

2018-2019
SUSTAINABILITY REPORT



TEB
BNP PARIBAS JOINT VENTURE



TEB
2018-2019
Sustainability
Report





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ABOUT THE REPORT

The fourth sustainability report of Türk Ekonomi Bankası A.Ş. ("TEB") provides insights into the Bank's economic, social, civic and environmental performance and its contributions to sustainable development in the period from 01.01.2018 to 31.12.2019.¹⁰²⁻⁵⁰ The previous periods of these reports, published every two years, covered the years 2012-13, 2014-15, and 2016-17.^{102-51, 102-52} In determining the content of the report, Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness principles were taken as basis. This report has been prepared in accordance with the GRI Standards: 'Core' option.¹⁰²⁻⁵⁴



TEB
BNP PARIBAS JOINT VENTURE

MANAGEMENT AND STRATEGY

Message from the CEO

About TEB

Sustainability at TEB



Message from the Ceo¹⁰²⁻¹⁴



Esteemed Stakeholders,

At TEB, we focus on activities that add value to the environment and people's lives and create positive impact while contributing to the national economy with our products and services. Accordingly, we integrate sustainability into our corporate strategies and business policies to build a better future for our communities. We aim to create value for all our stakeholders, starting with our employees, customers, business partners, and society with a responsible approach, introducing practices across a wide range of activities from innovation and sports to financial literacy and entrepreneurship.

To attain our sustainability goals, we follow the core principles we have defined as a "Good and Exemplary Bank." Therefore, we leverage our technological, financial and human resources to benefit our stakeholders and invest in the future with a collaborative and solution-focused perspective. We believe that taking the necessary measures to tackle climate change, supporting the youth, strengthening start-up ecosystems and contributing to local ecosystems are essential for sustainable development, and we work toward our commitments in these areas.

We formed the Sustainability and Stakeholder Engagement Committee (SASECOM) in 2018 to ensure that sustainability governance is executed accurately and effectively. I am pleased to note that the Committee has successfully operated since its establishment to improve the Bank's economic, environmental,

social and civic performance, meet global standards and ensure that applicable policies, systems and standards are implemented.

As the impact of climate change and other environmental problems is increasingly felt worldwide and in Turkey, we recognize our responsibility as a financial institution and offer loans to encourage sustainable investments in the real economy. Therefore, we introduced sustainability-linked loans with more favorable interest rates or payment terms when the borrower meets specific social and environmental targets. We are proud to have mediated our first sustainability-linked loan facility in 2019 as well.

At TEB, we do not approve any funding, investment or transaction that may result in a serious impact on human health and safety, protected species or the environment as a whole, or that involves sanctioned products. As a bank with several activities focused on environmental sustainability, we provide significant financial support for projects that promote increased use of renewable energy and energy efficiency.

We regard SMEs as key actors in sustainable development, economic growth and employment. Therefore we use our "Consultant Bank" approach to offer them solutions needed especially for growth and competition. Building on the success of our mobile banking platform, CEPTETEB, serving individual customers since 2013, we launched CEPTETEB İŞTE in 2019 to facilitate banking transactions for SME, Corporate and Microbusiness customers. CEPTETEB İŞTE digitalized daily banking transactions of all business, starting with SMEs, by considering the requirements and expectations of our customers to meet their ever-changing needs.

The steps we take to foster and spread innovation on various platforms within our organization and across the country

position us among the sector's most entrepreneurial and innovative banks. We support all entrepreneurs, starting with young people and women, with our financial and non-financial services to further develop the start-up ecosystem.

We also focus on empowering women business owners and entrepreneurs in the business world for sustainable economic growth. In addition to providing guidance to overcome the challenges they face in various business areas, we facilitate their access to information to reach new markets. Accordingly, we signed a protocol with Eximbank in 2019 and extended funding with special pricing and limits to support the businesses of women entrepreneurs who engage or aim to engage in foreign trade. Furthermore, we provided Euro 50 million without any collateral to women entrepreneurs within the framework of the protocol we signed with EBRD (European Bank for Reconstruction and Development).

I am pleased to present this report, which contains detailed information about the topics I briefly mentioned and other sustainability related activities in the 2018-2019 period. I am confident that together with you, our esteemed stakeholders, we will continue to approach our targets toward building a better future for our society.

