kredi begins supporting the Çatalhöyük archeological excavations.

#### 2000

The British Design Council awards Yapı Kredi Banking Base the “Millennium Product” Prize.

#### 2005

In collaboration with the Turkish Marine Environment Protection Association (TURMEPA) and the Ministry of National Education, Yapı Kredi begins sponsorship of “Sınırsız Mavi” (Unlimited Blue), a project designed to raise awareness among schoolchildren about preservation of natural assets.

## 2006

Yapı Kredi and Koçbank merger is finalized. The two banks combine their subsidiaries operating in the same areas while initiating the restructuring of capital and integrating IT systems.

In cooperation with the Educational Volunteers of Turkey Foundation (TEGV), Yapı Kredi launches the “I Read, I Play” educational program.

Yapı Kredi starts to support Koç Holding’s social responsibility projects, “For My Country” and “Vocational Education: A Crucial Matter for the Nation.”

## 2007

Yapı Kredi is selected Turkey’s “Bank of the Year” by The Banker, one of the world’s most prominent publications in the sector.

## 2008

Yapı Kredi initiates its Enabled Banking Program by re-structuring its call center and enabling physically disabled customers to use the call center via online chat services.

Yapı Kredi becomes one of the few companies included in the Istanbul Stock Exchange Corporate Governance Index, with a Corporate Governance Rating of 8.02.

The Yapı ve Kredi Vocational and Technical Anatolian High School opens at the beginning of the 2008-2009 academic year.

## 2009

The new Yapı Kredi Banking Academy building wins “Achievement in Construction” award from the Turkish Chamber of Architects at the National Architecture Exhibit.

ArchDaily, one of the world’s most prestigious architectural publications, declares our Banking Academy “Building of the Year” in the education category.

Yapı Kredi increases its Corporate Governance Rating to 8.44.

Yapı Kredi initiates the Enabled ATM project, making ATMs accessible to the physically disabled for the first time in Turkey.

### 2010

Yapı Kredi takes its Enabled Banking Program one step further by developing enabled ATMs and enabled POS devices for use by visually impaired citizens.

Yapı Kredi increases its Corporate Governance Rating to 8.78.

Yapı Kredi is selected “Turkey’s Best Bank” at the World Finance’s “Excellence in Banking” awards.

### 2011

The Banker magazine selects Yapı Kredi as Turkey’s “Bank of the Year” for the third time. The Public Relations Association of Turkey (TÜHİD) awards Yapı Kredi’s Enabled Banking Program in the “Corporate Social Responsibility” category at the Golden Compass Awards.

Yapı Kredi increases its Corporate Governance Rating to 8.80.

Yapı Kredi publishes its first sustainability report, the “Yapı Kredi Sustainability Report 2010.”

Yapı Kredi initiates the process for obtaining ISO 14064 Greenhouse Gas Emissions Certification.

Yapı Kredi brings its web site [www.engelsizbankacilik.net](http://www.engelsizbankacilik.net) designed for disabled customers into action as a first in the Turkish finance sector.

### 2012

Yapı Kredi’s Enabled Banking Project is awarded by the Turkish Presidency.

World Finance selects Yapı Kredi as “Turkey’s Best Bank” for the fourth time.

Yapı Kredi receives the “Best Customer Satisfaction” award in the credit card sector for the fifth time at the Turkish Customer Satisfaction Index organized by the Quality Association of Turkey (KALDER).

Yapı Kredi’s human resources policies and the quality of services offered to employees are recognized with “Europe’s Best Employer” certification by the international human resources research organization, CRF Institute.

Yapı Kredi increases its Corporate Governance Rating to 8.81.

Yapı Kredi publishes its second sustainability report, the “Yapı Kredi Sustainability Report 2011.”

## **2013**

Yapı Kredi receives “Turkey’s Best Private Banking” award by the Global Financial Market. Yapı Kredi increases its Corporate Governance Rating to 8.82.

Yapı Kredi publishes its third sustainability report, the “Yapı Kredi Sustainability Report 2012.”

In cooperation with the Mother-Child Education Foundation (AÇEV), Yapı Kredi initiates literacy programs for women who have not been able to complete their primary education.

## **2014**

Yapı Kredi is chosen “Europe’s Best Mobile Bank” in the 2014 assessments of Global Finance, one of the world’s most prestigious publications in the fields of business and finance.

Yapı Kredi increases its Corporate Governance Rating to 9.25.

Yapı Kredi publishes its fourth sustainability report, the “Yapı Kredi Sustainability Report 2013,” the Bank’s first Global Reporting Initiative (GRI)-checked report, at G3.1 B Application Level.

## **2015**

Yapı Kredi’s is awarded in four categories, including the “World’s Best Mobile Banking Application” at the “Stevie Awards”, one of the world’s most prestigious business awards.

Yapı Kredi increases its Corporate Governance Rating to 9.34.

Yapı Kredi publishes its fifth sustainability report, the “Yapı Kredi Sustainability Report 2014” in accordance with GRI G4 Guidelines, core option.

Yapı Kredi is selected as “Turkey’s Best Bank” for cash management by Euromoney.

Yapı Kredi initiates sending ATM information sheets to e-mail addresses of its customers in order to digitalize its ATMs in parallel with technology developments and contribute to environmental protection.







## GOVERNANCE

We are constantly seeking ways and means to create added value for all our stakeholders, and we recognize that this goal can only be attained with an effective, powerful governance structure. As we progress towards business goals, we act in full compliance with laws and regulations, and use effective mechanisms of corporate governance. Utilizing a strong risk management structure and appropriate tools, we measure, monitor, report, and thus control all risks to which the company and our value chain may become exposed. Business goals and sustainability targets are planned in coordination as we leverage 71 years of formidable organizational expertise. Yapı Kredi operations are conducted with responsibility and accountability; the Bank benefits from transparent and effective communication channels with our stakeholders.

## Corporate Governance

Yapı Kredi's Board of Directors, which is the fundamental organizational structure for determining the short-, medium- and long-term sustainable growth targets of the Bank, consists of 12 members. There are five independent members in the Board of Directors—higher than the minimum limit of three as set forth in the Capital Market Board's (CMB) Corporate Governance Principles. The positions of Chairman of the Board of Directors and General Manager are held by different individuals.

Yapı Kredi's corporate governance rating on the BIST Corporate Governance Index has increased from the initial rating of 8.02 (to 10) in 2008 to 9.34 in the reporting period, and comprises the main sections of Shareholders (9.59), Public Disclosures and Transparency (9.05), Stakeholders (9.72) and Board of Directors (9.20).

Yapı Kredi Executive Committee is established to collectively decide upon priority topics for Yapı Kredi and its subsidiaries and for facilitating information sharing among senior management. The Committee's responsibilities include defining group strategies and the Bank's structural risk management, internal and external communication plans, approving the Bank's annual project plan and major organizational changes.

In fulfilling its duties and responsibilities, the Board of Directors benefits from committees formed in various areas of expertise. The Credit Committee is an advisory and deliberative body charged with providing guidelines for the Bank's lending activity in coherence with the credit policy, economic objectives, and the Bank's overall risk profile. The Audit Committee administers the Bank in terms of compliance with local laws and internal regulations. The Corporate Governance Committee is an advisory body that helps the Board of Directors with investor relations activities, public disclosures, and fulfilling requirements for compliance with Corporate Governance Principles. The Remuneration Committee monitors and audits compliance of the Bank's compensation principles and remuneration practices with its structure, strategies, long-term targets and risk approach on behalf of the Board of Directors.

Visit <https://www.yapikredi.com.tr/en/investor-relations/corporate-governance/> for detailed information about Yapı Kredi's Corporate Governance structure.

## Risk Management and Compliance

We leverage our strong organizational structure and advanced risk management tools to measure, monitor, report, and control all risks to which our company and our value chain may become exposed. Yapi Kredi's Risk Management activities are carried out by 78 dedicated personnel working under the Auditing Committee, who monitor and control the Bank's credit, operational and market risks, which are regarded as the Bank's main risk groups. These associates furthermore assess social, environmental and ethical risks.

Yapi Kredi's Risk Management policy depends on each and every employee to do her or his part in risk management. In line with the policy, the Bank's management and the Executive Committee are promptly informed of any limit excess or policy violation. Policies related to risk management are reviewed each year, updated if necessary, and submitted for the approval of the Board of Directors. Risk maps, scenario analysis, key risk/performance indicators and other tools are used to reduce and control risk. Yapi Kredi complies with national and international laws and strives meticulously to maintain the highest level of ethical standards and business conduct in all environments in which it either directly or indirectly operates. It avoids transactions with a potentially high reputational risk, acts with responsibility toward the environment and aims to support projects that contribute to the society.

Yapi Kredi conducts activities in line with the Business Continuity Management Policy in order to ensure the continuity of operations and minimize relevant risks. The Business Continuity Management Policy is approved by the Board of Directors and regularly updated. In addition to the Business Continuity Management Policy, Yapi Kredi also implements practices to ensure business continuity through contingency, crisis management and business recovery plans.

## Ethics, Bribery and Anti-Corruption

Yapi Kredi applies its Code of Ethics and Business Conduct and its effective communications and audit mechanisms in the fight against bribery and corruption to sustain its reputation as one of Turkey's oldest organizations and the most valuable brands. The regulations we have drawn up delineate the main outline of our way of doing business and set down the principles of how business should be conducted with external persons and organizations.

One of our fundamental aims of Yapı Kredi is to create a corporate environment that facilitates communication at all levels of the organization to ensure a common stance, particularly in matters of ethics, and anti-bribery and corruption. To this end, we have published the Whistleblowing Statement, which allows employees to express themselves freely when reporting matters they feel may harm the mission or reputation of Yapı Kredi or its employees due to potential violations of internal regulations, policies, circulars and rules.

Communication channels are open to allow employees to submit queries about ethics, bribery and anti - corruption, or report actual or suspected rules violations. Our employees are able to apply, in confidentiality and anonymously, to the Ethics Hotline, the Internal Audit Hotline or the Bribery and Anti-corruption Hotline; reports received through these channels are evaluated according to their content and nature. At the end of the evaluation, cases that are subject to investigation or review, or those that represent operational failure or risk, are taken up by the related departments. A thorough investigation occurs, and feedback is provided in a confidential manner. According to the severity of the violation, a range of disciplinary measures is taken, up to and including the termination of labor contract.

Yapı Kredi guarantees that employees reporting a violation or expressing a concern will not suffer any change in their seniority or position or any other negative outcome (disciplinary fine, dismissal, etc.) whatsoever.

Yapı Kredi requires not only legal compliance in all investment agreements and work contracts signed or revised since August 2014 that encompass procurement processes, but also includes in all agreements a compliance clause that stipulates adherence to the Law on Anti-bribery and Corruption, all other laws and regulations that pertain to fighting corruption, and to Yapı Kredi's relevant policies. Violation of such clauses results in a penalty, which may lead to the termination of the contract in question.



During the reporting period, 455 reports were received from our employees and resolved through the Ethics Hotline. Our Ethics Hotline and our Service Hotline at the same time act as complaint mechanisms for our internal and external stakeholders in issues of human rights, discrimination and societal impact. No complaints were reported to the Bribery and Anti-corruption Hotline during the reporting period.

Our employees and stakeholders are informed by means of various policies and procedures about matters involving ethics, anti-bribery and corruption, particularly our regulations on the Code of Ethics and Business Conduct and our Bribery and Anti-Corruption Policy; training programs are regularly held on these topics. During the reporting period, 136 senior executives and 9,331 employees attended training sessions on bribery and anti-corruption. In total, 3,156 person\*hours of anti-corruption and 550 person\*hours sessions of ethical conduct training were provided. Sub-contractors working on Yapı Kredi premises have been provided with distance training videos on bribery and corruption. These videos were also made available to Yapı Kredi suppliers. Bribery and anti - corruption training is mandatory, and trainees must pass an examination to be considered to have completed the training successfully. In the reporting period, 217 of our suppliers received 62.6 person\*hours of bribery and anti-corruption training.

In the reporting period, Yapı Kredi Human Rights Statement was reviewed, its scope expanded and then ratified by the Board of Directors. A total of 9,367 employees, representing 49,8% of our workforce, were provided with 2,810 hours of online training on the Human Rights Statement. After the statement was published and disseminated on internal communication channels (via the Intranet and internal communication announcements), risk assessment studies were initiated, planned to be completed in 2016. To adapt the human rights statement and related online training on to Yapı Kredi's international affiliates in Azerbaijan and Russia, translation efforts began in 2015 and are scheduled for completion in 2016.

Yapı Kredi's auditing practices are carried out under processes led by the Internal Audit, Risk Management, and Compliance & Internal Control departments. Reporting directly to the Audit Committee working under the Board of Directors, these units serve the function of ensuring compliance with all laws and regulations as well as Yapı Kredi's own internal policies: the Code of Ethics and Business Conduct; the Policy on Bribery and Anti - Corruption; and Policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism. Thanks to the periodic compliance audits of all Yapı Kredi operations, including matters of bribery and anti - corruption, there has been no confirmed case of bribery or corruption during the reporting period.

As part of a "Responsible Procurement Policy," Yapı Kredi is currently working to formulate environmental and social factors in its supplier selection criteria, along with the existing criteria regarding occupational health and safety, bribery and anti-corruption, and social security. This plan involves prioritizing the selection of suppliers that can prove the compliance of their business activities, including those related to health and safety, with fundamental ILO conventions. Combined with the anticipated new criteria, all current criteria are to be integrated in a general supplier evaluation system. The objective is to encourage stakeholders to achieve full compliance with laws and regulations including environmental legislation and human rights.

Visit <https://www.yapikredi.com.tr/en/investor-relations/corporate-governance/> for detailed information about the Yapı Kredi Code of Ethics and Business Conduct, <https://www.yapikredi.com.tr/en/corporate-social-responsibility/countering-corruption-and-bribery.aspx>, for detailed information about Yapı Kredi's Bribery and Anti - Corruption practices, and <https://www.yapikredi.com.tr/en/investor-relations/corporate-governance/> for Yapı Kredi's Bribery and Anti - Corruption Policy.



## Sustainability Management

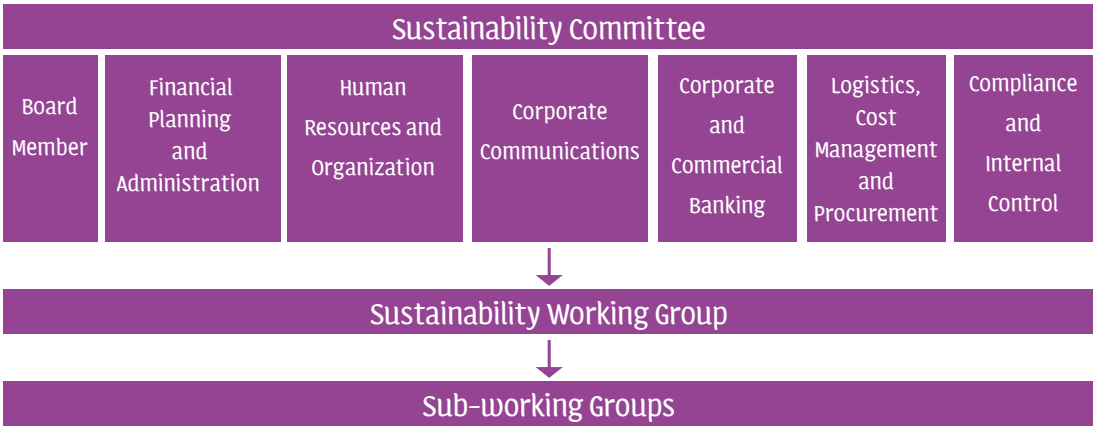
Factors such as climate change, globalizing economy and changing stakeholder expectations challenge the business community to act with awareness and responsibility, not only in financial matters but also in environmental, social and broad-economic issues, and urges organizations to develop their business models in light of risks and opportunities in these areas. At Yapı Kredi, we evaluate the effect of our performance in areas of sustainability on our business results and shape our business strategy in accordance with the requirements of sustainability policies.

We seek ways of minimizing the potential negative impact of our operations on the environment, society and economy, and we continuously strive to create more added value for all our stakeholders and value chain. We draw on the sustainability experience of our main shareholders Koç Holding and UniCredit. With measuring, monitoring, evaluating and reporting practices, the scope and efficiency of which is constantly improving, we ensure positive performance momentum of our sustainability performance and present our performance results in this area to our stakeholders through transparent, effective communication tools.

Thanks to successful performance in environmental, social and corporate governance related issues in 2015, Yapı Kredi achieved the distinction of being one of the 29 BIST 50 organizations listed in the BIST Sustainability Index.

