
SUSTAINABILITY, ENVIRONMENT AND SOCIAL RESPONSIBILITY POLICY

PASHA Yatırım Bankası A.Ş. considers the social and environmental responsibilities as integral parts of its business strategy, decision-making process, and daily practices and; executes all of its activities within the framework of an understanding of sustainability, according to the economic, social, and environmental responsibility principles.

The fundamental objectives of the Policy are as follows:

- To have the Bank make its contribution to the business world in the field of the society's sustainable social and economic development, with responsibility;
- To lay down the general terms and conditions for carrying out the Banking activities in compliance with the environment;
- Continuation of the Bank's reputation as a socially and environmentally responsible institution before the shareholders;
- To strengthen the Bank's image as a preferred employer by creating a robust corporate culture and the sound and suitable conditions for the careers and professional development of the employees.

The Bank has independently adopted a strategy of creating a social and environmental responsibility framework, being aware of its responsibilities to the society and the environment.

The sustainability, social and environmental management approach of the Bank is based on the following basic principles:

A. Corporate Governance

- The Bank will show a maximum effort to observe the mandatory Corporate Governance principles stated in the Corporate Governance Communiqué II-17.1 of the Capital Markets Board, as well as all of the Corporate Governance principles.
- The Bank believes that an effective sound corporate governance system is needed to achieve the sustainability objectives by ensuring ever-continuing development.
- The Bank carries out all its activities within the scope of a corporate governance structure, with all duties, responsibilities, and processes clearly defined.
- The "Ethical Principles Policy" that had been approved by our Board of Directors constitutes the main behavioral principles of the Bank. The Bank and all our employees follow these principles and rules.

- Our Bank aims to be reliable, responsible, impartial, accountable, and transparent to its partners, shareholders, employees, suppliers, business associates, competitors, the environment, society, and the entire humanity. When trying to achieve its objectives, it abides by the laws, international law, and abides by business ethics.
- The Bank rejects all discrimination based on language, gender, political thought, race, and cultural and social origin.

B. Sustainability

- The Bank believes that it has the power to shape a sustainable future and takes steps in that direction.
- The Bank takes the needs and the expectations of its shareholders into consideration and; works to fulfill its economic, social, and environmental responsibilities and adds value to them.
- The Bank carries out its activities with an ethical, transparent, and accountable corporate governance understanding and a vision of sustainable growth.
- The Bank does, to offer the best service to its clients, and to ensure that they are always satisfied, tries to add value to the future by paying regard to sustainability.
- The Bank ensures full compliance with the Occupational Health and Safety Law and Regulations that are applicable in Turkey and promptly takes the necessary measures for the health and safety of its employees.

C. Environmental Responsibilities

- The Bank undertakes to follow all environmental legislation that applies to its activities and to comply with them.
- The Bank refrains from any activity that has the potential to damage its reputation and to have an adverse effect on the environment and the climate.
- The Bank is aware of its responsibility for the protection of the resources and always aims to use the resources needed for its activities in a more effective way.
- The Bank aims to improve the credit assessment processes by considering the environmental and social criteria.

- The Bank aims to support projects with high environmental sensitiveness and those in the field of renewable energy.
- The Bank endeavors to create environmental awareness among its employees, for them to be environmentally sensitive.
- The Bank takes measures to recycle waste materials.

D. Corporate Responsibility

- The Bank does – in line with its strategies, objectives, and priorities – aim to carry out and sponsor sustainable social responsibility projects that reflect and support the corporate culture and enrich brand perception.

E. Transparency and Communication

- The Management is regularly informed about the Bank's performance in matters of social and environmental responsibilities.
- It follows the principle of announcing the Bank's core activities regarding its social and environmental responsibilities, the steps it has taken to internalize the requirements of the concept of sustainability, and the achievements throughout this process to all stakeholders in its annual activity reports.
- It aims a transparent, understandable, and impartial approach in the Bank's activities, within the framework of sustainable banking, towards the stakeholders at all times.

1. Responsibilities towards Stakeholders

The Bank has assumed social and environmental responsibilities towards the following related parties:

Nonbank

- Clients
- Shareholders and other investors
- Regulatory authorities
- The general public at the places it operates
- Suppliers