Sincerely,

Ümit Leblebici
CEO

ABOUT TEB ¹⁰²⁻⁶

Starting out as Kocaeli Halk Bankası TAŞ in 1927, a small local bank based in İzmit, TEB was acquired by the Çolakoğlu Group in 1982. The same year its name was changed to "Türk Ekonomi Bankası A.Ş." ¹⁰²⁻¹ and its head office was relocated to İstanbul. ¹⁰²⁻³

Having focused its attentions on the foreign trade finance and investment banking business lines in the 1980s, TEB undertook an initial public offering in February 2000 after which its shares began trading on the İstanbul Stock Exchange's national market and was simultaneously quoted on the London Stock Exchange's depository receipt market.

On 10 February 2005, TEB entered into a partnership agreement with BNP Paribas, a leading Europe-based international financial services group whose members had operations in 72 countries as of year-end 2018. By joining forces with the BNP Paribas Group, one of the most respected institutions in international markets, TEB further expanded the scope of its global vision.

In 2009, the BNP Paribas Group acquired majority stakes in Fortis Bank Belgium and Fortis Bank Luxembourg, as a result of which the group also became the biggest shareholder in Fortis Bank's Turkish subsidiary. Subsequently, the BNP Paribas Group, which then indirectly controlled a majority stake in TEB and the Çolakoğlu Group reached an agreement under which it was decided to merge Fortis Bank Turkey into TEB. This merger was formally took place on 14 February 2011. As a result of this merger, TEB Holding now controls a majority (55%) stake in TEB while the Çolakoğlu Group and BNP Paribas each control an equal (50%) stake in TEB Holding.

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

Benefitting from the worldwide organization and expertise of the BNP Paribas Group, TEB provides its customers with a complete array of corporate, small-business, treasury, capital market, retail and private banking financial products and services as well as an extensive line-up of investment, leasing, factoring, insurance, and portfolio management products and services through its subsidiaries and group companies. ¹⁰²⁻²

As of 2019 year-end, TEB serves:



6.4 million customers ¹⁰²⁻⁷ with



8,954 employees



471 branches ¹⁰²⁻⁴

(467 in Turkey, 4 in Northern Cyprus),



1,728 ATM's



online banking at
www.teb.com.tr



Customer Engagement Center at
0850 200 0 666

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

TEB's subsidiaries, affiliates, and jointly controlled companies are listed below. The companies marked with (*) are subsidiaries, whose financials have been consolidated in the 2019 Annual Reports. ¹⁰²⁻⁴⁵

Subsidiaries and Affiliates	% of Shares Owned by the Bank and its Subsidiaries
TEB Yatırım Menkul Değerler A.Ş.*	100%
TEB Faktoring A.Ş.*	100%
TEB Portföy Yönetimi A.Ş.*	54.74%
BNP Paribas Kiralama A.Ş.	4.52%

TEB's Capital and Shareholding Structure¹⁰²⁻⁵

Distribution of the paid-in capital by major shareholders and their shares as of December 31, 2019:

Shareholder's Name/Title	Of the TL 2,204,390,000 Capital	
	Amount	Share
TEB HOLDİNG A.Ş.	1,212,414,500.002	55.0000%
BNPP YATIRIMLAR HOLDİNG A.Ş.	518,342,498.520	23.5141%
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	467,879,148.835	21.2249%
BNP PARIBAS SA	5,253,352.000	0.2383%
KOCAELİ CHAMBER OF COMMERCE	500,500.643	0.0227%
GRAND TOTAL	2,204,390,000.000	100.0000%

TEB Holding A.Ş. is a member of the Çolakoğlu Group and BNP Paribas Group of Companies. 50% of the shares in TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş. and the other 50% by the Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA, which holds 100% of the shares in BNP Paribas Fortis Yatırımlar Holding A.Ş.. On the other hand, BNP Paribas S.A. controls BNPP Yatırımlar Holding A.Ş. by 100% of the shares. The Bank's capital and shareholding structure have not changed in 2018 and 2019.

TEB's Position in the Sector^{102-7, 201-1}

(TL million)	31.12.2019		
	TEB	Sector	TEB's Share (%)
Total Assets	107,350	4,491,708	2.39
Total Live Credits	65,577	2,740,019	2.39
Total Deposits	72,194	2,687,518	2.69
Number of Branches	471	11,374	4.14
Number of Employees	8,954	204,626	4.38

Source (for sector figures): BRSA Monthly Bulletin, December 2019

Based on the Bank's 2018 and 2019 balance sheets;

- Total assets grew by 11% in 2019.
- Shareholders' equity reached TL 9,721 million.
- Total deposits accounted for 67% of the balance sheet.
- Total credits amounted to TL69.2 billion in 2019. As the most important indicator of the Bank's support for the economy and customers, they accounted for 64.5% of the total assets.
- Loan-to-deposits ratio has been realized as 96%, capital adequacy ratio as 16.95%, and return on equity as 11.50%.