In 2014, a Sustainability Committee was formed at Yapı Kredi to formulate Yapı Kredi's sustainability strategy and policies in economic, social and environmental areas, to integrate this strategy and policies into the operations of the company, and to monitor the sustainability performance. Represented by a member at the Board of Directors level, the Committee manages the decision-making processes behind operations in the area of sustainability. Meeting twice a year to monitor and guide developments in sustainability, the Sustainability Committee reports to the Executive Committee and to the Board of Directors annually.

A Sustainability Working Group and sub-working groups were formed with participation of relevant departments in various areas of expertise to coordinate the efforts and reporting activities of the Committee. Operating under the Committee, the Sustainability Working Group cooperates with other units in the implementation of decisions. The Working Group is responsible for following up on goals and performance, consolidating relevant information, and evaluating matters in accordance with Yapı Kredi goals.



Yapı Kredi has launched a Sustainability Management System project with the objective of conducting all operations in compliance with the principles of sustainability, and at the same time, to shape its corporate governance structure in accordance with these principles. The project is aimed to be finalized by the end of 2016.

### Identification of Material Aspects

During the reporting period, material issues, which influence Yapı Kredi’s sustainability performance were identified with the ‘Identification of Material Aspects Study’ conducted in accordance with the “GRI G4 Reporting Guidelines.” In the first stage of the study, Yapı Kredi Sustainability Working Group, with the participation of senior management, created an aspect universe, which is comprised of issues with potential priority with regards to Yapı Kredi’s sectoral and operational characteristics. To establish the aspect universe, the bank benefited from Koç Holding’s sectoral materiality survey.

In the second stage, the main topics within the aspect universe were presented to the evaluation of middle and high-level managers in the form of a questionnaire. The issues were evaluated under the headings “Importance for Yapi Kredi” and “Importance for our Stakeholders” as well as in terms of their position in the value chain, leading to identification of the initial materiality analysis results.

Our sustainability report has benefited from the understanding of Value Creation. There are five basic resources that Yapi Kredi draws on to “create value” for all stakeholders. The five basic resources that form the foundation of Yapi Kredi’s achievements and influence the operations’ effectiveness, products and services are **Our Financial Capital, Our Human Capital, Our Social Capital, Our Intellectual Capital and Our Natural Capital**. The policies, practices, performance results and goals related to material aspects that were obtained through Yapi Kredi’s materiality analysis can be explained under these five main groups.

	Our Capital	Importance for Yapi Kredi	Importance for our Stakeholders	Material Aspect
Our Financial Capital	<ul style="list-style-type: none"> <li>• Robust Equity</li> <li>• Long-term financial stability</li> </ul>	<ul style="list-style-type: none"> <li>• Improving Performance</li> <li>• Sustainability and Competitive Strength</li> <li>• Productivity</li> <li>• Attracting Investors</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting the Economy</li> <li>• New Investors and Employment</li> <li>• Contributing to the Public</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability and Risk Management</li> <li>• Business Conduct and Anti-corruption</li> </ul>
Our Human Capital	<ul style="list-style-type: none"> <li>• Engaged Employees</li> <li>• Competent and Talented Professionals</li> <li>• Pluralist Workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Improvement</li> <li>• Sustainability and Competitive Strength</li> <li>• Innovation</li> <li>• Common Corporate Culture</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening Talents</li> <li>• Equal Opportunity</li> <li>• More Prosperity</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Rights</li> <li>• Talent Management and Professional Training</li> <li>• Employee Volunteerism</li> <li>• Occupational Health and Safety</li> <li>• Human Rights</li> </ul>
Our Social Capital	<ul style="list-style-type: none"> <li>• Long-term Stakeholder Relations</li> <li>• Socioeconomic Progress / Prosperity</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Loyalty and New customers</li> <li>• Increasing Turnover and Market Share</li> <li>• Improving Products and Processes</li> <li>• Reputation Management</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening Talents</li> <li>• Qualification and Transparency</li> <li>• Equal Opportunities</li> <li>• More Prosperity</li> </ul>	<ul style="list-style-type: none"> <li>• Culture &amp; Arts</li> <li>• Training</li> <li>• Investments to Overcome Obstacles</li> <li>• Fair and Transparent Expenditure and Wages</li> </ul>
Our Intellectual Capital	<ul style="list-style-type: none"> <li>• Effective and Secure Information Technologies</li> <li>• Productive and Efficient Processes</li> <li>• Innovative Talents</li> </ul>	<ul style="list-style-type: none"> <li>• Improving Performance</li> <li>• Sustainability and Competitive Strength</li> <li>• Customer Loyalty and New Customers</li> </ul>	<ul style="list-style-type: none"> <li>• Tailor-made Products and Services for Customer Segments</li> <li>• Products and Services that Make Life Easier</li> <li>• Accurate and Comprehensive Information</li> <li>• Business Continuity and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Product Portfolio</li> <li>• Product and Service Quality</li> </ul>
Our Natural Capital	<ul style="list-style-type: none"> <li>• Efficient Energy and Emissions Management</li> <li>• Protecting Resources</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and Preventing Environmental Risks</li> <li>• Reducing Energy Consumption</li> <li>• Environmentally-friendly Investment Opp.</li> <li>• Reputation Management</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting Renewable Energy and Energy Efficiency</li> <li>• Developing an Environmentally-friendly Business Culture</li> <li>• Effective Energy and Emissions Management</li> <li>• Public Health</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Use of Resources</li> <li>• Energy Issues and Productivity (Energy and Emissions Management)</li> </ul>

## Stakeholder Engagement

We regard all persons and enterprises that have an impact on our operations or that are directly affected by our operations as stakeholders, and we come together with all stakeholder groups via different channels in differing frequencies, according to need. Ensuring the engagement of our stakeholders constitutes the fundamental element of Yapı Kredi sustainability approach and, towards this end, we create platforms for mutual dialogue, obtain feedback from stakeholders about all of our activities, and consider stakeholder expectations, opinions and complaints the main input during the evaluation of our operations and sustainability performance.

Stakeholder Group	Methods of Communication
Employees	Sustainability Reports, Evreka Idea Development Center, Bizler Plus Intranet, Biz TV, Poster Boards, Internal Announcements, Ethics Hotline, Aloik (HR) Hotline, 44 Employee Engagement Program - Call Center for Yapı Kredi Employees, 44 Center, Branch Visits as part of the 44 Project, Internal Customer Satisfaction Surveys, Yapı Kredi Banking Academy Training Sessions, Banking Base and Plaza Building Videowall Screens, Corporate Social Responsibility Projects, Yapı Kredi Volunteers Platform, Budget Meetings and Roadshows, Manager Meeting, Activities for Employees, Safir Development Program, Cross-visits between HQ and Branches Activities with A Day at HQ and A Day at the Branch Activities, Sales Summit
Shareholders, Investors, Analysts	General Assembly Meetings and Minutes, Annual Report, Quarterly Report, Finance Report, Public Disclosure Platform, Sustainability Report, Corporate Governance Principles Compliance Report, Rating Reports, Analyst and Investor Meetings, Teleconference and E-mail Interviews, Social Media, Corporate Website, Press Releases
Customers	Customer Satisfaction Surveys, Yapı Kredi Banking Academy, Finance Reports, Annual Report, Sustainability Report, Corporate Website, Social Media Accounts, Events, Call Center, Branches, E-mail Notification, Media, Advertising and Promotional Campaigns, yapikredi.com.tr, nuvo.com.tr, worldcard.com.tr, playcard.com.tr, adioscard.com.tr, adiospremium.com.tr, crystalcard.com.tr, taksitcikart.com.tr, vadaclub.com.tr, tlcad.com.tr, yapikredipos.com.tr, ykbtcarikartlar.com, yapikredimortgage.com, ykprivate.com.tr, engelsizbankacilik.com, afife.org, yapikrediportfoy.com.tr, fikrimobil.com, worldcard.com.az, yapikrediprivatebanking.com.tr, outdoor.yapikredi.com.tr, olurmuolur.com.tr, , yapikrediyatirim.com.tr, yapikredileasing.com.tr, yapikredifaktoring.com.tr, kredisimdi.com.tr, yapikredikobi.com.tr

<b>NGOs</b>	Joint Corporate Social Responsibility Projects, Project Meetings, Yapı Kredi Volunteers' Efforts, Sponsorships, Sustainability Reports, Corporate Website, <a href="http://www.engelsizbankacilik.com">www.engelsizbankacilik.com</a> , Memberships
<b>Universities</b>	Yapı Kredi Banking Academy, Academic Summit, Koç University Yapı Kredi Finance Chair, MEF University Yapı Kredi Banking and Insurance Academic Program, Corporate Social Responsibility Projects, Campus Branches, Sponsorships, Scholarships
<b>Suppliers</b>	Face-to-Face Interviews, Tenders, Corporate Website, Audits, E-Mail, Mail, Telephone, FAX
<b>Society</b>	Corporate Social Responsibility Projects, Sponsorships, Press Releases, Sustainability Report, YKKS Activities
<b>Banking Sector</b>	Banks Association of Turkey Membership and Sector Associations Memberships
<b>Public Authorities - Regulators</b>	Audit Reports, Official Correspondence, Audits, Corporate Governance Principles Compliance Report, Meetings, Forum and Conferences
<b>Media</b>	Corporate Website, Subsidiaries' Websites, Press Releases, Press Meetings, Advertisements, Commercials, Social Media Accounts, Sustainability Reports, Exclusive Reports and Interviews



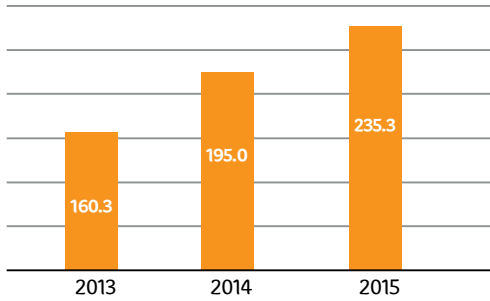


## OUR FINANCIAL CAPITAL

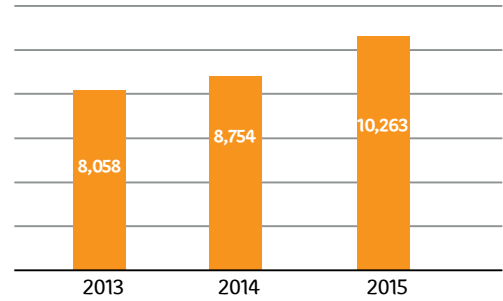
By continuously improving the competencies that afford us a competitive edge in our sector, Yapı Kredi increases the appeal for investors and achieves sustainable financial results. Through the effective use of financial resources, we attain long-term financial stability, thus creating a positive sphere of economic influence with an increased number of investors, enhanced employment opportunities and tax payments. Within the scope of our Smart Growth strategy, we continue to reap the benefits of our investments in our distribution network and infrastructure, increase the number of the customers to whom we offer innovative products and services, and thus also continue to strengthen our position in the sector.



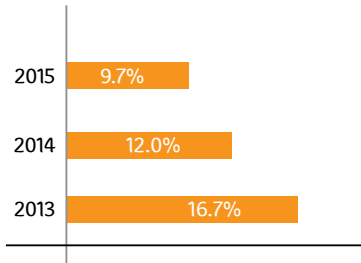
Assets (billion TL)



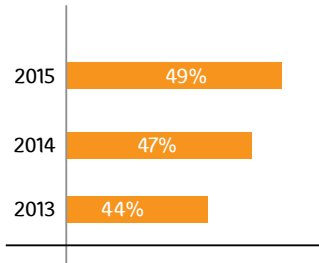
Revenues (million TL)



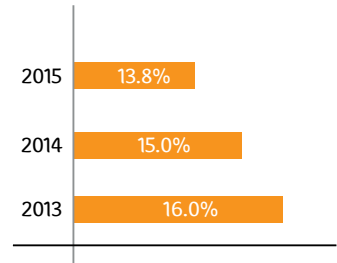
Average Return on Tangible Equity



Expenditure/Income Ratio



Capital Adequacy Ratio



## Our Growth Strategy

The first stage of our Growth Strategy, in which our focus was to strengthen our distribution network and infrastructure, involved the expansion of our customer base, consolidating our position in the sector with increases in volume and thus accelerating the growth of our revenues as compared to our competitors. In the second phase of our growth strategy, which we will be implementing in 2016 and the years to follow, will be continue to grow by reaping the fruits of the investments of the last two years, while also focusing on sustaining our place in the sector through disciplined cost management and an increase in revenues.

## 2013 - 2015

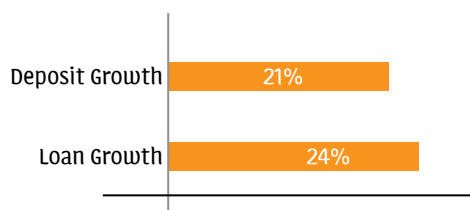
77 new branches → 1,000

1,299 new ATMs → 4,332

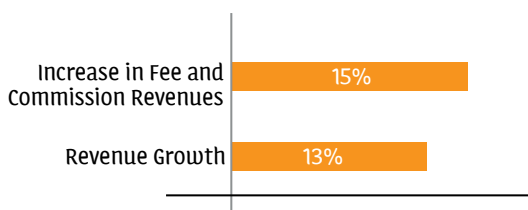
↑ 80% No. of active digital customers → 2.6 min

1.2 million  
new customers

### Growth\*



### Revenues\*



\* 2-year growth. Compound annual growth rate

## Sector Position

		Market Share	Ranking
Total Bank	Cash Loans	10.3%	4
	Deposits	10.2%	5
	Number of Branches	8.9%	3

Retail Banking	Outstanding Volume	21.2%	1
	Issuing Volume	19.5%	1
	Number of Credit Cards	18.1%	1
	Acquiring Volume	20.9%	1
	Consumer Loans	10.0%	5
	Installment Commercial Loans	6.7%	6

Corporate and Commercial Banking	Corporate Loans	9.4%	5
	Non-cash Loans	13.5%	2
	Leasing Business Volume	20.3%	1
	Factoring Turnover	17.6%	1
	Check Collections and Payments	11.9%	1

Private Banking and Asset Management	Investment Funds	17.5%	2
	Share Transaction Volume	7.2%	2

Credit Ratings

FITCH RATINGS (Analyst: Lindsey Liddell)		Rating:	Appearance
Long-term International Currency		BBB	Stable
Long-term Turkish Lira		BBB	Stable
Short-term International Currency		F2	
Short-term Turkish Lira		F2	
Financial Strength		bbb-	
Support		2	
Long-term National		AAA (tur)	Stable
Long-term International Borrowing		BBB	

STANDARD & POOR'S (Analyst: Magar Kouyoumdjian)		Rating:	Appearance
Long-term International Currency		BB+	Negative
Long-term Turkish Lira		BB+	Negative
Short-term International Currency		B	
Short-term Turkish Lira		B	
Long-term National		trAA+	
Short Term National		trA-1	
Long-term International Borrowing Issue		BB+	
MOODY'S (Analyst: Irakli Pipia)		Rating:	Appearance
Long-term International Deposits		Baa3	Negative
Long-term Turkish Lira Deposits		Baa3	Negative
Long-term International Currency Deposits		Prime-3	
Short-term Turkish Lira Deposits		Prime-3	
National		A1.tr	Negative
Long-term International Borrowing Issue		Baa3	Negative

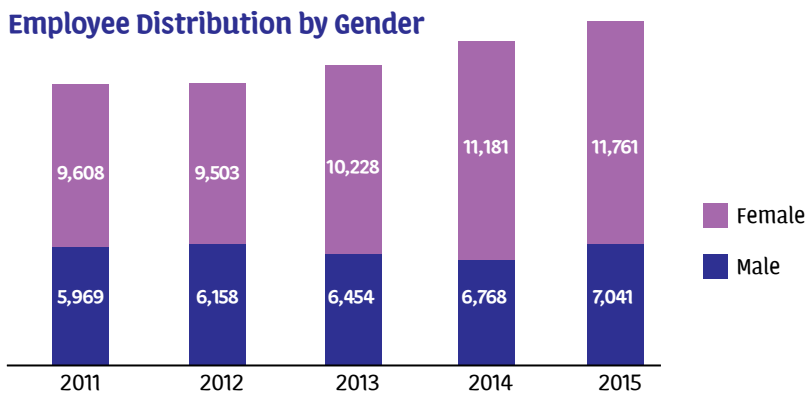




## OUR HUMAN CAPITAL

In conducting our human resources processes, we are guided by our principle of being “The Best Corporation to Work For” and toward this aim, we offer our employees a working environment that is fair, safe, and respectful of human dignity. We provide our employees with conditions that are conducive to their development, where their experience and opinions are respected, and our human resources policies and practices are managed in line with our goal of being a preferred employer.

Besides our effective performance evaluation and career development practices, thanks to the cooperation we maintain with academic organizations and shareholders, we assist our employees in improving their professional and individual performances. While contributing to social lives of our employees through employee volunteerism implementations, we accomplish practices intended to provide a healthy work – life balance for all our employees.