In house

- Employees

1.1. Responsibilities towards Clients

- a) The Bank adopts an approach in support of the continuation of production and business cycles of its corporate clients confidently in the future, whatever the macroeconomic conditions might be, and without experiencing any financial problems.
- b) The Bank aims to provide its clients with the highest quality services at reasonable prices.
- c) The Bank encourages offering of creative products and services to the clients and satisfying the clients' increasing demands.
- d) The Bank regularly analyzes whether the clients' demands regarding the products and services are met to their satisfaction.
- e) The Bank regularly audits and reviews its activities for the improvement of the business processes.
- f) The Bank does regularly provide factual, clear, and accurate information about the products and services to its clients, and it does so in the most convenient way with the most suitable communication methods.
- g) The Bank promises to keep the personal information about the products and services its clients use confidential.
- h) The Bank refrains from working with clients that do or have the potential to jeopardize its reputation. A procedure for monitoring the clients is followed for this purpose.
- i) Where, for the duration of the credit relationship, it is discovered that the loan was being used for sectors, the funding of which is not deemed appropriate, or for activities with adverse effects on the society and environment, the Bank will immediately take the necessary action.
- j) The activities or the projects of the organizations that are engaged in the production or trading of any merchandise, product, or service which, according to the national laws and regulations and any international agreement, to which Turkey is party, is prohibited and restricted will not be funded, without having to make any environmental and social impact assessment, or whatever the value might be.
- k) It is promised that the sectors and fields stated in the Bank's Credit Policy that has been approved by the Board of Directors, would not be financed whatever the value might be.

1.2. Responsibilities towards Shareholders and Other Investors

- a) The Board of Directors is ultimately responsible for a robust financial structure, high reputation, sustainability, and high profits.
- b) The Bank is managed and directed in a way that the share values would be maximized, thus avoiding unnecessary risks. Top-Management takes its decisions responsibly, with an understanding of accountability, and tries to manage the resources and the assets most productively.
- c) When making investments, the Bank considers human health and observes the business safety and environmental protection standards.
- d) All official announcements are communicated to the investors, partners, and public opinion fully, simultaneously, and clearly according to the principles of equality by the representatives of the Bank empowered with the Disclosure Policy of the Bank. Therefore, it will be ensured that all stakeholders have equal access to the information simultaneously.
- e) The Bank ensures that the financial data and the results of the activities are announced on the Internet in a timely fashion.

1.3. Responsibilities towards Regulatory Authorities

- a) Compliance with all legislation that is in force is aimed.
- b) It ensures that Banking activities are carried out meticulously under conditions of competition.
- c) No tolerance will be shown to money laundering, financing of terrorism, and corruption.

1.4. Responsibilities towards Personnel

- a) The Bank offers to employees a modern, safe, and healthy business atmosphere, where they are treated fair and equal, human rights are respected, and industrial rights are always improved.
- b) The Bank abides by the legal requirements in the fields of human resources and occupational health and safety.
- c) The Bank offers its employees opportunities for career development, pay at current rates, as well as fringe benefits.
- d) The Bank treats its employees fairly both at the recruitment phase and at work and; does not discriminate on the basis of religion, language, race, gender, and ethnic origin, and neither does it have them work under harsh conditions.

- e) The Bank uses various tools such as e-mail, Intranet, and the Internet to inform its employees about important matters and events.
- f) The Bank organizes activities in the Bank to contribute to the corporate culture, to strengthen togetherness, to create a sincere, respectful, and positive atmosphere, and to create a “Corporate Culture and Consciousness”.
- g) The Bank does select, implement, and make the assessment of beneficial results of the training programs that aim to teach its employees the knowledge, skills, attitude, and behavior that are needed in order not to lag behind in the new developments and changes in their work. It provides them the training opportunities to improve their professional knowledge and skills.
- h) The Bank develops a performance management system that would enable self-assessment of the work performed by and the achievements of its employees and provide fair and equal opportunities when implementing this system. Besides, it creates a career management system, and has it implemented. These criteria will be considered in the promotions.
- i) The Bank takes care to provide a safe and suitable work environment for its employees and to improve it always.
- j) The Bank asks for its employees’ opinions by way of surveys and using similar methods for future applications and ensures their participation in management and decision making.
- k) The Bank does not, under any circumstances, tolerate child labor practices and forced labor or any kind.
- l) The Bank does not, under any circumstances, tolerate corruption, abuse or excess of power, fraud, or insubordination in the firm.
- m) The Bank shows zero tolerance to any kind of sexual abuse and to mobbing.
- n) Personal information and the personnel details of the employees will not be shared by any unauthorized person.
- o) The Bank respects any employee’s decision to continue his/her career in another organization. It will conduct interviews with him/her to learn his/her reasons for leaving and to resolve any conflicts in the workplace.
- p) Any employee is entitled to report to the Bank any breach of the standards stated in this policy by directly communicating with the Human Resources, and by using the communication lines mentioned in the Internal Reporting System.

1.5. Responsibilities towards Suppliers

a) Our relationship with the suppliers is based on objective criteria such as quality, impartiality, and reliability that would support long-term business relations.

b) The Bank will carry out the processes of selection and purchasing fairly, honestly, and impartially, in compliance with the principles defined in the Procurement Regulation and the procedures that are associated with it, by considering the quality, reliability, and continuity of the product/service, as well as the professionalism of the supplier.

c) Before selecting the firms, to which it would outsource services, and its business partners, the Bank will have a survey made, and will not engage in any business with the individuals and entities that are reported to have been involved in bribery and corruption incidents.