TEB's credit ratings as of year-end 2019 are listed below:

Moody's Investor Services	Rating
Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term Foreign Currency Deposit Rate	B3
Short Term Foreign Currency Deposit Rate	NP
Long Term Turkish Lira Deposit Rate	B1
Short Term Turkish Lira Deposit Rate	NP
Outlook	Negative
Fitch Ratings	
Foreign Currency Commitments	
Long Term	B+
Short Term	B
Outlook	Stable
Turkish Lira Commitments	
Long Term	BB-
Short Term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Capacity Rating	b+

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

CORPORATE GOVERNANCE AT TEB **102-18, 102-22, 102-24, 102-26**

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

As of December 31, 2019, TEB Board of Directors consists of 12 members. The Chairman of the Board of Directors does not have any executive duties.¹⁰²⁻²³ TEB Board of Directors does not include any independent members. More information on the Board of Directors and Committee members is available in the annual reports (<https://www.teb.com.tr/about-teb/annual-reports/>).

Board members may benefit from loans to the extent allowed by laws as well as bonuses based on criteria such as the Bank's performance, their respective roles and the time they dedicate. TEB Board members are released from their transactions at the General Assembly.¹⁰²⁻²⁸

Remuneration of Board Members and Senior Executives

102-35, 102-36, 102-37

TEB's Remuneration Policy has been prepared in accordance with the principles of the BRSA's (Banking Regulation and Supervision Agency) "Regulation on Corporate Governance Principles of Banks" and "Guidelines on Banks' Good Remuneration Practices" by following the principle of proportionality. It is based on the content, structure, strategies of the Bank's operations and complies with the long-term objectives, risk management structure and local regulations. This regulation aims to prevent excessive risk taking and to assess the actual contributions to risk management.

The Remuneration Policy supports the Bank's risk management in line with the principles and parameters that the Board of Directors defines and approves. The objective of the policy is to ensure that qualified and specialized employees, who will drive the Bank toward achieving its strategic goals, are recruited for both business lines and support functions and retained. The Selection and Compensation Committee (SECOM) is responsible for preparing the Remuneration Policy on behalf of the Board of Directors. In the process of developing the policy, SECOM also reviews and takes into account the remuneration

policies of the BNP Paribas Group, provided that they do not contradict to local laws and regulations and TEB Policies approved by the TEB Board of Directors. SECOM defines the principles of the Remuneration Policy by consulting with the Human Resources (HR), Financial Affairs, Risk, Compliance and Internal Control Groups. After reviewing and approving the remuneration policy, SECOM submits it to the Board of Directors for approval. The remuneration policy is reviewed annually.

All the compensations, benefits and wages paid to the Board members and senior executives amounted to TL 43,585,613 and TL 44,124,897 in 2018 and 2019, respectively, while travel, accommodation and representation expenses were TL 2,114,397 and 2,060,841 in the same years.

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

RISK MANAGEMENT AT TEB 102-30

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

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

The Bank's Group Risk Management is organized in three divisions:

- Credit Risk Management
- Rating Models Development,
- Market Risk, Operational Risk and Collective Provisions.

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

Credit Risk

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

Interest Rate Risk

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

Market Risk

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, equity position risk or

exchange rate risk resulting from fluctuations in the financial markets, in interest rates, exchange rates or stock prices.