Employee Rights

We conduct all human resources operations in a manner that is fair, non-discriminatory, and respectful of human and employee rights. In line with our principles of “Equal Opportunity” and “Equal Employment” and pursuant to relevant laws, we ensure that all processes are free from discrimination on the basis of race, language, color, age, gender, nationality, ethnic background, sexual orientation, physical disability, or any other factors.

We expect employees to respect diversity and act in accordance with the principles of courtesy, honesty and equality in all interactions with their peers, and adopt Yapi Kredi’s corporate citizenship approach and code of ethics. During the reporting period no discrimination incidents were reported within our organization.

Our remuneration policy forms the basis of our career management practices. We ensure that our employees receive just payments in return for their performances and do not pursue any discriminations based on religion, language, race and gender. As of the reporting period, the ratio of our entry-level wage in our operations to local minimum wage is 111%.



We complement our remuneration policy with fringe benefits to raise the bar on employee loyalty. All employees are included in the group annual life insurance plan on the date of recruitment, and in the group health insurance plan one month later. Moreover, employees are also offered the opportunity to join in the corporation-supported private pension system, which provides a contribution based on employee seniority. Employees' spouses and children over 18 are also eligible to benefit from group health insurance and the private pension system. As of 2015, Yapı Kredi has made individual pension system contribution for a total of 13,274 employees, and the participation rate in Yapı Kredi's general insurance system has reached 71%. Moreover, former employees of the Koç Financial Services Group who have worked for the company for 15 years and over are entitled to join in a group health insurance plan by paying a reasonable premium amount.

Yapı Kredi acts in full compliance with laws and regulations on equal rights and non-discrimination, and accepts the main principles and norms stated by the UN Global Compact, also signed by our main shareholders Koç Holding and Unicredit, as well as the responsibilities and obligations stemming from it. In accordance with the Global Compact principles 4 and 5, Yapı Kredi prohibits all forms of child labor and forced labor in its business processes. No complaints were received with regards to violation of these principles during the reporting period.

#### **Yapı ve Kredi Bankası A.Ş. Employees Savings and Assistance Fund**

Yapı Kredi Assistance Fund aims to promote solidarity and support between employees, and offers pro bono financial and in-kind aid for employees facing financial difficulties due to natural disasters. As of 2015, the charity fund has 7,344 members among employees of the Bank and its domestic subsidiaries.

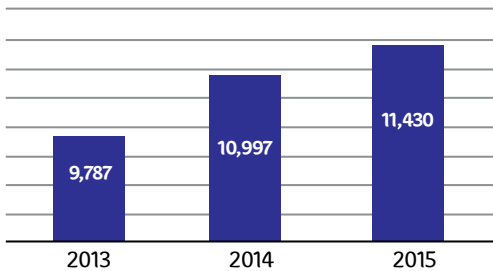
#### **Yapı ve Kredi Bankası A.Ş. Employees Assistance and Pension Fund Nursing Home**

Located in Kadıköy, Istanbul, the fund nursing home offers services to Yapı Kredi pensioners, their spouses, parents, and children. As of the reporting period, the nursing home is accommodating 15 Yapı Kredi pensioners and their relatives.

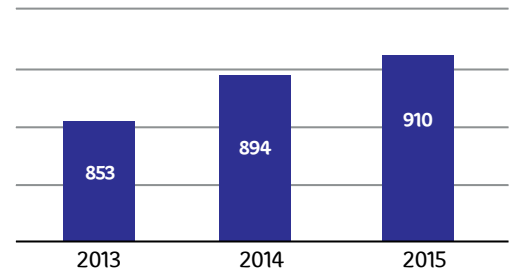
We respect our employees' right to collective bargaining and freedom of association in line with relevant legislation, and conduct our operations in a manner so as to not interfere with these rights. We communicate the provisions of collective labor agreements across Yapı Kredi using the Bank's communication channels (circulars and intranet). We also provide information about collective labor agreements during orientation of newly recruited employees. Formed within our organization, the Employee Relations Advisory Board (ÇİDAK) aims to deliver solutions for workplace problems in a swift and timely manner and maintain labor peace between the Bank and union members, thus increasing efficiency. ÇİDAK meetings are organized regularly, the board convenes four times per year.

During the reporting period, 910 employees served as union representatives, while union membership rate among Yapı Kredi employees was 62%.

**Number of Employees covered by Collective Labor Agreement**



**Number of Employees with Active Duties in Labor Unions**



We give particular emphasis to work-life balance as a factor in increasing job satisfaction and work performance. Accordingly, apart from ensuring compliance with the working hours stated by the labour law, we hold informative sessions with manager-level staff about avoidance of overtime assignments. In addition, we encourage our personnel to use their earned annual vacations, and ensure that such leaves are granted in a timely manner.

We continue to offer the services of the Yapı Kredi Employee Support Program to employees in order to help them alleviate stress brought about by the tight schedules and responsibilities of their professional and private lives and establish a healthy work-life balance. By identifying and resolving employee problems on an individual basis with

assistance from consultants, the program seeks to improve employee satisfaction and increase efficiency. Launched in 2010 to provide free consultancy services for Yapı Kredi employees in financial, medical, legal and psychological areas, the “Employee Support Helpline” is available for calls any time of the day.

We also organize social activities to help employees utilize their out-of-office hours more effectively. Additionally, we operate a daycare center in Göztepe for the children of female employees working on the Anatolian side of Istanbul, and the Yapı Kredi Bilfen Preschool for children of female employees working at the Yapı Kredi Banking Base. Maternity leaves are another important aspect of work-life balance. Female employees benefit from 56 calendar days of maternity leave both before and after childbirth as stipulated by law, whereas male employees are granted three days of paternity leave as well as their annual leaves at the birth of a child. In addition, the head office features nursing rooms and shuttle services for breastfeeding breaks.

During the reporting period, the return-to-work rate after maternity leave was 90 percent.

### **Sports at Yapı Kredi**

In an effort to enhance communications, reinforce team spirit, promote wellbeing and offer a pleasant pastime, we established Yapı Kredi Sports Club in 2007. Yapı Kredi Sports Club comprises activities in nine different sports as well as three hobby groups, and organizes various competitions and tournaments. Members participate in corporate sports events. On the occasion of the 92<sup>nd</sup> anniversary of the Republic of Turkey, Yapı Kredi Sports Club organized the Republic Cup football tournament, featuring teams from Istanbul and nine other regional offices.

Aside from participating in Koç Group Sports Festival, Yapı Kredi also organizes its own Sports Festival. The festival’s 20<sup>th</sup> edition saw an attendance of 7,500 from among employees and their families.

### Internal Sponsorship

Since 2005, we have been carrying out an “internal sponsorship” project to support and promote personal development through sportive achievements of employees. In addition to financial support, the sponsorship also involves communicating the sportive achievements of employees to their peers throughout the organization via internal communication channels.

Within the scope of internal sponsorship efforts, in 2015 we supported Yapı Kredi employees Ali Nazım Tüysüz, Bayram Kuytan, Ersin Çetin, Kadir Özkaya, Metin Akbaş, Ömer Şahin and Veli Canpolat, who have been competing individually in climbing, swimming and athletics.

In 2015, the following employees received internal sponsorship as part of the project:

**Ali Nazım Tüysüz:** Won eight medals in national and international competitions throughout the year.

**Ersin Çetin:** Granted internal sponsorship for the first time in 2015, he competed in a series of athletics events. Ersin Çetin successfully represented Yapı Kredi by winning three medals.



**Kadir Özkaya:** Climbing confidently with sponsorship for the first time in 2015, he reached the peak of Mount Elbrus, the highest point in Europe, and the peak of the Caucasus Mountains.



**Metin Akbaş:** Successfully completed 19 races in 2015, taking second place in five, and third place in three events.

**Ömer Şahin:** Competed in 18 athletics competitions throughout the year, taking first place in three, second place in six, and third place in two events.

**Veli Canpolat:** Took part in eight mountaineering expeditions in 2015, seven domestic and one overseas, flying the Yapı Kredi flag on the peaks of Hacılar, Kaydak, Aydos, Aladağlar, Erciyes, Kaçkarlar, Tahtalı and Elbrus.

## Employee Health

Ensuring a healthy and safe working environment for our employees is one of our top business priorities, and through preventive and corrective action towards ensuring occupational health and safety, we strive to increase our performance in this area accordingly. The Occupational Health and Safety Unit, formed under the Human Resources and Organization Management, oversees the implementation of our Occupational Health and Safety Policy across the organization.

The Occupational Health and Safety Boards are led by this unit and include employee representatives. Feedback, comments and complaints from employees pertaining to OHS-related issues are discussed in meetings, and this input triggers necessary action. The entirety of our workforce is well represented, with over 50 employees taking part in the boards that convene on a quarterly basis in 17 locations, as well as 1,028 employee representatives in other locations.

Emergency plans have been drawn up for our HQ, regional offices, branches and other service locations in consultation with OHS experts. These plans include emergency response teams, emergency response procedures, and action plans for disasters such as fire or earthquake. In addition, the Employee Support Helpline is available to assist employees and their families with health-related issues. Yapı Kredi Banking Academy holds seminars with participation from workplace physicians and occupational safety experts.

Workplace accidents that occur as part of our operations are recorded and shared with relevant authorities. Accident frequency rate in 2015 was recorded as 1.43<sup>1</sup>, whereas accident severity rate was 0.012<sup>2</sup>. The number of days lost due to these accidents was 468<sup>3</sup>, and no fatal accidents occurred during the reporting period. There are no occupational diseases caused by Yapı Kredi's operations, as defined by the OHS guidelines. Yapı Kredi also organizes training events to raise awareness among employees about OHS-related issues, and the Bank provided a total of 43,536.4 person\*hours of training to 11,884 employees in 2015.

1. Accident Frequency Rate= Total Number of Accidents (major and minor) / Total Actual Working Hours \* 1,000,000

2. Accident Severity Rate= Total Number of Days Lost / Total Actual Working Hours \* 1,000

3. Number of Days Lost= Number of days lost due to major workplace accidents + Number of days lost due to minor workplace accidents

visit <https://www.yapikredi.com.tr/en/corporate-social-responsibility/health-and-safety.aspx> for detailed information about Yapi Kredi's Occupational Health and Safety Practices, and [https://assets.yapikredi.com.tr/Website/\\_assets/pdf/en/corporate-social-responsibility/HS\\_Principles\\_\(EN\).pdf](https://assets.yapikredi.com.tr/Website/_assets/pdf/en/corporate-social-responsibility/HS_Principles_(EN).pdf) for Yapi Kredi Occupational Health and Safety Policy.

### Employer Responsibility

Yapi Kredi recognizes the importance of bilateral communication with its employees, and accordingly, utilizes its effective communication channels to have a better understanding of employee requests, expectations, suggestions and complaints. We direct the company in accordance with ideas we form as such, and prioritize enhancing employee satisfaction, thereby increasing job satisfaction among employees as well as strengthening work processes through feasible solutions.

Yapi Kredi employees can report complaints to relevant authorities confidentially through dedicated e-mail and telephone channels. In addition, the "Aloik" call center is available for employees to voice their inquiries and requests regarding human resources practices.

We issue monthly CEO messages for employees in order to provide a fast, transparent channel of information regarding Yapi Kredi operations. Moreover, we communicate recent developments regarding internal activities, events and external communication efforts to employees via information screens located in the head office and banking base lobbies, the intranet main page titled "Bizler Plus," and BizTV.

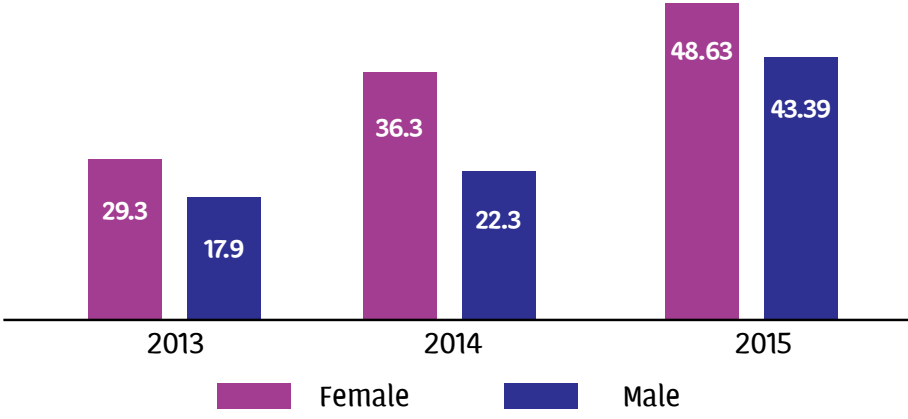
A corporate social network exclusive to Yapi Kredi, Bizler Plus allows dissemination of information at the organizational level in a fast and transparent manner. Bizler Plus is accessible to management as well as employees, who are able to post and comment on posts by their peers. This policy enhances communication between employees and ensures two-way communication between the organization and employees.

### Talent Management and Occupational Training

Yapi Kredi implements talent management programs to assist employees in their personal and professional development and help them direct their own career path.

Accordingly, we offer a variety of training programs while also ensuring active participation of employees in talent management processes through performance evaluation. We develop individual training catalogues for employees, allowing them to select programs as required. The programs include professional training in banking and banking systems to increase efficiency in the workplace, as well as personal development activities intended to improve employees' individual skills and capabilities. Classroom education is complemented by distance learning and mobile training programs, which all employees are expected to complete according to schedule. In addition, Yapı Kredi provides a series of trainings on risk management and legal compliance, which are also mandatory for all employees. In 2015, 20,461 employees are trained for 877,413.5 hours.

**Average Training Hours per Employee\***

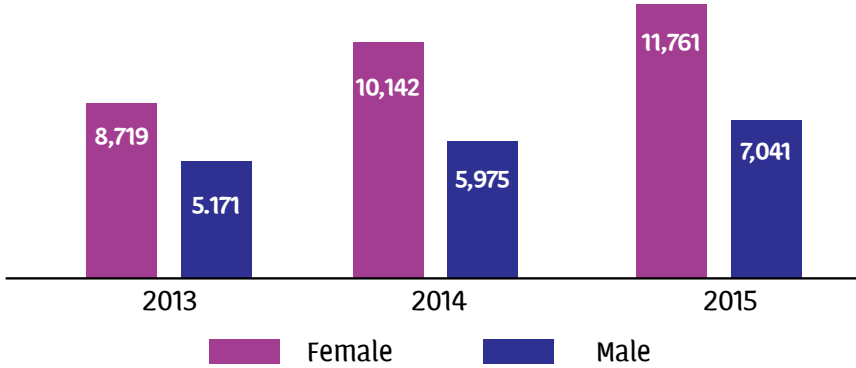


\* Data displayed on the graph are collected from the Bank and its domestic subsidiaries.

The performance evaluation system assigns different weights for goal realization (60%) and competence (40%), while calculating an overall “Total Performance Score.” Performance evaluation processes cover all employees with the exception of those serving in auxiliary positions or employed in Yapı Kredi for less than three months. All employees and managers thus covered by the scope of performance evaluations were included in the relevant processes during the reporting period.



### Number of Employees Receiving Regular Performance and Career Development Reviews\*



\* Data displayed in the graph are collected from the Bank and its domestic subsidiaries.

In order to ensure fairness in promoting employees to managerial positions, candidates are selected from talent pools created within the Bank in a transparent process that is well communicated across the organization. As part of leadership and talent management programs, we also design processes for the development of talented personnel who have displayed outstanding performance and potential. Through partnerships with universities, we offer mini-MBA programs for our employees, guiding them towards positions as needed by the Bank.

### Heroes Club

A talent scouting and recruitment program aimed at young people, the Heroes Club brings university students into the business world. The program aims to assist young people in their career planning and develop qualified personnel for the finance sector. Students selected for the Heroes Club are offered a series of training programs, internship and mentoring. Those who successfully complete the two-year program are offered a job at Yapı Kredi depending on the Bank's personnel requirements at the time. In 2015, 150 students received training as part of the program.

## Yapı Kredi Banking Academy

Established in 2009 with the aim of enhancing employees' professional knowledge and skills, Yapı Kredi Banking academy offers mandatory and optional training programs tailored to employees' position and role within the organization, covering topics such as banking, banking system and personal development. In addition, the Academy also provides special development programs oriented for target audiences in accordance with the Bank's strategic priorities. During the reporting period, 20,461 employees were trained at the Academy.

## Employee Volunteerism

Yapı Kredi makes a point of encouraging employees to volunteer in social projects. As part of our social responsibility efforts, we continued to participate in projects that benefit various segments of society during the reporting period. As of the end of 2015, 2,661 Yapı Kredi Volunteers were taking part in social efforts within the framework of nine main projects carried out in association with non-governmental organizations. During the year, our volunteers helped build libraries in schools, provided technological equipment, and continued to bring joy to children with wish tree campaigns. In addition, our volunteers also helped raise funds for NGOs, recorded audio books for the visually impaired, and helped provide motorized wheelchairs for individuals with disabilities through bottle cap collection campaigns. Volunteers also took part in periodical blood donation campaigns and continued to visit senior citizens living in retirement homes.