Liquidity Risk

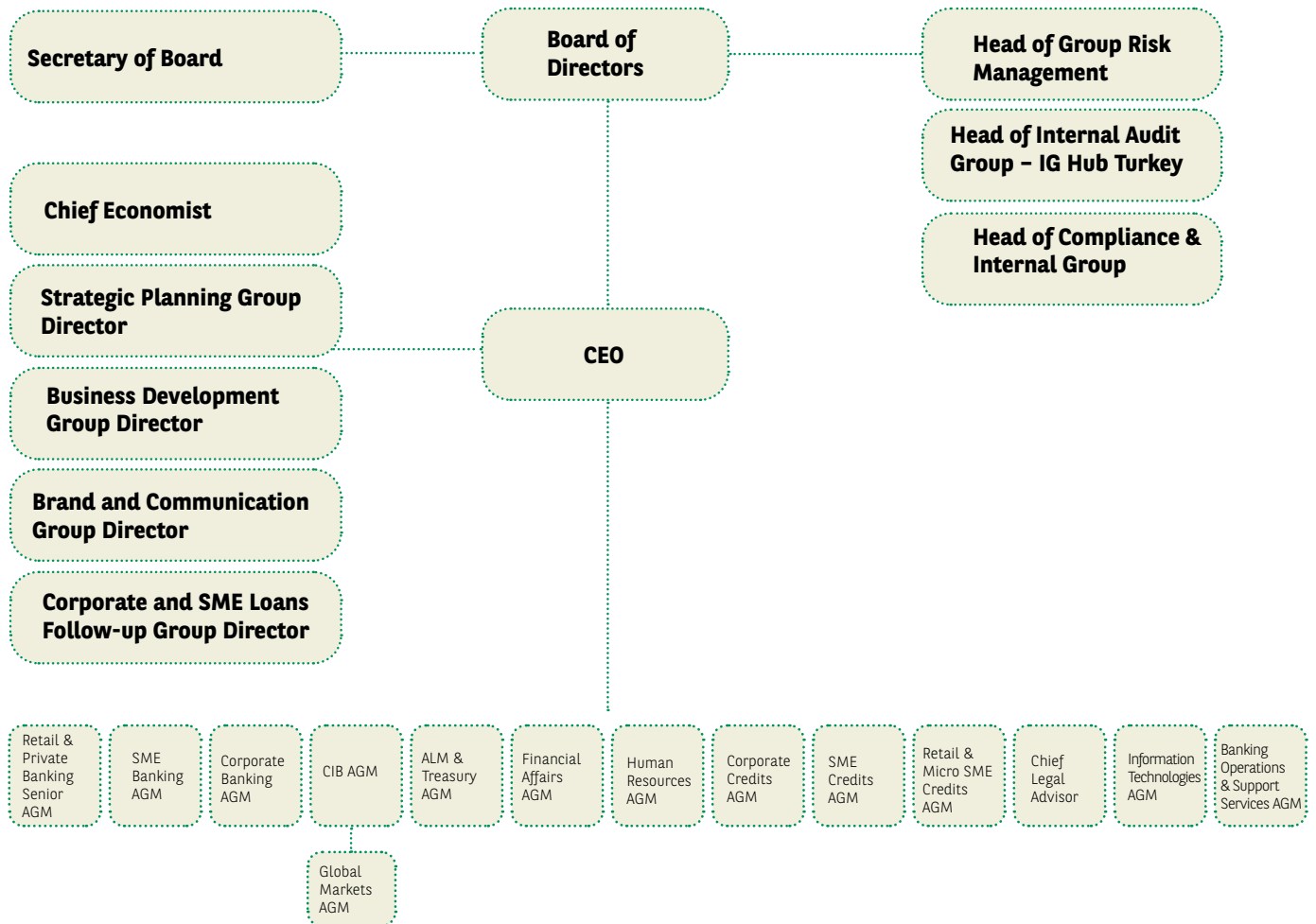
Liquidity risk is defined as the risk resulting from lack of sufficient cash holdings or cash inflow to fully meet cash obligations in due time because of imbalanced cash flow. Liquidity risk also includes the risk of loss that may arise when it is not possible for a bank to adequately close positions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

Climate Change Risk

Climate change and related risks are among TEB's priorities. It has also been declared by BNP Paribas as a material topic across the Group in 2011 due to the role of global economy in financing especially the energy sector. Banking institutions impact climate change directly, not only as a result of their own operations but also –and on a much larger scale– due to their financing activities. TEB adopts an active approach to this matter and addresses the related practices under various headings in this report, including the 'Systematic Integration of Environmental, Social and Governance Risks.'

HEAD OFFICE ORGANIZATION CHART

TEB's Head Office organization chart:



Brand Value and Management

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

Business Continuity in Information Technologies

The Bank adheres to specific plans to ensure business continuity in banking processes. For this purpose, regular system tests are conducted at three proxy office locations. The remote access scenario, which involves employees being unable to come to work due to reasons such as epidemics and pandemics, is also regularly tested. Once a year, all critical and less critical services are initiated from the Emergency Response Center and tested for their functionality. The critical services are provided via the Emergency Response Center for a day while the customers are also serviced through this center. Any faults or malfunctions, if any, identified during the tests, as well as new requirements are regularly analyzed. Best practices are continuously monitored and business continuity awareness and practices are enhanced.

MEMBERSHIPS AND COLLABORATIONS **102-12, 102-13**

Corporate Memberships

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

Collaborations

- The Banks Association of Turkey
- Credit Guarantee Fund (CGF)
- KOSGEB
- Financial Literacy And Inclusion Association
- UNICEF
- Banking Regulation and Supervision Agency
- Special Expertise Commission on Domestic Savings
- Ministry of Family and Social Policies
- Ministry of National Education
- Turkish Exporters Assembly (TIM)

ABOUT BNP PARIBAS

BNP Paribas is among the leading banks in Europe with an international reach and presence in 71 countries, operating with 198,816 employees globally as of March 2020. The Group has key positions in its three main activities: Domestic Markets, International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate Banking, which serves two client franchises: corporate clients and institutional investors.

The Group supports all its clients (individuals, community associations, entrepreneurs, SMEs, corporations and clients in financial services) in realizing their projects through solutions spanning financing, investment, savings and insurance services. In Europe, the Group is the leader in consumer finance and has four domestic markets (Belgium, France, Italy and Luxembourg). BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, Turkey, Eastern Europe and the western part of the United States. In its Corporate Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

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

As a global leader in sustainability, BNP Paribas strives to bring its experience and best practices to its countries of operation. Some of the accomplishments 2019 are as follows:

- BNP Paribas consolidated its position as a world sustainability leader in the eyes of extra-financial rating agencies, with scores considerably higher than the banking

sector average. Following its rating by RobecoSAM, BNP Paribas has been listed in the Europe and World Dow Jones Sustainability Indices, and was awarded FTSE Russell's highest rating of 5/5.

- The Group has also been recognized as the "World's best bank for corporate responsibility 2019" by the magazine Euromoney, while for the sixth year running, Corporate Knights magazine has included it in its 2020 Classification of the "Global 100 Most Sustainable Corporations" as the leading French bank and third best bank worldwide.
- In New York City, during Climate Week NYC 2019, the Bank signed up to the Principles for Responsible Banking alongside 130 banks aiming to align their strategies with the Sustainable Development Goals and the Paris Climate Agreement.
- The Group was involved in the preparation of the Women's Forum activities for highlighting Women's Leadership in Climate Action. The charter aims to raise awareness about the link between women and the climate.

The following table shows the most recent evaluations from the main extra-financial rating agencies and the inclusion of the BNP Paribas share in the related extra-financial indexes. In 2019, the Group maintained or improved its performance in nearly all of its ratings, which were already higher than the banking sector average.

Organization	Rating (most recent)	Rating (previous)	Index
Carbon Disclosure Project	A- (2019)	A- (2018)	
FTSE Russell	5/5 (2019)	4.6/5 (2018)	FTSE4Good Global Index Series
RobecoSAM	79/100 (2019)	78/100 (2018)	DJSI World – DJSI Europe
ISS (ESG Corporate Rating)	C+ (2019)	C (2018)	Prime (best-in-class status)
MSCI (ESG Corporate Rating)	A (2019)	A (2018)	
Sustainalytics (ESG Rating)	77/100 (2019)	79/100 (2018)	Global Compact 100 of the United Nations and STOXX Global ESG Leaders

SUSTAINABILITY AT TEB



SUSTAINABILITY APPROACH

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

TEB SUSTAINABILITY AND POSITIVE IMPACT MANIFESTO

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

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

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

Our international partnership and our strong position in the Turkish financial sector make our role in this process even more important. We are happy to use our technological, financial, human resources for the benefit of society. We will continue to invest in the future with a collaborative and solution-oriented sustainability approach. Embarking upon this effort, we first set up committees to develop projects aimed at meeting the social, economic, and environmental expectations of our stakeholders. Directly supporting our sustainability strategy, these projects are the foundation of our future plans.

In line with the expectations of our stakeholders, we attach great importance to projects that will have a beneficial impact on society. Aware of our responsibility of "A Good Bank", we give priority to making our operational model more digital and customer focused.

In order to successfully achieve our goals, we have determined the following set of basic TEB Sustainability and Positive Impact Manifesto principles. In keeping with TEB's "Good Bank" approach. We will:

- Place sustainability management at the center of TEB's substantial projects and operational processes,
- Serve as an example of the future of sustainable banking by increasing our customers' and other stakeholders' awareness of such issues,
- Cultivate our "positive impact" culture and social dialogue,
- Come up with brand new, innovative solutions by means of policies, products, and services that support our customers while impacting favorably on the environment,
- Keep people informed about the positive impact of the projects that we undertake together with our stakeholders in this area by means of regularly published sustainability reports,
- Be mindful of gender equality in our recruiting, hiring, and workplace practices,
- Implement solutions that are in line with Turkish laws and regulations and are compatible with BNP Paribas goals,
- Establish specific 'sustainability objectives' for the Bank and incorporate their contributions into the overall CSR and diversity and inclusion goals. Beyond this quest for excellence in all areas related to our engagement, we will support causes where we can have major impacts. We will achieve this by aligning our products and services, partnerships, business conduct, procurement policies, community engagement, social responsibility projects, volunteering activities and intrapreneurial initiatives.