Our colleagues also developed their own projects as part of the Gift Matching project, calling on all Yapı Kredi employees to make donations. Two such projects were completed successfully during the period with the help of 344 Yapı Kredi employees. One project involved building a new classroom for the Tohum Autism Foundation School to provide education opportunities for more students with autism, while another project helped enhance social integration for 28 disabled individuals through donation of motorized wheelchairs to the Spinal Cord Paralytics Association of Turkey.

During the reporting period, 1,200 employees in the Banking Base and the call centers in Samsun donated food for stray animals as part of the “Lives on the Street” project, and gifted books and stationery supplies to primary school students in Gümüşhane, Şırnak and Sultanbeyli.

### Social Responsibility Leadership Program

As part of the program established in 2015, branch manager candidates worked with primary education students to identify and raise the leaders of the future. Developed in association with Young Guru Academy, the project involved candidates taking turns providing leadership mentoring to sixth, seventh and eighth graders for a period of 12 weeks via an online platform designed specifically for middle school students. A hundred and four branch manager candidates have worked on the project so far, offering mentorship to 120 students by directing questions to encourage creative thinking, and providing their own answers in turn.

As part of the traditional New Year’s Eve gift campaign, Yapı Kredi employees collected books for donation to the library of the Educational Volunteers Foundation of Turkey (TEGV) Van Feyyaz Tokar Education Park. The books left under the tree were delivered to the education park’s library for children to peruse.

Ninety-six Yapı Kredi employees participated in the 37<sup>th</sup> Istanbul Marathon, encouraging their friends and relatives to donate to the Spinal Cord Paralytics Association of Turkey. Motorized wheelchairs were donated to the association on behalf of employees participating in the marathon, supporting social integration of people with disabilities.

## Mentorship Support from Employee Volunteers

Yapı Kredi Banking Academy also supports university students. In this context, 30 employee volunteers provide mentorship to 120 students from Boğaziçi University, preparing them for professional life.

## Support for Gender Equality

“I Support Gender Equality” is a project that was started in June 2015 within the scope of the larger “For My Country” initiative of 2006. The project involves volunteers from among Yapı Kredi, who number 19 currently, giving awareness training to branch and head office personnel on the subject. So far, 1,251 employees have attended the seminars organized as part of the project. Yapı Kredi is a natural signatory to the UN Women’s Empowerment Principles signed by Koç Holding on 19 December 2014. In relation with these principles, financial aid for day care of children are provided to women employees and attendance of women employees to leadership programs is supported.







## OUR SOCIAL CAPITAL

We regard long-term, fair and transparent relations with our customers and the community as a material issue, and we continuously strive to create higher benefit for stakeholders and contribute to the socio-economic development of our region. In accordance with the responsible banking approach, we carry out operations in a manner that supports sustainable growth and reaches out to all segments of society. Yapi Kredi continuously strives to enhance customer satisfaction through effective communication and audit tools. Our corporate social responsibility approach guides us as we lead the development of education, culture & arts in the community while raising the bar on corporate credibility.



### OUR CUSTOMERS

As part of our principle of responsible banking, we continue to create benefit for our customers, the most important component of our social capital, and endeavor to develop fair, accessible, value-creating products and services for all segments of the community. Our enabled banking practices, which have been the subject of many firsts delivered by Yapı Kredi in the sector, allow us to offer disabled customers equal access to banking services. The Bank contributes to the socioeconomic development of our region through initiatives aimed at SMEs, farmers, and female entrepreneurs. We continuously strive to enhance performance in customer satisfaction through effective management tools as we leverage our effective and inclusive customer communication efforts to offer fair, transparent products and services.

#### Enabled Banking

“Equal Banking for All” forms the basis of our responsible banking approach, and on this principle we have initiated the first and most comprehensive banking program aimed at people with disabilities, who constitute 12 percent of the population of Turkey. Initiated in 2008 with the reorganization of Yapı Kredi Call Center to offer online chat option for customers with hearing impairment, the program was expanded gradually with a series of practices such as Enabled ATMs, Enabled Branches and “Home Agents”, each representing a first in Turkish banking sector.

The addition of text-to-speech functionality in all new ATMs has ensured equal access to banking services for the visually impaired. Today, with 2,144 Enabled ATMs, constituting 49% of all Yapı Kredi ATMs deployed across Turkey, the Bank makes life easier for customers with orthopedic or visual impairments. We continue the practice of including ramps to our enabled branches to ensure wheelchair accessibility. Thanks to a new employment project initiated in May 2014, Yapı Kredi has opened the doors of its call center to persons with disabilities. Within the scope of the “Home Agent” model, call center employees with disabilities started working from their homes after receiving training from the Banking Academy. In 2015, ten employees with disabilities were employed accordingly.

We leverage the advantages of technology in our effort to improve accessibility for disabled customers. Our website, internet banking and mobile banking iPhone application were developed with a view to enhance accessibility for users with visual impairments, ensuring all design and coding was made suitable for their use.



In association with the Federation for the Hearing Impaired, we delivered another first for our sector by adding the sign language option to various online training programs offered by Yapı Kredi Academy. Also in partnership with the federation, we started a new project, dubbed “Speaking is in Our Hands.” Designed to provide a better understanding of banking challenges faced by hearing impaired persons in Turkey, who number around 3 million, the project involved sign language training for volunteer branch employees.

Yapı Kredi recognizes the essential need for ensuring full and equal human rights and freedoms for individuals with disabilities. In this regard, we aim to facilitate their access to banking services through our Enabled Banking program, which continues to grow in scope every year. We pledge to redouble our efforts towards providing fully accessible workplaces, products and services.

We continue to provide communication support for the “I Can Manage My Money” platform, developed in association with the Ministry of Development of Turkey, United Nations Development Program (UNDP), Habitat Center for Development and Governance, Visa Europe Turkey and participating banks with a view to creating awareness among young people about the importance of a healthy financial future and the role they can play in sustainable development.

## Added Value Creation

Yapı Kredi delivers a positive impact on the economies of our operating regions through products and services designed in accordance with international standards and tailored to the needs of various customer segments. We develop accessible products and services for all active and potential customers across Turkey, and continue to create added value for stakeholders. We enhance our socio-economic impact through initiatives that contribute to the development of women entrepreneurs, SMEs, and farmers. The Bank endeavors to increase the number of customers and credit base in these segments.

We accompany the sustainable development of the community where we operate through our support for SMEs, the key drivers of employment and economic growth.

Taking into account the employees and their families, the three million SMEs in Turkey influence about 40 million people. This constitutes a significant economic domain that will create more jobs and contribute greater tax revenues to the economy as they continue to grow and develop. Thus, Yapi Kredi is committed to support the growth of SMEs and contribute to Turkey's sustainable development through the services it provides to over one million SME customers, including agricultural ventures.

In the SME Banking segment, we extended a total loan of around 100 million Euros to customers in 43 priority development provinces in Turkey, thanks to our partnership with the European Investment Bank and the European Development Bank.

We maintain effective, transparent communications with SME customers, whom we endeavor to support as part of our responsible banking approach, via e-mail, SMS, social media and the [www.yapikredikobi.com.tr](http://www.yapikredikobi.com.tr) website launched in October 2015. New campaigns are aimed at this segment through advertisements on TV, radio, newspapers, magazines and internet channels. The [www.yapikredikobi.com.tr](http://www.yapikredikobi.com.tr) website offers detailed information about our products and services and allows SME customers to apply for products online. During the reporting period, the website received over 500,000 unique visitors, and reached 5,500 members.

SME loans constituted 18% of Yapi Kredi's total cash loans during the reporting period, indicating a 5.2 billion TL increase in cash loans to SMEs year-on-year.

We recognize the importance of agricultural banking, which has gained even more prominence for the agriculture industry in parallel with the growing links between formal economy and agriculture & industry. Accordingly, we continue to offer our entire range of banking services and products for farmers as we support all aspects of agriculture, from cultivation to husbandry, in an atmosphere of growth marked by accelerated development and transformation in the industry. We offer investment loans to support farmers as they shift from traditional methods to more modern and technological production processes. We determine terms of such loans by taking into consideration agricultural revenues and solvency of our customers as well as the type of production. During the reporting period, our agricultural loan volume increased by 21% to reach 1.6 billion TL, while the number of active agricultural customers increased by 15% to exceed 115,000.

Yapi Kredi continues its efforts to increase the productivity and competitiveness of farmers while contributing to the modernization of agriculture with innovative

agricultural loan products offered at approximately 250 branches located in rural areas. We support agricultural investments with a product range of 20 different special loans with maturities based on crop harvest times. Furthermore, we sell seven insurance products and two cards, and all of these instruments are provided together with expert agricultural financing consultancy. We communicate our campaigns aimed at agricultural customers via advertisements on national and local TV, farming sector newspapers and periodicals, banners, brochures and SMS. We meet customers personally at agricultural expos and festivals to receive their comments, suggestions and complaints.

We increased the number of active customers during the reporting period, achieving 21 percent growth in agricultural loans.

As a first in the Turkish banking sector, International Education Advisory was launched in 2015 by Yapı Kredi Private Banking and Asset Management. This unique service targets Private Banking customers and their children who plan to study abroad at university, high school, or in summer school. The International Education Advisory provides those families with necessary guidance not only for preparation and application processes, but also for their potential needs after the enrollment.

## Customer Satisfaction

Yapı Kredi regards achieving excellent and lasting customer satisfaction as its primary business strategy, and strives to become a bank that is easy to do business with. We regularly measure the level of customer satisfaction so as to improve the quality of our operations based on this most valuable source of feedback. For the past three years, we have been contacting customers the day after they receive services from our branches in order to measure their satisfaction. This year, we also implemented a pilot project where the call center was used as another channel for monitoring customer satisfaction. During 2015, we contacted over 380,000 customers to learn how satisfied they were with services provided by Yapı Kredi.

Customer satisfaction monitoring includes both the actual operational performance as well as customer perception. With this perspective, we implemented a new monitoring platform that measures 170 indicators of operational performance (waiting times at branches, credit card delivery times, etc.) and customer perception (transparency in

relevant documents/prices, etc.) through a customer satisfaction index. At Yapı Kredi, we aim to quantify and monitor a “holistic customer experience.”

Internal customer satisfaction is another area of focus. We measure the quality of internal services and employee satisfaction. In addition, we organize events to increase collaboration across the organization, and to help develop a better understanding among employees with regard to the roles and tasks of their peers. Such events include “A Day at the Head Office” for branch employees, and “A Day at the Branch” for employees of the head office. In addition, in 2015 we implemented a new mentorship program that involved assigning a senior executive to serve as a mentor at each branch. In this context, we carried out a total of 300 branch visits so far. The feedback from these visits, meeting histories, and the activities performed are collected and evaluated on a single platform.

Yapı Kredi call center operates from three different locations in Gebze, Istanbul and Samsun with 1,200 personnel to respond to customer inquiries and complaints in both Turkish and English. Working 24/7, the Call Center handles 70 million calls annually via telephone, chat, e-mail and IVR. The Call Center system is organized into specialized branches to ensure rapid, effective response to customers in different segments. During the reporting period, our performance in complaints management processes and our customer-oriented approach were awarded with ISO 10002 Quality Certificate. The number of customer calls during the reporting period increased by 43% over the previous year, with the total number of calls handled by relationship managers exceeding 20 million. During the same period, we have achieved a call response rate of 93.6%, whereas the average response time was 171 seconds.

Yapı Kredi also monitors digital and social media channels for customer feedback. We have achieved an average reply time of two hours for customer feedback received via these channels, and we strive to provide first contact solutions. Meanwhile, our branch complaints management system allows us to review complaints in order to identify problem areas and take action accordingly as we attempt to further enhance customer experience at Yapı Kredi.

Visit <https://www.yapikredi.com.tr/en/we-are-here-for-you/customer-satisfaction-approach.aspx>, for our Customer Satisfaction Approach, and <https://www.yapikredi.com.tr/en/we-are-here-for-you/complaint-management-approach.aspx> for our Customer Complaints Management Approach.

## Fair and Transparent Products and Services

We endeavor to provide customers with accurate and comprehensible information regarding our products and services through multiple channels in an efficient, timely fashion. Yapı Kredi offers more than 500 products and services through the branch network, ATMs, mobile banking, internet banking and 444 0 444 telephone banking. We transparently communicate commission fees, determined by our costs, for each of these products and services.

The commission fees set for these products and services are presented to customers over our corporate website [www.yapikredi.com.tr](http://www.yapikredi.com.tr), service commissions tariff displayed in branches, and via telephone banking. All credit card fees and commissions are available on credit card application forms, card websites and credit card statements of account. Any changes to commission fees are announced before implementation. Our corporate website includes detailed information about all our products, services and campaigns via dedicated pages. Likewise, all contracts and product information forms are available on the credit card websites. Gains and losses to be derived from our products and services are presented to customers in a clear, transparent fashion, with necessary information provided within the scope of the Communiqué on Contracts. Dialogue lines used by the call center are approved by the Legal Affairs, Compliance and Internal Control departments. Customers are informed via telephone of all risks, gains and losses associated with the product and service in question. Information about products, services and ongoing campaigns are provided to customers also on Yapı Kredi's Facebook, Twitter and Instagram accounts, while the "service line" feature available 24/7 via Yapı Kredi's social media and corporate website allow for bilateral communication.

Visit <http://www.yapikredi.com.tr/bireysel-bankacilik/hesaplama-araclari/bireysel-urun-ve-hizmet-ucretleri.aspx> for detailed information about the fees for products and services offered to Private customers.

## SOCIAL INVESTMENTS

In addition to contributing to the economic development of its operating region through direct and indirect impacts, Yapı Kredi also strives to support socio-cultural development of the society through a variety of practices. Our investments in education, sports, culture and arts are complemented by a series of innovative, sustainable, social responsibility projects designed to deliver lasting solutions for social issues as we endeavor to promote our understanding of corporate citizenship among stakeholders. We encourage stakeholders to volunteer and play an active role in corporate social responsibility efforts, and we cooperate with public organizations, NGOs and universities in an effort to reach a larger audience. During the reporting period, we continued to support social initiatives taken by our main shareholders, Koç Holding and UniCredit, while also driving efforts in education, culture and arts via our subsidiaries.

### Yapı Kredi Cultural Activities, Arts and Publishing

Established in 1992, Yapı Kredi Cultural Activities, Arts and Publishing conducts publishing activities in the fields of culture and arts, the cornerstone of our social responsibility approach. Operating successfully for 23 years with the purpose of exposing the best in Turkish culture and arts and promoting our country's rich cultural legacy at national and international levels, Yapı Kredi Cultural Activities, Arts and Publishing carried on its activities in publishing, exhibition and event organization during the reporting period.

### Yapı Kredi Publications

Established in 1945 as a testament to the esteem in which Yapı Kredi holds culture and arts, today Yapı Kredi Publications (YKY) is widely regarded as one of the largest and most influential publishing houses in Turkey. In 2015, YKY published three million books: a meticulously selected collection of 260 new titles and 719 reprints in a variety of genres ranging from creative writing to fine arts scholarship, comic books to history. During the same period, Yapı Kredi Publications organized 200 events in schools featuring the authors and editors of titles published by YKY, bringing them together with approximately 40,000 students, teachers and librarians. In 2015, as part of the "Authors at Schools" project initiated by Istanbul Provincial Directorate of Education, Yapı Kredi Publications established a summer school named in honor of writers Nâzım Hikmet and Sabahattin Ali.



In 2015, Yapı Kredi Publications continued to support a special project launched by Technology and Education Center for the Visually Impaired (GETEM) and SESTEK in an effort to support visually impaired people. Within the scope of the project, all new books published by Yapı Kredi Publishing are converted into digital format and made available online as well as via a special telephone service. One hundred forty-nine books were converted by the end of 2015, allowing the visually impaired to enjoy these books free of charge.

## Yapı Kredi Culture Center

Yapı Kredi Culture Center is a prominent location for various exhibitions and sets the agenda for painting, sculpture, photography, graphic arts, archeology and culture with a plethora of activities, meetings and interviews. Our institution hosted nine exhibitions and 154 artistic events attended by an audience of 70,000 during the reporting period. The “Zeki Müren” exhibition, organized in Istanbul before proceeding to Ankara,

Izmir, Bursa and Bodrum, has been one of the most outstanding exhibitions presented by Yapı Kredi Culture Center. The exhibition sheds light on the celebrated artist’s photos and personal belongings that have been held in collections of the Turkish Educational Foundation and Turkish Armed Forces Mehmetçik Foundation for the past 18 years. Attracting over 65,000 people so far, the exhibition offers an extensive, holistic look at the artist’s avant-garde lifestyle and talent through paintings and drawings.