For the climate:

- We, as the TEB Family, will realize positive impact projects for our environment, track and measure them.
- We will work together with our customers and other stakeholders to create and enhance climate-change awareness and consciousness.
- We will provide financial support for projects that increase renewable-energy use and energy efficiency.

For young people:

- We will support projects that are important to young people and encourage them to play active roles in society and the banking system.

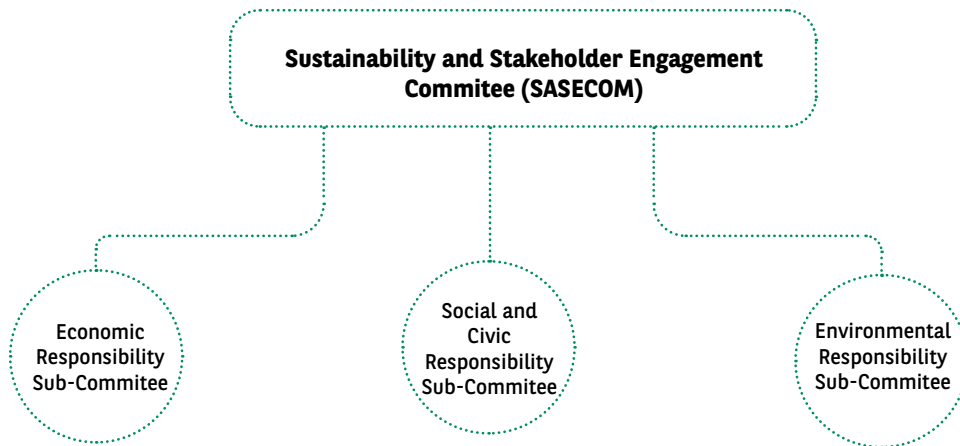
For entrepreneurs:

- We will encourage people with different social backgrounds to start and develop businesses of their own by creating equal opportunities without regard for any distinctions in religion, language, ethnicity, or gender; we will support social and entrepreneurial innovation.
- We will develop and offer solutions that make it easier for female entrepreneurs in the business world to access financial resources.

For local ecosystems:

- We will improve social and cultural contexts in the places where we do business.
- We will contribute to more sustainable growth.
- We will continue to improve the ways in which we cooperate with our customers.
- We will develop projects that are beneficial to the community of which we are a part; we will serve as an example in sustainability-related issues in keeping with TEB's reputation as "A Good Bank".

SUSTAINABILITY MANAGEMENT AND STRATEGY



Sustainability and Stakeholder Engagement Committee SASECOM¹⁰²⁻²⁰

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

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

SASECOM, which convenes quarterly, is responsible for managing TEB Group's economic, ethical, social and environmental performance in line with the expectations of its key stakeholders, creating value with a positive impact on these areas, and integrating the principles and targets laid out in the Bank's sustainability policies into the daily work flows.

Assistant General Manager - Financial Affairs (CFO) is the chair of SASECOM, which consists of nearly 15 permanent members, including the General Manager, Assistant General Managers and Senior Executives. The Brand and Communication Group Director serves as the secretary of the committee.

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

- Economic Responsibility Sub-committee (co-chaired by Assistant General Manager – Corporate Credits and Assistant General Manager – Corporate Banking)
- Social and Civic Responsibility Sub-committee (chaired by Assistant General Manager – Human Resources)
- Environmental Responsibility Sub-committee (chaired by Assistant General Manager – Banking Operations and Support Services)