Another important event that took place in 2015 was the “Haldun Taner” exhibition, celebrating the centenary of the birth of the renowned playwright and author. Developed in partnership with Yapı Kredi Cultural Activities, Arts and Publishing and Kadıköy Municipality Caddebostan Culture Center (CKM) Art Gallery, the exhibition explores periods from the artist’s life, his interests, and his literary journey through photographs, personal belongings, and books.





### Yapı Kredi Afife Theater Awards

Hailed as the most prestigious and the long-lasting arts awards, Yapı Kredi Afife Theater Awards has been organized each year since 1997 to commemorate Afife jale, the first Turkish female artist to appear on stage.



Winners in the 19th edition of the highly anticipated event received their awards in a glamorous ceremony at the Haliç Congress Center. The Muhsin Ertuğrul Special Award went to Prof. Zeliha Berksoy, the Yapı Kredi Special Award was given to Şahika Tekand, while Firuze Engin received the Cevat Fehmi Başkurt Special Award.

### Çatalhöyük Excavations

Çatalhöyük Excavations have been supported by Yapı Kredi for a long time in the field of culture and arts. Located 10 kilometers southeast of Çumra district in Konya, the 21-meter Çatalhöyük Hill houses 9,000-year-old secrets. Believed to have been home to a population of 3,000 to 8,000 for a period of 1,400 years from 7400 to 6000 BC, Çatalhöyük sheds light on human history with unprecedented finds including the earliest examples of habitation, dwelling architecture, and religious buildings.



British archeologist Ian Hodder has led the dig since 1993, and Yapı Kredi took up principal sponsorship of this important project in 1997. Added to the UNESCO World Heritage list in July 2012, the Çatalhöyük Neolithic proto-city witnessed the unearthing of significant finds in 2015, bringing new insights along with them. Among those finds were a stone figurine, the best preserved thus far, found among the rubble of a late-period building. Other significant finds in the 2015 season included the excavation of a building, by far the largest yet unearthed in Çatalhöyük, and a painted plaster head.

## I Read, I Play

We continued to support the “I Read, I Play” project, developed in cooperation with the Educational Volunteers of Turkey Foundation (TEGV) to enable children without access to modern education opportunities to engage in extracurricular educational activities. In addition to the general and special goals of the Ministry of National Education’s Turkish education program, the “I Read, I Play” Education Program,



carried out as part of the project, includes various methods and techniques aimed at improving creative reading and listening skills. The program is delivered by over 3,500 TEGV volunteers from the foundation’s 48 project points across Turkey, comprising 10 education parks and 38 learning units.

“I Read, I Play” has garnered significant interest from TEGV students, and the room utilization rates soared to 158%. Continuing since 2006, the project has served more than 120,000 children as of the end of 2015.



### Color Pen

Launched in 2014 with the support of experienced journalists, the “Color Pen” project is an effort to build on the mission of the “I Read, I Play” project in terms of content by introducing children to journalism. The project included children who had taken part in the “I Read, I Play” program. In addition to being included in the newspaper production process, children develop their own perspectives on regional news.

The young journalists were excited to deliver the first issue of Color Pen, produced entirely by children—from page-settings to photographs and news stories to design—and celebrated their achievement with a festival. The first phase of the project started at Istanbul (Fındıkzade), Samsun and Van education parks of TEGV in the spring of 2014 and continued in Ankara, Antalya, Eskişehir, Gaziantep, Istanbul (Bahçelievler), Izmir and Şanlıurfa education parks before concluding in the spring of 2015.

## “Vadaa”'s Support for Education

Identified with Worldcard, Yapı Kredi World's popular mascot Vadaa became a plush toy in December 2014 as part of an effort to support children's education. Available for sale for the first time, Vadaa was in store for consumers at [www.dr.com.tr](http://www.dr.com.tr), select D&R stores, and Yapı Kredi Culture, Arts and Publishing stores in collaboration with Educational Volunteers Foundation of Turkey (TEGV). Funds raised from the sale of Vadaa toys were donated for children's education at TEGV educational parks across Turkey.



## Yapı Kredi Mortgage Delivers Hope to Women

In March 2015, Yapı Kredi Mortgage donated to the project “AÇEV Basic and Advanced Literacy and Women's Support Training Events.” For every housing loan borrowed by female customers, the bank made a contribution to benefit girls and women who did not have the opportunity to attend formal education. The campaign was a success, with more than 500 girls and women getting educational support.





## ‘For My Country’ Fund

Yapı Kredi continues to support “I Know No Barriers for My Country” project led by Koç Holding. During the reporting period, we launched the “Koç – ‘For My Country’ Variable Fund” in partnership with Vehbi Koç Foundation. Revenue generated from the sales of the fund will be used to make schools accessible for students with disabilities. The initiative offers investors the benefit of a new investment project in their portfolios, as well as the chance to contribute to a significant project through Yapı Kredi. During the reporting period, funds generated through the project were used to improve the physical conditions at six schools to ensure increased accessibility. Nine schools have now been remodeled in this way.

## Yapı Kredi Vocational and Technical Anatolian High School

Yapı ve Kredi Bankası Vocational and Technical Anatolian High School in Çayırova, Kocaeli is one of the Bank’s most significant education initiatives. The school opened in the 2008-2009 academic year and graduate its first class in 2012. Now there are over 500 students enrolled in the departments of child development and education, graphics and photography, IT, catering, and office management. Additionally, as part of a new practice begun in 2012, students are provided with merit-based scholarships, 16 of which were awarded in 2015.



## **Yapı Kredi Banking and Insurance Academy Program**

As part of our focus on strengthening links between the business and academic communities, Yapı Kredi undertook another first to collaborate with MEF University on the Yapı Kredi Banking and Insurance Associate Degree Program. Launched in order to train the bankers and financial professionals of the future, the two-year program also offers student internships and full employment opportunities to graduates. Fifty students commenced the inaugural 2015-2016 academic year.

## **Anatolian Scholarships**

Launched by Koç University in 2011 to provide the best education opportunities for high-achieving students facing financial difficulties, the Anatolian Scholars Program continued to enjoy the support of Yapı Kredi, which assumed the education expenses of four students during the reporting period.

## **Yapı Kredi Engages Women in Social Life with AÇEV**

Within the scope of the social responsibility efforts undertaken through Yapı Kredi Banking Academy (YKBA), we continue to carry out projects that benefit various segments of society. Launched in collaboration with Mother-Child Education Foundation (AÇEV) in Diyarbakır back in 2013, the literacy program aims to enhance social participation of women who could not complete primary school education. Today, the program's scope is expanded to cover the provinces of Ankara, İzmir and Diyarbakır, where 28 volunteer Yapı Kredi employees provide courses in basic literacy, advanced literacy, access to information, basic computer usage, and financial literacy. As of the end of 2015, the project has reached 1,500 women.







## OUR INTELLECTUAL CAPITAL

Our experience and know-how on innovation and information technologies is defined as our intellectual capital. Yapı Kredi strives to create higher added value for stakeholders by continuously improving capabilities in these areas. We closely follow technological developments in the world and banking sector to adapt our organization accordingly, and we set a substantial amount aside every year in our budget for R&D and IT infrastructure.

We develop new models that lead to new products and services that make life easier for customers, ensure data safety and business continuity. These advancements enhance our reliability and brand reputation, and secure the sustainability of our business with the economic gains we derive as a result of our efforts.

### Innovation Management

Placing utmost importance on the relationship between innovative and creative ideas and business continuity, Yapı Kredi endeavors to integrate the culture of innovation across the organization and its value chain. We cooperate with universities in R&D and innovation to create mutual benefit, deliver projects aimed at university students who are the IT experts of the future, and invest in our human capital by promoting awareness of innovation and competency among employees.

During the reporting period, Yapı Kredi Teknoloji A.Ş., a wholly-owned subsidiary of Yapı ve Kredi Bankası A.Ş., began operations in the Istanbul Technical University Arı Technopark Technology Development Zone. As part of efforts in computer and communication technologies, the newly established company will conduct R&D to develop banking solutions and payment systems with a focus on software, information technologies, informatics, CRM, banking applications, analytics and big data.

Yapı Kredi Technology's vision involves delivering innovative, high quality, value-added and creative solutions for the finance sector. Our primary goals are to deliver innovative products that exceed customer expectations, increase cooperation with academic institutions, develop high-tech products for the finance sector, continuously improve our production methods, trademark and protect our inventions and developed models, and contribute to Turkey's technological transformation as a leading financial enterprise offering high quality, creative solutions through the expertise we will acquire in the field of software development. The innovative products and services resulting from these projects are used to ease customers' lives as well as provide Yapı Kredi with a competitive edge in the sector.

Yapı Kredi R&D team received first prize in the "Making a Difference" category of the 'Koç Excellence Award' among Koç Group companies with its Intelligent Management System (IMS) project.

We encourage innovative ideas from internal and external stakeholders through competitions organized within Yapı Kredi, as well as by our main shareholders UniCredit and Koç Holding. We offer employee training programs on "Creative Thinking" and "Intellectual Rights" to raise awareness about innovation and intellectual property. Employees who create a technical solution or design that qualifies as an invention fill out an Invention Declaration Form (BBF) to notify the Intellectual Rights Team within the R&D department, which assists employees in protecting their inventions with a

patent, or a utility model. Innovative ideas that provide savings are evaluated within the EVREKA system, and those deemed suitable are turned into projects.

## Innovative Products and Services

We stand out in the sector with innovative products and services that make life easier for our customers. While enhancing their experience, we gain a competitive edge too. We maintain our leading position in the market with continuous development and new projects in Yapi Kredi's Digital Banking channels. We ensure that all newly launched products are designed with a common approach (omni – channel point of view) and customer experience is provided based on principles determined commonly for each channel. Prominent examples of innovative services and products launched within the reporting period can be found below.

In 2015, we delivered another first in Turkish banking sector with our new banking application developed for Apple Watch, taking the Limitless Banking experience one step further. In line with our proactive strategy, the application was developed before the Apple Watch product launch. When the application became available in App Store, it was named as one of the world's most premium applications and was selected as a "Featured App". Integrated into Yapi Kredi Mobile Banking, the Apple Watch app allows customers to locate the nearest Yapi Kredi branches and ATMs, and provides quick access to up-to-date foreign exchange rate information.

Another innovation related to digital channels in 2015 was the renovation of Yapi Kredi Corporate Internet Banking with new and enhanced functions, support for approximately 800 transaction types, and a user-friendly new interface. An additional significant improvement made to corporate internet banking is the option to login with QR Code, another first in the banking sector.

Additionally, during the reporting period we initiated to grant fast-track consumer loans via mobile and internet banking, so that we provided our customers the opportunity to use consumer credits every day of the week including weekends. Our internet banking channel, having been featured as a "case study" by Google as the first and only bank webpage in Turkey to utilize Google Search Appliance, uses behavioral targeting to provide more relevant products and services to customers.

Also in the reporting period, we implemented a new infrastructure allowing customers to access e-Government Gateway services through internet banking. Yapı Kredi customers can now benefit from over 1,200 services offered via the e-Government Gateway free of charge by simply logging onto internet banking. “Value of 1,000 TL” is another new function, allowing customers to monitor the performance of investment instruments such as stock exchange, gold, U.S. dollar and repo. Corporate mobile banking application, which allows SME, commercial and corporate customers to take their bank with them, received a brand new look. The application allows customers to carry out a variety of transactions, approve actions, and view reports and monthly payment plans.

### Idea Development Center (Evreka)

Established to collect innovative and creative ideas from employees for evaluation and implementation and to promote a culture of innovation across Yapı Kredi, the Idea Development Center Evreka allows us to effectively manage idea development processes. In parallel with our focus on internal entrepreneurship, the Evreka is a user-friendly system open to ideas from all employees, allowing them to be recognized for their contributions to our intellectual capital. Part of this process is the Evreka Idea Development Team, which closely follows and evaluates innovations and “fintechs” abroad for informing the relevant units at Yapı Kredi. The system allows employees to submit their ideas through a web-based platform. Ideas go through a preliminary evaluation by the Evreka Idea Development Team before being relayed to department heads and experts to evaluate the idea in question. The proposal is then submitted for the approval of the Evaluation Committee, which makes the final decision on implementation. Two hundred thirty-eight ideas have been put to work in this manner since the system’s launch in 2012. During the reporting period, employees submitted 9,513 ideas, 76 of which were implemented.

In response to a suggestion received during the reporting period, a new practice took effect regarding certain branches that close off their exteriors or doors with shutters due to various reasons. The shutters in these branches were decorated with graffiti bearing the signs and symbols of the area they reside in, thus integrating buildings with the urban fabric. During the same period, an employee suggestion has led to the development of a new practice aimed at customers who opt for receiving information about their account movements by directly contacting branch relationship managers.

The new practice involves employees designating such accounts through the system, which sends a notification to the customer via e-mail to inform them about account movements. This new practice serves as an effective tool for portfolio management, a contribution to customer satisfaction.

Evreka's strength in transforming employee ideas into benefit for the organization has earned it the internal entrepreneurship award at the KSS Turkey Foundation Business 2023 Summit.

## **FikriMobil**

We lead the digital transformation of banking with our innovative approach, and we believe in the importance of developing alongside technology. Our new competition, FikriMobil, aims to bring out the creative potential of university students. FikriMobil helps students to mature and substantiate their ideas with help from mentors. They develop their own prototypes using mobile technologies. Initiated in 2014 and continued for a second edition during the reporting period, the practice is open to high school, undergraduate and graduate students, who can participate in the competition with their mobile application ideas. Applicants whose idea is selected for implementation get an opportunity to make a career in information technologies. Innovation-oriented events held throughout the competition aim to create a beneficial, interactive platform for enterprising students to meet and share ideas.

Candidates compete in teams, and their ideas are evaluated by a jury based on originality, team's capability and the idea's feasibility. The winning team is awarded with a weeklong trip to the Silicon Valley, the world's technology and innovation center, while runners-up are awarded prize money. In addition to visiting the largest tech companies in the world, winning team members also get a chance to meet Turkish and international start-ups and present their projects before the investors.

For detailed information about FikriMobil, visit <http://fikrimobil.com>.

### Academic Cooperations

We make an effort to enhance links between the finance and the academic communities, and establish partnerships with universities and techno parks in programs led by our R&D team. As part of such education partnerships, our R&D team and other experts at Yapı Kredi teach courses in universities, aimed in particular at senior year students in the computer engineering major. During the reporting period, we continued to give lessons as part of an “Information Technologies in Finance” course package, comprising such courses as “R&D in Banks,” “Innovation,” “Intellectual Rights,” “Project Management,” and “SCRUM.” The list of our academic partners, comprising Istanbul Technical University, Ege University, Dokuz Eylül University and Bahçeşehir University, was expanded with the addition of Istanbul University in spring 2015.

During the reporting period, Yapı Kredi sustained its support for the Yapı Kredi Finance Chair, established in January 2011 at Koç University with a view to supporting scientific research in finance. As one of the initiatives to ensure direct contribution to the society and education, the Yapı Kredi Finance Chair seeks to build a bridge between the banking sector and the academic community. Composed of internationally recognized scientists, the Yapı Kredi Finance Chair Professoriate offers students practical experience in the development of business strategies through an educational process supplemented by diverse analyses, case studies and theories.

We also carry out joint R&D studies in consultancy with various universities. During the reporting period, we continued to work with Galatasaray University and Gebze Technical University on the Ministry of Science and Technology commissioned SAN-TEZ projects. Yapı Kredi received consultancy from Boğaziçi University, Istanbul Technical University and Koç University for various projects. Three TEYDEB (TUBITAK) and one EUREKA (EU) projects were completed successfully in 2015, with resulting products from these projects already put to use in our own platforms.



Yapı Kredi's R&D efforts inform various scientific articles, which are presented in international conferences. During 2015, Yapı Kredi R&D Team presented three such articles in international conferences. One of these, titled "A Supervised Learning Approach for the Fusion of Multiple Classifier Outputs" was awarded the best-presented article award in ICOPR2015 in Dubai.

## Customer Privacy

We regard the integrity and privacy of customer data as a legal as well as ethical obligation. The Bank leverages robust IT infrastructure to constantly improve performance in this area. We provide periodical training to raise employee awareness about Yapı Kredi corporate information security policies and information security tools, measure their competency in this area with annual exams, and use exam results and analyses on current threats to update our awareness-raising activities.

We offer our clients banking products and services with a focus on information security, and utilize multilayered security systems to identify and prevent potential threats to our operations. The Yapı Kredi IT network, a major component of business continuity strategy, allows us to eliminate the risk of data loss and other similar dangers due to a natural disaster or emergency. In addition to such internal measures, we also regularly inform customers about measures they can take, and provide relevant information on our website to raise awareness about information security.







## OUR NATURAL CAPITAL

We define the natural resources and ecosystem that allow the continuity of human existence as our natural capital, and we strive to monitor and reduce the environmental impacts of our operations with a view to continuously improving our performance in environmental sustainability. We endeavor to mitigate our environmental impact, managed under the two main categories of “Environmental Impacts of Our Operations” and “Opportunities Arising from Climate Change,” and we take necessary steps to reduce greenhouse gas emissions, energy consumption, waste generation and water usage. We act as a bank that is aware of its responsibility in the fight against climate change, and carry out activities to raise awareness in each link of our value chain.

We draw from the experience of our main shareholders, Koç Holding and Unicredit, to achieve our goals in the field of environmental sustainability. We are a member of the Koç Environmental Board, formed by executives responsible for environmental affairs at Koç Group companies. The board is tasked with determining, implementing and disseminating policies and strategies across the group, and we use these strategic targets to inform our performance goals and promote them across the entire Yapı Kredi organization. We continuously monitor progress towards these goals as well as our performance results, and communicate them to stakeholders in accordance with principles of transparency and accountability. We also carry out regular audits in cooperation with the Koç Group Audit Board to ensure compliance with environmental laws and regulations.

### ENVIRONMENTAL IMPACTS OF OUR OPERATIONS

We adapt our responsible banking approach to our environmental practices, and we continuously strive to mitigate the environmental impact arising from our operations through recycling, efficient use of energy, and emissions management.

#### Responsible Use of Resources

Due to the nature of the banking sector, a significant portion of our environmental impact is due to usage of plastic, paper, glass and metallic material in our offices, and the resulting waste. We attempt to improve our performance in this regard through efficient use of resources and effective waste management practices. We significantly reduce the amount of waste generated and increase recycling rate through training and information activities that redirect employee behavior.

As part of our activities aimed at reducing resource usage, we also regularly inform our customers on environmentally friendly behavior, particularly with regard to paper waste. By promoting the use of e-bills, internet and telephone banking channels, we reduce the amount of paper waste generated through traditional banking activities. Each year we organize campaigns to increase electronic account statement usage rate among our customer portfolio.

During the reporting period, we completed the Integrated Waste Management System, which allows separating waste for recycling/recovery at the source. Accordingly, we deliver the resulting paper, plastic, metal and glass waste to municipalities or licensed third parties operating at the relevant service point. Hazardous waste generated during our activities is also delivered to licensed waste disposal facilities to be included in the disposal/recycling process. Electronic equipment at the end of its life cycle is collected by licensed firms and delivered for recycling. Waste vegetable oil generated by subcontractors located in our head office is likewise delivered to licensed firms for recycling. We inform our subcontractors regarding waste management, and include them in our recycling processes. During the reporting period, our head office facilities were improved with hazardous and non-hazardous waste collection areas. Waste generated as a result of our activities are categorized and stored separately, based on waste type (hazardous/non – hazardous) and waste codes, thereby preventing hazardous waste mix up with non-hazardous waste.

During the reporting period, we achieved a recycling rate of 100% for non-hazardous waste generated by our operations. The recycling rate for hazardous waste was recorded as 81%, while the remaining 19% was sent to licensed facilities for disposal.

As our operations are not particularly water-intensive, our water-saving initiatives are focused on employee behavior, similar to our waste management efforts. As such, we place particular emphasis on awareness-raising activities aimed at our employees, and inform them regularly on the subject via various communication channels throughout the year.

## Recycling Movement

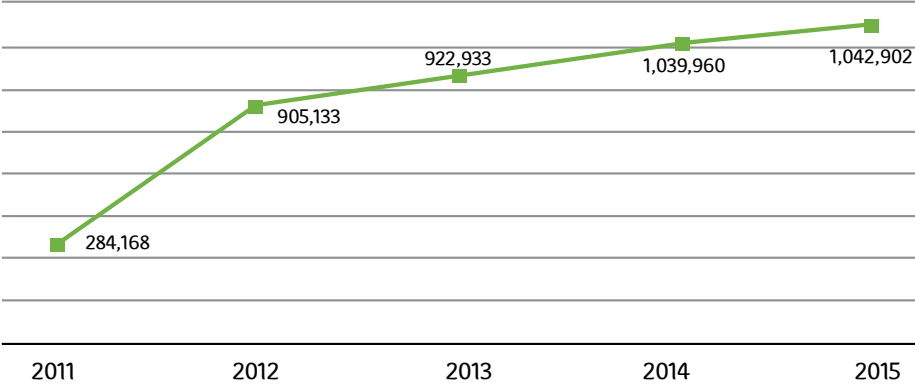
During the reporting period, we actively continued our activities within the recycling movement initiated in 2011 across Koç Group companies to ensure efficient use of resources. As part of the project, we have placed recycling boxes at our head office to collect paper, plastic, glass and metal packaging. Waste collected in these recycling boxes is delivered to the recycling firms licensed by local municipalities. We ensure that all paper waste generated during our banking operations is recycled via a licensed recycling firm.

We continuously increase the amount of waste collected and our recycling rate through internal communication efforts and employee awareness-raising activities.

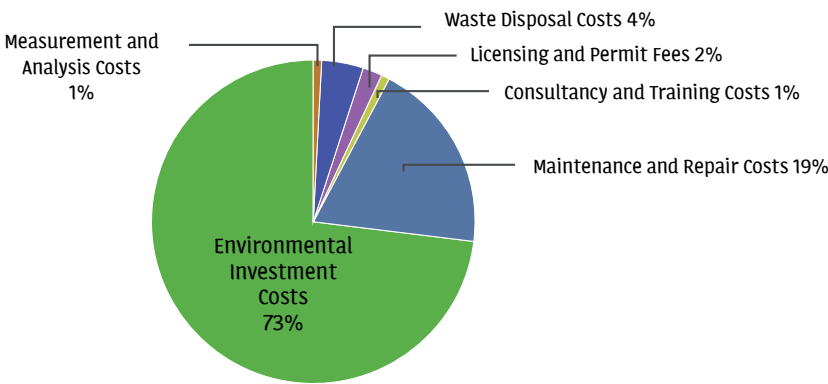
During the reporting period;

- 1,032,570 kilograms of paper was sent for recycling, preventing 37,173 tons of CO<sub>2</sub>e emission, saving 17,554 trees and 26,847 cubic meters of water.
- 9,461 kilograms of plastic was sent for recycling, providing an energy saving of 132,454 kWh, and saving 41.4 tons of crude oil.
- 730 kilograms of glass was sent for recycling, providing an energy saving of around 1,942 kWh.
- 141 kilograms of metal was sent for recycling, saving 2,256 liters of water, and preventing 282 tons of CO<sub>2</sub>e emission.

Amount of Waste Collected through the Recycling Movement



Environmental Protection Expenditures and Investments by Type



During the reporting period, we provided 100 person\*hours of training to 100 employees in areas of environment, pollution and outcomes, air pollution and control, climate change, noise pollution and control, water pollution and control, soil pollution and control, waste management, and medical waste management. Meanwhile, we provided 13.5 person\*hours of training on environmental issues. During the reporting period we provided 113.5 person\*hours of training to 127 stakeholders in total.



## Energy and Emission Management

We consider an effective energy and emission management one of our business priorities, and strive to improve performance in this regard through Green IT and energy-saving initiatives as well as practices focusing on changing employee behavior. In 2015, energy-saving practices in the head office and accompanying information efforts for changing employee behavior resulted in a total energy savings of 2,038 GJ compared to 2014.

In order to reduce our greenhouse gas emissions, we likewise focus on energy efficiency projects, Green IT initiatives, and efficiency practices aimed at employee transportation.

After receiving a Discharge Quality Assurance Permit from the Kocaeli Municipality ISU General Directorate's Department of Water Treatment Facilities, in June we shut down our biological treatment plant at the banking base. Then, we connected the building to the municipal sewer system, thus saving on the energy previously used by the treatment units.

In 2015, as part of Green IT initiatives, we replaced all computers in our branches with models that support our environmental strategies. In addition, by centrally shutting down all computers in branches from 00:00 to 08:00, we achieved an annual energy saving of 30%. This measure also reduced carbon emissions significantly.

Energy saving efforts also targeted the data center, where devices at the end of their life cycles were physically removed, and new virtualization technologies were implemented, resulting in approximately 936 GJ of energy saved, preventing 122.72 tons of CO<sub>2</sub> emissions in 2015.

During the year, lighting in the data center was replaced with energy efficient LED lighting, and early warning and monitoring systems were installed to identify potential breakdowns in the electrical and mechanical components of HVAC units.

During the reporting period, we optimized 80 of the routes used in employee transportation, reducing our overall Scope 3 CO<sub>2</sub>e emissions by 120.8 tons. In addition, carbon emissions were reduced even further through the replacement of aged vehicles with new vehicles featuring next generation engines. After the replacement, the average age of 17-27 passenger vehicles in our fleet was reduced from nine to four, while the average age for 45-passenger vehicles was reduced to ten from the previous fifteen years old.

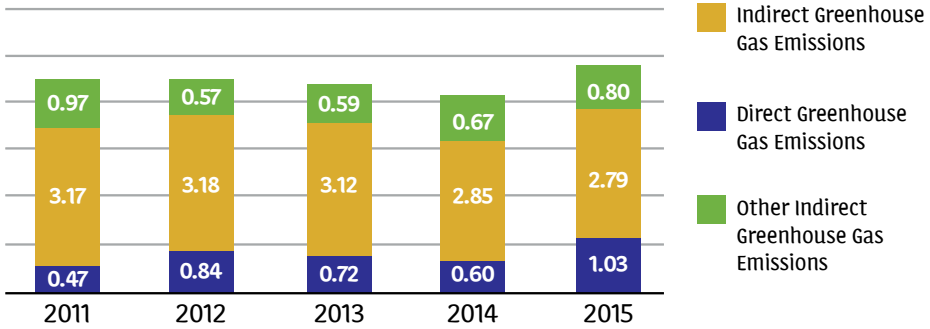
We continue our efforts towards the ISO 14064 Greenhouse Gas Reporting certification process on a periodical basis. Certification process for 2014 has been completed as of 2015, while the process for 2015 will be completed in 2016. The standard serves as a guide to calculate, develop, manage and report greenhouse gas emissions across the organization, and our efforts in this area have reduced overall greenhouse gas emissions in our head office and banking base buildings by 267.2 tons CO<sub>2</sub>e during the reporting period compared to 2014.

### **One Hour for the Earth**

Yapı Kredi supports the “Earth Hour” movement, the annual global event organized by the World Wildlife Fund to raise awareness on climate change. Yapı Kredi participates in the global movement by turning off all lights in its head offices and branches, with the exception of security areas, for one hour. The Bank conducts internal communication efforts to encourage employees to participate personally as well.



## Greenhouse Gas Emissions per Employee (tons CO<sub>2</sub>e)



We also continued our efficiency efforts within Green IT. Through the practices of physically removing devices at the end of their life cycles and investing in new virtualization technologies, we saved approximately 313.2 GJ of energy, reducing emissions by 47,000 tons of CO<sub>2</sub>e.

## OPPORTUNITIES ARISING FROM CLIMATE CHANGE

Yapı Kredi is committed to developing and promoting products and services that are both environment-friendly and capable of generating sustainable long-term value for our Bank and the communities where we operate. We use our financial expertise to support customers across various business lines and develop projects and technologies that help reduce environmental impacts and mitigate climate change. We lead the sector in providing financing to projects on renewable energies to turn risks arising from climate change into opportunities.

### **Social and Environmental Management System (SEMS)**

Implementing the principles stipulated by the Social and Environmental Management System (SEMS), Yapı Kredi secures funds from the International Financial Institutions (IFI) and the German Investment and Development Corporation (DEG). In line with the conditions of the funds secured from these organizations, projects harmful to the natural habitat, polluting environment and causing the local population in the region to migrate as well as projects related to manufacturing and trading of wood and forest products outside the sustainable forests are categorized as banned projects. Every factor harming the wildlife and social life are evaluated and the projects undertaken in banned sectors are not funded.

As part of our goal to lead sustainable development, we conduct thorough assessments on all projects we evaluate for financing, taking into account their environmental and social aspects. Yapı Kredi provides significant amounts of financing for renewable energy projects. As with all other projects, loan terms, conditions and payment plans are specifically determined according to the project's feasibility study and the expected cash flow. We also receive consultancy from environmental experts to identify potential environmental and social impacts, and to determine the measures to be taken in case a negative impact is identified. We cooperate with the Renewable Energy Support Mechanism (YEKDEM) to increase funding diversity, lending our support to projects that can offer a reliable supply.

During the reporting period, energy financing constituted approximately 75 percent of the total underwriting amount of USD 13.7 billion. In 2015, we procured USD 3.6 billion in financing to 124 renewable energy projects with a cumulative installed capacity of 5,900 MW. Assuming a capacity utilization rate of 30%, these no-emission plants prevent 9,700 tons of CO<sub>2</sub>e emissions every year compared to plants using non-renewable resources.

We take into account the social and environmental aspects of the projects we plan to finance, and consult with independent experts to evaluate projects that may cause significant social or environmental impacts. Social and environmental analyses by these independent experts inform management and action plans, which are included in loan contracts as a commitment, and help us minimize the social and environmental impacts associated with the project.

### **Support for WWF Turkey's Soul Campaign**

In the field of sustainability, Yapı Kredi establishes partnerships with various stakeholders including civil initiatives, NGOs, universities, and public agencies. In this context, since 2014, Yapı Kredi has been supporting the World Wildlife Fund's (WWF) "Turkey's Soul" campaign, which aims to raise awareness on Turkey's bio-diversity and generate funds for projects aiming to preserve natural resources. The campaign includes a grant fund created by donations from individuals and organizations, and channeled towards NGOs for implementing their projects on environmental preservation.

## Awards Received During the Reporting Period

<b>Banking</b>	
Ruban d'Honneur – The Award for Customer Focus	European Business Awards
Etika Ethic Awards Turkey	EDMER
Best Private Banking	World Finance
Best Private Banking	Global Financial Market Review
<b>Banking Product</b>	
World Shopping Assistant – Most Innovative Product	Visa Europe
Leading bank in Visa Credit Card and Commercial Credit Card Transaction Volume	Visa Europe
PlayCard Sponsorship Projects: 3 Bronze Awards in Media and Digital Area	Crystal Apple
Best Bank in Cash Management	Euro Money
Best Trade Finance Provider	Euromoney
Syndicated Loan Deal of the Year (Gebze İzmir Highway Project)	Bonds&Loans
Project Finance Deal of the Year (Gebze İzmir Highway Project)	Bonds&Loans
Infrastructure Finance Deal of the Year (Bilkent Integrated Healthcare Project)	Bonds&Loans
Natural Resource Finance Deal of the Year (Yeniköy Kemerköy Thermal Power Plant)	Bonds&Loans
<b>Alternative Delivery Channels</b>	
Best Website in Banking and Finance	Golden Spider
2nd place in Internet Banking	Golden Spider
3rd place in Mobile Website	Golden Spider
Gold Winner – Yapi Kredi Bank's Mobile Banking App	Stevie Awards
Gold Winner – Yapi Kredi Bank's Official Website	Stevie Awards
Bronze Winner – Yapi Kredi's Official Web Site Financial Services	Stevie Awards
Bronze Winner – Yapi Kredi Bank's Website Interface Best Interface Design	Stevie Awards
Best Motivation Practice	IMI Turkey Call Center Awards
Most Awarded Call Center of 10 Years	IMI Turkey Call Center Awards
Most Awarded Bank Call Center of 10 Years	IMI Turkey Call Center Awards
Quality League Winner	Telephone Doctor Turkey
Outstanding Achievement Award	Interactive Media Awards
Turkey's First Apple Watch Banking Application	App Store
<b>Human Resources and Yapi Kredi Banking Academy</b>	
Respect for People Award	Kariyer.net
Company Received the Most Job Application Award	Kariyer.net
Heroes Club – The Best Design Award for Print Ad	Kariyer.net
Excellence in Practice Citation	Association for Talent Development
ATD Best Award	Association for Talent Development
<b>Subsidiaries</b>	
Yapi Kredi Azerbaijan: Best Retail Bank	Global Banking and Finance Review
Yapi Kredi Azerbaijan: Best Internet Banking Product	Global Banking and Finance Review
Yapi Kredi Asset Management: Best Asset Management Company	EMEA Finance Magazine
Yapi Kredi Asset Management: Best Asset Management Brand	Global Brands Magazine
Yapi Kredi Asset Management: Best Asset Management Company	Global Banking and Finance Review
Yapi Kredi Asset Management: Best Asset Management Company	Business Worldwide Magazine
Yapi Kredi Asset Management: Best Asset Management For Corporations	Global Finance Magazine
Yapi Kredi Asset Management: Best Asset Management Company	Global Investor Magazine
Yapi Kredi Asset Management: Best Asset Management Company	International Finance Magazine