Sustainability Strategy

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

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

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

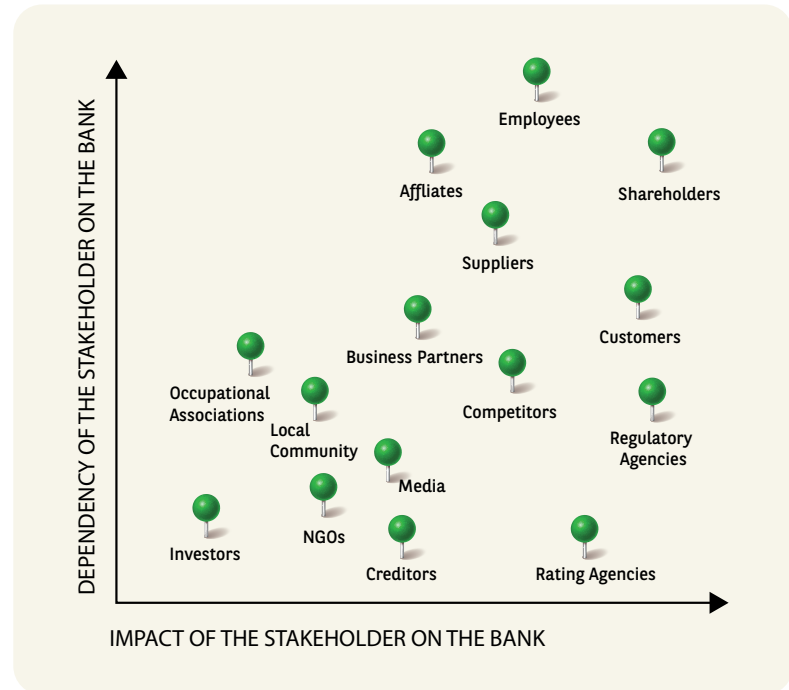
Key Impacts and Opportunities ¹⁰²⁻¹⁵

TEB's key impacts on economic, social, civic and environmental issues are addressed in two aspects: direct and indirect. The Bank's direct impact includes the financial value it creates, its contributions to the national economy, operational standards and human rights practices with respect to its employees and suppliers in particular, and its environmental impact caused mainly by its infrastructure and branch network. The indirect impact, equally or more important and created as a result of its services, covers a much wider sphere. The impact is further strengthened by serving as a role model for responsible behavior for institutions that utilize financial services, guiding them and sometimes even ensuring that they undertake similar responsibilities through services with special terms (such as environmental loans).

Managing environmental and social impacts accurately, especially in credit processes, also reduces risks significantly. Mitigating the risks that the borrowing institution may face can lead to healthier operations, making it possible to maintain higher pay-back capabilities.

Accurate management of the impacts leads to improved access to resources that promote social and environmental performance and offer financing at more advantageous terms. The products and services developed according to the Bank's responsibility approach also make it possible to create added value for various customer groups. These services include SME Banking, Women Banking, Agricultural Banking and Gold Banking.

SUSTAINABILITY PRIORITIES



As a provider of financial products and services, TEB aims to contribute to the economic development in the regions where it operates by conducting its business ethically and fulfilling its responsibilities. The Bank's priority goals include designing products and services to meet the expectations and needs of key stakeholders and improving profitability while looking out for the development of all the stakeholders that the Bank engages in business relations with, and increasing its direct and indirect contributions to the economy every day. Reducing its environmental impact to leave a better world for future generations and fulfilling its environmental responsibilities, while ensuring that the stakeholders within its area of impact do the same, and developing products and services accordingly are also essential for TEB. The Bank reviews all processes continuously to improve operational efficiency within the widest scope possible from customer relations and logistics management to information technology systems and social media communications, and to actively manage change in a rapidly evolving world.

Empowered by the experiences of BNP Paribas, TEB strives to become a role model both in Turkey and in its sector by attaining global standards in sustainability.

The stakeholders and their expectations form the basis of TEB's sustainability processes. The expectations and demands of different stakeholders are obtained through stakeholder platforms and assessed with the contributions¹⁰²⁻²¹ of SASECOM and relevant departments. TEB's stakeholders and material topics, identified¹⁰²⁻⁴² through activities conducted in accordance with the AA1000 SES standard, have been aligned with BNP Paribas' approach and finalized with the approval of the Senior

Management. The material topics, disclosed transparently in the previous Sustainability Reports, are continuously re-shaped based on the feedback received from the stakeholders every year.