## **Yapı Kredi's Voluntary Affiliations**

### **Foundation / Association / Union**

Interbank Card Center / BKM  
Turkish Marine Environment Protection Association / TURMEPA  
Foreign Economic Relations Board / DEİK  
Endeavor – High-Impact Entrepreneurship Support Association  
Ethics and Reputation Society / TEİD  
Financial Literacy and Access Association / FODER  
Institute of International Finance / IIF  
Foundation for Economic Research / İAV  
Istanbul Foundation for Culture & Arts / İKSV  
İzmir Foundation for Culture & Arts / İKSEV  
Credit Reference Agency / KKB  
Corporate Communication Professionals Association / KİD  
Corporate Volunteers Association / OSGD  
Advertisers' Association  
Learning and Development Association / TEĞEP  
TURKTRADE  
Turkish Family Health and Planning Foundation / TAPV  
Banks Association of Turkey / TBB  
Turkish Association for Quality / KALDER  
Corporate Governance Association of Turkey / TKYD  
International Chamber of Commerce – Turkey / ICC  
Turkish Industry and Business Association / TUSİAD

### **Initiatives**

UN Women's Empowerment Principles / UN WEPs  
UN Global Compact  
International Finance Corporation (IFC) Social and Environmental Performance Standards  
Equality at Work Platform and Declaration  
Turkey Private Sector Sustainable Energy Finance Facility Program / TURSEFF  
For My Country  
Visa Colorful Horizons / I Can Manage My Money





## PERFORMANCE TABLES



## Employee Distribution by Contract Type and Gender

	2011	2012	2013	2014	2015
Female					
Fixed Term	118 (0.76%)	84 (0.54%)	217 (1.30%)	177 (0.99%)	105 (0.56%)
Indefinite	9,490 (60.92%)	9,419 (60.14%)	10,011 (60.01%)	11,004 (61.31%)	11,656 (61.99%)
Male					
Fixed Term	57 (0.36%)	127 (0.81%)	123 (0.74%)	36 (0.20%)	29 (0.15%)
Indefinite	5,912 (37.95%)	6,031 (38.51%)	6,331 (37.95%)	6,732 (37.51%)	7,012 (37.29%)

## Employee Distribution by Employment Type and Gender

	2011	2012	2013	2014	2015
Female					
Full Time	9,413 (60.43%)	9,355 (59.73%)	10,047 (60.23%)	10,897 (60.71%)	11,469 (61.00%)
Part Time	195 (1.25%)	148 (0.94%)	181 (1.08%)	284 (1.58%)	292 (1.55%)
Male					
Full Time	5,923 (38.02%)	6,141 (39.21%)	6,417 (38.47%)	6,731 (37.50%)	7,009 (37.28%)
Part Time	46 (0.29%)	17 (0.11%)	17 (0.11%)	37 (0.21%)	32 (0.17%)

## Employee Distribution by Education and Gender

	2011	2012	2013	2014	2015
Female					
Undergraduate and Below	3,008 (19.31%)	2,880 (18.39%)	2,927 (17.54%)	3,004 (16.74%)	2,899 (15.42%)
Graduate	6,600 (42.37%)	6,623 (42.29%)	7,301 (43.76%)	8,177 (45.56%)	8,862 (47.13%)
Male					
Undergraduate and Below	1,763 (11.32%)	1,736 (11.08%)	1,691 (10.14%)	1,709 (9.52%)	1,628 (8.66%)
Graduate	4,206 (27.00%)	4,422 (28.23%)	4,763 (28.55%)	5,059 (28.18%)	5,413 (28.79%)

## Number of Employees with Disability

	2011	2012	2013	2014	2015
Female	60 (0.38%)	59 (0.38%)	60 (0.36%)	78 (0.43%)	75 (0.4%)
Male	238 (1.53%)	237 (1.51%)	248 (1.49%)	345 (1.92%)	349 (1.86%)

## Employee Distribution by Age Group and Gender

	2011	2012	2013	2014	2015
<b>Female</b>					
18-25	1,070 (6.87%)	1,050 (6.70%)	1,657 (9.93%)	1,963 (10.94%)	1,834 (9.75%)
26-35	5,661 (36.34%)	5,306 (33.88)	5,157 (30.91%)	5,525 (30.78%)	5,934 (31.56%)
36-45	2,669 (17.13%)	2,920 (18.64%)	3,166 (18.98%)	3,404 (18.96%)	3,648 (19.40%)
46+	208 (1.33%)	227 (1.44%)	248 (1.49%)	289 (1.61%)	345 (1.83%)
<b>Male</b>					
18-25	381 (2.45%)	503 (3.21%)	681 (4.08%)	676 (3.77%)	560 (2.98%)
26-35	2,929 (18.80%)	2,911 (18.59%)	2,977 (17.84%)	3,199 (17.82%)	3,373 (17.94%)
36-45	2,095 (13.45%)	2,151 (13.73%)	2,215 (13.28%)	2,302 (12.82%)	2,436 (12.96%)
46+	564 (3.62%)	593 (3.79%)	581 (3.48%)	591 (3.29%)	672 (3.57%)

## Number of Hired Employees by Age Groups

	2011	2012	2013	2014	2015
18-25	1,085 (6.96%)	1,213 (7.74%)	1,951 (11.69%)	1,768 (9.85%)	1,380 (7.3%)
26-35	948 (6.08%)	875 (5.59%)	1,284 (7.70%)	2,034 (11.33%)	1,402 (7.5%)
36-45	55 (0.35%)	72 (0.46%)	121 (0.72%)	154 (0.86%)	141 (0.7%)
46+	5 (0.03%)	9 (0.06%)	12 (0.07%)	7 (0.04%)	6 (0.03%)

## Number of Leaving Employees by Age Groups

	2011	2012	2013	2014	2015
18-25	357 (2.29%)	583 (3.72%)	551 (3.30%)	646 (3.60%)	601 (3.20%)
26-35	793 (5.09%)	972 (6.17%)	1,178 (7.06%)	1,041 (5.80%)	993 (5.3%)
36-45	339 (2.18%)	391 (2.50%)	429 (2.57%)	304 (1.69%)	273 (1.45%)
46+	123 (0.79%)	144 (0.92%)	188 (1.13%)	153 (0.85%)	169 (0.90%)

## Number of Hired Employees by Gender

	2011	2012	2013	2014	2015
Female	1,218 (7.82%)	1,168 (7.46%)	2,055 (12.32%)	2,377 (13.24%)	1,843 (9.8%)
Male	875 (5.62%)	1,001 (6.39%)	1,313 (7.87%)	1,586 (8.84%)	1,086 (5.8%)

## Number of Leaving Employees by Gender

	2011	2012	2013	2014	2015
Female	660 (4.24%)	1,269 (8.10%)	1,018 (6.10%)	1,236 (6.89%)	1,256 (6.7%)
Male	952 (6.11%)	816 (5.21%)	1,328 (7.96%)	908 (5.06%)	780 (4.1%)

## Average Seniority

	2011	2012	2013	2014	2015
Female	8.99	9.24	8.66	8.31	8.40
Male	9.12	9.08	8.67	8.40	8.50

## Senior Executives

	2011	2012	2013	2014	2015
Total Number of Senior Executives	53	48	47	45	43
Total Number of Female Senior Executives	16(30%)	11(23%)	9(19%)	12(26.6%)	10(23.2%)
Total Number of Local Senior Executives	47(88.7%)	42(87.5%)	42(89.3%)	42(93.3%)	38(88.4%)

## Distribution of Senior Executives by Age Groups

	2011	2012	2013	2014	2015
26-35	3	2	0	0	0
36-45	36	30	26	21	21
46+	14	16	21	24	22

## Occupational Health and Safety Data

	2011	2012	2013	2014	2015
Injury Rate (IR)	NA	NA	0.010	0.090	0.290
Absence Rate (AR)	NA	NA	347.80	366.47	357.31
Accident Frequency Rate	NA	NA	NA	0.080	1.427
Accident Severity Rate	NA	NA	NA	NA	0.012
Number of Days Lost	NA	NA	NA	52	468

## Man-hours of Training per Gender

	2011	2012	2013	2014	2015
Female	NA	28.8	29.3	36.3	48.63
Male	NA	17.7	17.9	22.3	43.39

## Number of Interns

	2011	2012	2013	2014	2015
High School	NA	NA	NA	NA	253
College/University	NA	NA	NA	NA	664

## Return-to-work Rate after Parental Leave\*

	2011	2012	2013	2014	2015
Return-to-work Rate after Parental Leave	NA	NA	97%	96%	90%

\*Indicates the ratio of female workers still maintaining their position 12 months after returning to work / total

## Growth

	2011	2012	2013	2014	2015	2014-2015 change
Assets (billion TL)	117.5	131.5	160.3	195.0	235.3	21%
Cash Loans (billion TL)	69.3	77.8	99.4	125.5	152.5	21%
Deposits (billion TL)	66.2	71.1	88.5	107.6	130.0	21%

## Profitability

	2011	2012	2013	2014	2015	2014-2015 change
Operational Income (million TL)	6,648	7,401	8,058	8,754	10,263	17%
Other Operational Income (million TL)	2,011	3,159	3,543	4,146	5,077	22%
Net Income (million TL)	2,291	2,098	2,375	2,056	1,909	-7%
Return on Average Tangible Equity	%23.9	%17.5	%16.7	%12.0	%9.7	-231 bps
Asset Profitability	%2.0	%1.6	%1.5	%1.1	%0.8	-24 bps
Cost/Income Ratio	%43.8	%44.3	%44.0	%47.0	%49.0	-210 bps

## Capital and Liquidity

	2011	2012	2013	2014	2015	2014-2015 change
Bank Capital Adequacy Ratio	14.7%	16.3%	16.0%	15.0%	13.8%	-122 bps
Leverage	8.3%	6.2x	7.6x	8.0x	8.5x	0.5x
Loans/Deposits Ratio	103.0%	107.0%	110.0%	113.0%	114.0%	171 bps

## Asset Quality

	2011	2012	2013	2014	2015	2014-2015 change
Non-Performing Loans Ratio	3.0%	3.2%	3.5%	3.4%	3.9%	53 bps
Total Coverage	111.0%	111.0%	107.0%	113.0%	116.0%	328 bps
Cost of Risk	0.58%	1.35%	1.27%	1.17%	1.47%	30 bps

## Energy Consumption (Gj)\*

	2011	2012	2013	2014	2015
Total Direct Energy, Renewable	0	0	0	0	0
Total Direct Energy, Non-renewable	62,767	131,218	103,966	105,200	125,217
Total Indirect Energy	347,946	385,582	351,017	349,407	399,521

\*Energy consumption data provided in the above table represents electricity consumption of Yapı Kredi headquarter buildings (Yapı Kredi Plaza A,C ve D Blok, Bankacılık Üssü, Darıca, Bayramoğlu, Yeniköy, Gayrettepe) and 903 branches together with natural gas consumption of Yapı Kredi headquarter buildings (Yapı Kredi Plaza A,C ve D Blok, Bankacılık Üssü, Darıca, Bayramoğlu, Yeniköy, Gayrettepe) and 365 branches.

Emissions (CO<sub>2</sub>e)\*

	2011	2012	2013	2014	2015
Direct greenhouse gas emissions	7,265	13,162	12,018	10,684	19,392
Indirect greenhouse gas emissions	49,391	49,808	52,104	51,069	52,382
Other indirect greenhouse gas emissions	14,304	8,898	9,820	12,065	15,089

\*Emissions data provided in the above table represents electricity consumption of Yapı Kredi headquarter buildings (Yapı Kredi Plaza A,C ve D Blok, Bankacılık Üssü, Darıca, Bayramoğlu, Yeniköy, Gayrettepe) and 903 branches together with natural gas consumption of Yapı Kredi headquarter buildings (Yapı Kredi Plaza A,C ve D Blok, Bankacılık Üssü, Darıca, Bayramoğlu, Yeniköy, Gayrettepe) and 365 branches and diesel consumption for generators at points of use.

## Direct and Indirect Energy Consumption per Employee (Gj)\*

	2011	2012	2013	2014	2015
Direct Energy Consumption	4.03	8.38	6.23	5.86	6.66
Indirect Energy Consumption	22.34	24.62	21.04	19.46	21.25

\*As a consequence of the independent audit process realized during the reporting period, calculation methodology with regards to energy consumption has been revised. Due to inclusion of data received from all energy suppliers of Yapı Kredi, the breakdown of renewable/non – renewable energy consumption has been removed and these values are presented jointly under a single data figure. The increase in energy consumption value for the reporting period is particularly related to the relevant change in the calculation methodology.

### Water Consumption Source (m<sup>3</sup>)\*

	2011	2012	2013	2014	2015
Surface Water	NA	0	0	0	0
Well Water	NA	1,533	1,046	7,478	9,794
Rain Water	NA	0	0	0	0
Municipal Water	NA	366,276	429,603	392,116	256,350
Other Sources	NA	0	0	0	0
Total	NA	367,809	435,797	399,594	266,144

\*Water consumption data provided in the above table represents water consumption of Yapı Kredi headquarter buildings (Yapı Kredi Plaza A,C ve D Blok, Bankacılık Üssü, Darıca, Bayramoğlu, Yeniköy, Gayrettepe) and 645 branches.

### Total Waste Collected within Recycling Movement (kg)

	2011	2012	2013	2014	2015
Paper	282,360	888,750	970,380	1,033,000	1,032,570
Glass	744	950	1,459	520	728
Metal	281	1,478	3,363	290	141
Plastic	783	13,955	17,791	6,150	9,461
Total	284,168	905,133	992,993	1,039,960	1,042,902

### Total Waste by Type and Disposal Method (tons)

	2011	2012	2013	2014	2015
Non-Hazardous Waste					
Recycled (Using R-coded Methods)	NA	NA	NA	NA	1,154
Disposed (Using D-coded Methods)	NA	NA	NA	NA	0.55
Sent to Interim Landfill	NA	NA	NA	NA	0
Hazardous Waste					
Recycled (Using R-coded Methods)	NA	NA	NA	NA	56
Disposed (Using D-coded Methods)	NA	NA	NA	NA	0
Sent to Interim Landfill	NA	NA	NA	NA	0







## GRI G4 CONTENT INDEX



## Independent Assurance Statement

To,  
The Board of Directors and Management  
Yapı ve Kredi Bankası A.Ş., Istanbul, Turkey

The Yapi ve Kredi Bankası A.Ş. Sustainability Report 2015 ("the Report") has been prepared by the Management of Yapi ve Kredi Bankası A.Ş. ("the Company"), which is responsible for the collection and presentation of information contained in the Report. Our responsibility, in accordance with the instructions of Yapi ve Kredi Bankası A.Ş. Management, is to provide independent assurance on the Report in accordance with the International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information, ISAE 3000 (Revised). The assurance statement should not be taken as a basis for interpreting the performance of Yapi ve Kredi Bankası A.Ş. across the scope of issues covered in the Report.

Our responsibility in performing our assurance activities is to the Management of Yapı ve Kredi Bankası A.Ş. only and in accordance with the terms of reference agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization.

What did we do to form our conclusion

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information, ISAE 3000 (Revised). Our evidence-gathering procedures were designed to obtain a "limited" level of assurance (as set out in ISAE 3000 (Revised)) on reporting principles.

## The scope of our assurance

The scope of our assurance is limited to the following GRI G4 Indicators (the "Selected Information") as described in the report:

- G4-EN3 Energy consumption inside of the organisation
- G4-EN5 Energy intensity
- G4-EN8 Water withdrawal
- G4-EN15 Scope 1 Emissions
- G4-EN16 Scope 2 Emissions
- G4-EN18 GHG Intensity (Scope 1 and 2)
- G4-LA6 H&S Injury Data
- G4-LA9 Training
- G4-EC1 Direct Economic Value Generated and Retained
- G4-EC3 Defined Pension Obligations
- G4-EC4 Assistance from Government
- G4-HR2 Employee training on human rights policies or procedures
- G4-HR3 Incidents of discrimination and corrective actions
- G4-HR4 Freedom of association and collective bargaining
- G4-HR5 Incidents of child labor
- G4-HR6 Incidents of forced or compulsory labor
- G4-SO3 Risks related to corruption
- G4-SO4 Training on anti-corruption policies
- G4-SO5 Incidents of corruption

These indicators are described on pages 97 to 103 of the report.

In order to form our conclusions we undertook the key steps outlined below:

We planned and performed our work, as summarized below, to obtain the evidence we considered necessary to reach our limited assurance conclusion on the Selected Information:

1. Interviewed select key senior personnel of Yapı ve Kredi Bankası A.Ş. to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;

2. Reviewed Selected Information on site covering Yapı ve Kredi Bankası A.Ş. Headquarter in İstanbul, Turkey and offices in Gebze, Kocaeli, Turkey;
3. Evaluated the design and implementation of key processes and controls over the Selected Information;
4. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period;
5. Assessed the disclosure and presentation of the Selected Information in the Report.

### The limitations of our review

Our assurance scope excludes:

- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period i.e. 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;

### Our conclusion

As a result of our procedures, nothing has come to our attention that indicates the Selected Information reviewed for the year ended 31 December 2015 is not prepared in all material respects in accordance with the GRI G4 Reporting Guidelines and the company's internal definitions as explained in this report.

## Our assurance team and independence

Our assurance firm, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability team in Turkey and undertakes similar engagements with a number of significant businesses in Turkey and internationally. As an assurance provider, we are required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics<sup>5</sup> for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

We permit this report to be disclosed in the Yapi ve Kredi Bankası A.Ş. Sustainability Report for the year ended 31 December 2015, to enable the Directors of Yapi ve Kredi Bankası A.Ş. to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and Yapi ve Kredi Bankası A.Ş. for our work or this report except where terms are expressly agreed between us in writing.

for Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik  
A. Ş.

A member firm of Ernst & Young Global Limited  
BAĞIMSIZ DENETİM VE

GERBEST MÜHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

İSTANBUL 27 Nisan 2023

Ticaret Sicil No: 479920

Zeynep Okuyan, SMMM

Partner  
Istanbul, 3 June 2016

<sup>2</sup> International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. This Code establishes ethical requirements for professional accountants. The guidance related to network firms was updated in July 2006.


**GENERAL STANDARD DISCLOSURES**

Profile Disclosure	Reported Section	Page	Explanations	External Audit
Strategy and Analysis				
G4-1	CEO Message	4-7		NA
G4-2	CEO Message	4-7		NA
	Risk Management and Compliance	19		
Organizational Profile				
G4-3	Contact	Back Cover		NA
G4-4	About Yapı Kredi	10		NA
	Corporate Website	-	<a href="http://www.yapikredi.com.tr/bireysel-bankacilik">http://www.yapikredi.com.tr/bireysel-bankacilik</a> ; <a href="http://www.yapikredi.com.tr/kobi">http://www.yapikredi.com.tr/kobi</a> ; <a href="http://www.yapikredi.com.tr/ticari">http://www.yapikredi.com.tr/ticari</a> ; <a href="http://www.yapikredi.com.tr/kurumsal">http://www.yapikredi.com.tr/kurumsal</a> ; <a href="http://www.ykprivate.com.tr/">http://www.ykprivate.com.tr/</a>	NA
G4-5	Contact	Back Cover		NA
G4-6	About the Report	8-9		NA
	Yapı Kredi 2015 Annual Report	18-32		
G4-7	Shareholder Structure	11		NA
G4-8	About Yapı Kredi	10		NA
G4-9	About Yapı Kredi	10		NA
	Financial Performance Tables	89		
	Social Performance Tables	86-88		
G4-10	Social Performance Tables	86-88		NA
G4-11	Employee Rights	36-39		NA
G4-12	Ethics, Bribery and Anti-Corruption	19-22		NA
G4-13	Corporate Website	-	<a href="http://www.yapikredi.com.tr/yatirimci-iliskileri/ozel-durum-aciklamalari.aspx">http://www.yapikredi.com.tr/yatirimci-iliskileri/ozel-durum-aciklamalari.aspx</a>	NA
G4-14	Sustainability Management	23-24		NA
	Ethics, Bribery and Anti-Corruption	19-22		
G4-15	Yapı Kredi’s Voluntary Affiliations	83		NA
G4-16	Yapı Kredi’s Voluntary Affiliations	83		NA

Profile Disclosure	Reported Section	Page	Explanations	External Audit
Identified Material Aspects and Boundaries				
G4-17	About the Report	8		NA
G4-18	About the Report	8		NA
	Identification of Material Aspects	24		
G4-19	Identification of Material Aspects	25		NA
G4-20	Identification of Material Aspects	25		NA
	About the Report	8		
G4-21	Identification of Material Aspects	25		NA
	About the Report	8		
G4-22	GRI G4 Content Index	96	There are no restatements of information provided in previous reports.	NA
G4-23	About the Report	8		NA
	Identification of Material Aspects	24		
Stakeholder Engagement				
G4-24	Stakeholder Engagement	26		NA
G4-25	Stakeholder Engagement	26		NA
G4-26	Stakeholder Engagement	26		NA
G4-27	Sustainability Management	23		NA
	Customer Satisfaction	54		
	Social Investments	56		
Report Profile				
G4-28	About the Report	8-9		NA
G4-29	About the Report	8-9		NA
G4-30	About the Report	8-9		NA
G4-31	About the Report	8-9		NA
	Contact	Back Cover		
G4-32	About the Report	8-9		NA
	Independent Assurance Statement	94		
G4-33	About the Report	8-9		NA
	Independent Assurance Statement	94		

Profile Disclosure	Reported Section	Page	Explanations	External Audit
Governance				
G4-34	Corporate Governance	18		NA
	Sustainability Management	23-24		
	Yapı Kredi 2015 Annual Report	46-47		
Ethics and Integrity				
G4-56	Ethics, Bribery and Anti-Corruption	19-22		NA
	Corporate Website	-	<a href="https://assets.yapikredi.com.tr/WebSite/_assets/pdf/en/investor-relations/governance/corporate-governance/code_of_ethics_and_business_conduct_F54F1.pdf">https://assets.yapikredi.com.tr/WebSite/_assets/pdf/en/investor-relations/governance/corporate-governance/code_of_ethics_and_business_conduct_F54F1.pdf</a>	
SPECIFIC STANDARD DISCLOSURES				
Category: Economic				
Aspect: Economic Performance	Employee Rights; Opportunities Arising from Climate Change; Yapı Kredi 2015 Annual Report	36-39; 79-81; 96, 99		
G4-EC1	Financial Performance Tables	89		Independent Assurance Statement, p.94
G4-EC2	CEO Message	4-7		NA
	Sustainability Management	23-24		
	Opportunities Arising from Climate Change	79-81		
G4-EC3	Employee Rights	36-39		Independent Assurance Statement, p.94
	Yapı Kredi 2015 Annual Report	96		
G4-EC4	Yapı Kredi 2015 Annual Report	99		Independent Assurance Statement, p.94
Aspect: Market Presence	Not material	-		
G4-EC5	Employee Rights	36-39		NA
G4-EC6	Social Performance Tables	86-88		NA

Profile Disclosure	Reported Section	Page	Explanations	External Audit
Aspect: Indirect Economic Impacts	Added Value Creation; Social Investments	51-53; 56-63		
G4-EC7	Social Investments	56-63		NA
G4-EC8	Added Value Creation	51-53		NA
	Social Investments	56-63		
Aspect: Procurement Practices	Not material	-		
G4-EC9	GRI G4 Content Index	98	97.6% of all procurements were made from local suppliers during the reporting period.	NA
Category: Environmental				
Aspect: Energy	Energy and Emission Management	77-79		
G4-EN3	Energy and Emission Management	77-79		Independent Assurance Statement, p.94
	Environmental Performance Tables	90-91		
G4-EN4	Energy and Emission Management	77-79		NA
	Environmental Performance Tables	90-91		
G4-EN5	Energy and Emission Management	77-79		Independent Assurance Statement, p.94
G4-EN6	Energy and Emission Management	77-79		NA
G4-EN7	Energy and Emission Management	77-79		NA
Aspect: Water	Not material	-		
G4-EN8	Environmental Performance Tables			Independent Assurance Statement, p.94

Profile Disclosure	Reported Section	Page	Explanations	External Audit
G4-EN9	GRI G4 Content Index	98	As Yapı Kredi utilizes municipal systems as water source, the company has no significant impact on water resources.	NA
G4-EN10	Environmental Performance Tables	90-91		NA
Aspect: Emissions	Energy and Emission Management	77-79		
G4-EN15	Environmental Performance Tables	90-91		Independent Assurance Statement, p.94
G4-EN16	Environmental Performance Tables	90-91		Independent Assurance Statement, p.94
G4-EN17	Environmental Performance Tables	90-91		NA
G4-EN18	Energy and Emission Management	77-79		Independent Assurance Statement, p.94
G4-EN19	Energy and Emission Management	77-79		NA
Aspect: Effluents and Waste	Environmental Impact of Our Operations	74		
G4-EN22	Environmental Performance Tables	90-91		NA
G4-EN23	Responsible Use of Resources	74-76		NA
	Recycling Movement	75-76		
	Environmental Performance Tables	90-91		
G4-EN26	GRI G4 Content Index	99	There are no bodies of water or natural habitats affected by Yapı Kredi's discharges of water	NA
Aspect: Emissions	Not material	-		
G4-EN29	GRI G4 Content Index	99	There were no fines enforced on the Bank in the reporting period due to non-compliance with environmental law and regulations.	NA



Profile Disclosure	Reported Section	Page	Explanations	External Audit
Aspect: Overall	Not material			
G4-EN31	Environmental Impacts of Our Operations	74		NA
	GRI G4 Content Index	100	Yapı Kredi has allocated a total funding of TL 617,877 for environmental protection expenditures and investments.	
Aspect: Evaluation of Suppliers for Environmental Compliance	Not material	-		
G4-EN32	GRI G4 Content Index	100	During the reporting period, 24 suppliers were screened using environmental criteria	NA
Category: Social				
Sub-Category: Labor Practices and Humane Labor				
Aspect: Employment	Employee Rights	36-39		
G4-LA1	Social Performance Tables	86-88		NA
G4-LA2	Employee Rights	36-39		NA
G4-LA3	Employee Rights	36-39		NA
	Social Performance Tables	86-88		
Aspect: Labor/Management Relations	Not material	-		
G4-LA4	GRI G4 Content Index	100	Yapı Kredi adheres to the legal minimum notice periods regarding major operational changes.	NA

Profile Disclosure	Reported Section	Page	Explanations	External Audit
Aspect: Occupational Health and Safety	Employee Health	41-42		
G4-LA5	Employee Health	41-42		NA
G4-LA6	Employee Health	41-42		Independent Assurance Statement, p.94
	Social Performance Tables	86-88		
G4-LA7	GRI G4 Content Index	101	There are no workers with high incidence or high risk of diseases in Yapı Kredi operations	NA
G4-LA8	GRI G4 Content Index	101	Formal agreements with trade unions include occupational health and safety topics.	NA
Aspect: Training and Education	Talent Management and Occupational Training	42-45		
G4-LA9	Talent Management and Occupational Training	42-45		Independent Assurance Statement, p.94
	Social Performance Tables	86-88		
G4-LA10	Talent Management and Occupational Training	42-45		NA
G4-LA11	Talent Management and Occupational Training	42-45		NA
Aspect: Diversity and Equal Opportunity	Employee Rights	36-39		
G4-LA12	Social Performance Tables	86-88		NA
Aspect: Equal Remuneration for Women and Men	Employee Rights	36-39		
G4-LA13	Employee Rights	36-39		NA

Sub-Category: Human Rights				
Profile Disclosure	Reported Section	Page	Explanations	External Audit
Aspect: Investment	Not material	19-22		
G4-HR1	Ethics, Bribery and Anti-Corruption	19-22		NA
G4-HR2	Ethics, Bribery and Anti-Corruption	36-39		Independent Assurance Statement, p.94
Aspect: Non-discrimination	Employee Rights	19-22		
G4-HR3	Ethics, Bribery and Anti-Corruption	36-39		Independent Assurance Statement, p.94
	Employee Rights	36-39		
Aspect: Freedom of Association and Collective Bargaining	Employee Rights	36-39		
G4-HR4	Employee Rights	102		Independent Assurance Statement, p.94
	GRI G4 Content Index	36-39	Yapı Kredi protects its employees right to collective bargaining and freedom of association in all its operations. There are no violations of right to collective bargaining and freedom of association during the reporting period.	
Aspect: Child Labor	Employee Rights	36-39		
G4-HR5	Employee Rights	36-39		Independent Assurance Statement, p.94
Aspect: Forced or Compulsory Labor	Employee Rights	36-39		
G4-HR6	Employee Rights	-		Independent Assurance Statement, p.94
Aspect: Security Practices	Not material	102		
G4-HR7	GRI G4 Content Index		All security personnel taking part in Yapı Kredi operations have undergone training on policies and procedures including human rights and other statutory topics.	NA

Profile Disclosure	Reported Section	Page	Explanations	External Audit
Aspect: Indigenous Rights	Not material	-		
G4-HR8	GRI G4 Content Index	103	No violations of rights of indigenous peoples have occurred in the reporting period.	NA
Aspect: Supplier Human Rights Assessment	Not material	-		
G4-HR10	Ethics, Bribery and Anti-Corruption	19-22		NA
Sub-Category: Society				
Aspect: Anti-corruption	Ethics, Bribery and Anti-Corruption	19-22		
G4-S03	Ethics, Bribery and Anti-Corruption	19-22		Independent Assurance Statement, p.94
G4-S04	Ethics, Bribery and Anti-Corruption	19-22		Independent Assurance Statement, p.94
G4-S05	Ethics, Bribery and Anti-Corruption	19-22		Independent Assurance Statement, p.94
Aspect: Public Policy	Not material	-		
G4-S06	GRI G4 Content Index	103	Yapı Kredi does not donate to or provide support for any political party.	NA
Aspect: Anti-competitive Behavior	Not material	-		
G4-S07	GRI G4 Content Index	103	There are no ongoing lawsuits against Yapı Kredi for anticompetitive behavior or anti-trust in the reporting period.	NA
Aspect: Local Communities	Enabled Banking, Added Value Creation	50-51; 51-53		

Profile Disclosure	Reported Section	Page	Explanations	External Audit
FS-13	About Yapı Kredi	10		NA
	Added Value Creation	51-53		
	Corporate Website	-	<a href="http://www.yapikredi.com.tr/sinirsiz-bankacilik/atm/sube-ve-atm-arama.aspx">http://www.yapikredi.com.tr/sinirsiz-bankacilik/atm/sube-ve-atm-arama.aspx</a>	
FS-14	Enabled Banking	50-51		NA
Sub-Category: Product Stewardship				
Aspect: Product and Service Labeling	Customer Satisfaction	53-54		
G4-PR5	Customer Satisfaction	53-54		NA
	GRI G4 Content Index	104	Results from customer satisfaction studies are kept confidential as per the disclosure procedures of Turkish financial sector.	
Aspect: Marketing Communications	Fair and Transparent Products and Services	55		
G4-PR7	GRI G4 Content Index	104	No incidences of non-compliance with regulations and voluntary codes concerning marketing communications were recorded in the reporting period	NA
Aspect: Customer Privacy	Customer Privacy			
G4-PR8	GRI G4 Content Index	104	There are 50 confirmed complaints received during the reporting period regarding breaches of customer privacy and losses of customer data.	NA
Aspect: Compliance	Not material	-		
G4-PR9	GRI G4 Content Index	104	No major fine was enforced on the Bank during the reporting period due to non-compliance with laws and regulations concerning the provision and use of products and services.	NA
Product Portfolio	Added Value Creation; Opportunities Arising from Climate Change	51-53; 79-81		
FS-7	Added Value Creation	51-53		NA
FS-8	Opportunities Arising from Climate Change	79-81		NA

## Yapı Kredi Sustainability Committee



Standing (left to right)

Murat Ermert, AGM (Corporate Communications)

Kaan Şakul, EVP (Corporate Banking Sales)

M. Erkan Özdemir, AGM (Compliance and Internal Control)

M. Gökmen Uçar, AGM (Human Resources and Organization)

Tolga Akkerman, EVP (Logistics, Cost Management and Purchasing)

Seated (left to right)

Massimo Francese, AGM (Financial Planning and Administration)

Füsün Akkal Bozok, Member of the Board of Directors

Nurcan Erhan, CSR and Sustainability Supervisor (Corporate Communications)

## **DISCLAIMER**

This Sustainability Report has been prepared by Yapı ve Kredi Bankası A.Ş. in the context of United Nations Global Compact Initiative.

This Report is prepared for information purposes only and it is not intended to form the basis of any investment decision. It does not constitute or form part of an offer to sell or issue, or a solicitation of an offer to purchase or subscribe for, any securities or other interests in Yapı ve Kredi Bankası A.Ş. up and no legal relations shall be created by its issue.

All information contained in this Report and associated documents were believed to be accurate for the time period it covers, expressed in good faith and based on sources believed to be reliable. However, this does not constitute a representation, guarantee, warranty or undertaking of any nature on Yapı ve Kredi Bankası A.Ş. Accordingly, Yapı ve Kredi Bankası A.Ş., or their affiliate companies, board members, consultants or employees shall not be liable for any direct, indirect or consequential loss or damage suffered by any person as a results of relying on any statement in or omission from this Report or in any other information or communications in connection with the Report.



**For further information about the Sustainability Report:**  
[sustainability@yapikredi.com.tr](mailto:sustainability@yapikredi.com.tr)

Yapı Kredi Sustainability Report can be downloaded from  
<http://www.yapikredi.com.tr/en/corporate-social-responsibility/sustainability-report.aspx>

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