Stakeholders and Stakeholder Engagement Platforms¹⁰²⁻⁴⁰

The focus of TEB's Sustainability approach is its stakeholders, namely individuals and organizations that are directly or indirectly affected by its products and services, or that can

affect TEB's processes and strategies. The stakeholders and engagement platforms are shown in the figure below. Stakeholder platforms related to the employees are addressed in detail in the 'Good Place to Work and Responsible Employment Management' section of this report, and the Supplier platforms in the 'Ethics of the Highest Standard' section:

Stakeholder Groups	Stakeholder Engagement Platforms ¹⁰²⁻⁴³
Employees	Satisfaction Surveys (annual), One-to-One Meetings, email, Intranet, Dinner/Lunch with Management (each quarter), Sales Tournaments, Birthday/Child Birth/Wedding Celebrations, Photography, Folk Dance and other Club Activities, New Year's Party
Shareholders	Briefings (3-5 times a year), Presentations, Website, General Assembly Meetings (annual), Annual Reports
Affiliates	Briefings (3-5 times a year), Presentations, Website, General Assembly Meetings (annual), Annual Reports
Suppliers	Regular Meetings (twice a year), email, Phone Calls, Site Visits (when needed), Supplier Day (annual), Supplier Awards Program (annual), Supplier Portal
Customers	Customer Satisfaction Surveys (annual), Customer Engagement Center, Website, email, Phone Calls, Branch Representatives, Financial Literacy Activities, NPS Net Promoter Score Survey (annual), TEB Private Economy Talks (periodic), TEB SME Academy Industry 4.0 Meetings (3-5 times a year), Career Day Events
Competitors	Website, email, Sectoral Associations and Organizations, Annual Reports
Business Partners	Website, email, Sectoral Associations and Organizations, Annual Reports
Sectoral Associations	Meetings, Conferences (3-5 times a year), Seminars (annual), Training Programs, Correspondence to Exchange Views
Regulatory Agencies	Conferences and Panel Sessions (5-10 times a year), Meetings (5-10 times a year), Collaboration Platforms
Local Communities	TEB SME Academy, Agricultural Meetings (2-4 times a year), Public Sector Meetings
Non-Governmental Organizations	Conferences (3-5 times a year), Panel Sessions (8-10 times a year), Financial Literacy Activity
Media	Press Releases (10-15 times a year), Press Conferences (2-4 times a year), Launches, Product Promotions, Newsletters, Website, Interviews
Creditors	Annual Reports, Meetings (10-15 times a year), Website, email
Rating Agencies	Annual Reports, Meetings (10-15 times a year), Website, email
Investors	Annual Reports, Meetings (annual), Website, email, Conferences (2-4 times a year)

Material Issues¹⁰²⁻⁴⁷

The demands and expectations of different stakeholder groups and the dynamics of the banking sector and Turkey are addressed within the scope of TEB's material issues. The outcomes are also aligned with BNP Paribas' Material Topics and finalized after receiving the remarks and approvals of the Senior Management. All material issues are grouped under the main headings below. The material issues, which also comply with the organization of SASECOM, form the structure of this report.

The material issues continue to evolve as a result of feedback received from stakeholders through employee and customer satisfaction surveys, global and local topics, applicable standards and BNP Paribas practices. These issues are presented to all the stakeholders transparently through the Sustainability Reports, which also contain information about TEB's practices in these areas.



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

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

Economic Responsibility	Investments and Financing with Positive Impact								
	Ethics of the Highest Standard								
	Systematic Integration of Environmental, Social and Governance Risks								
Social Responsibility	Diversity and Equal Rights in the Workplace								
	A Good Place to Work and Responsible Employment Management								
	Continuous Development and Dynamic Career Management								
Civic Responsibility	Responsibility in Access to Products and Service								
	Human Rights								
	Community Engagement Activities								
Environmental Responsibility	Promoting Client Business Models Respectful of the Environment								
	Reducing the Environmental Impact of Operations								
	Advancing Environmental Awareness								



ECONOMIC RESPONSIBILITY

Investments and Financing with a Positive Impact

Ethics of the Highest Standard

Systematic Integration of Environmental, Social and Governance Risks



ECONOMIC RESPONSIBILITY

TEB's primary responsibility in terms of services and its impact is contributing to the development of individuals and institutions by offering financial services within an ethical framework and therefore supporting economic development. Accordingly, TEB: [103-1](#), [103-2](#), [103-3](#)

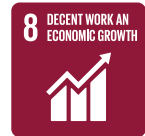
- ✓ Contributes to the real economy and creates added value for all its stakeholders,
- ✓ Assists its customers in achieving their goals by providing financial support with competitive products and services, supports economic development,
- ✓ Believes that SMEs are the cornerstones of the national economy,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

TEB groups its practices to fulfil its economic responsibility under three headings:

- Investments and Financing with Positive Impact
- Ethics of the Highest Standard
- Systematic Integration of Environmental, Social and Governance Risks

1

INVESTMENTS AND FINANCING WITH POSITIVE IMPACT²⁰³⁻²



Cognizant of its economic responsibility, TEB strives to create positive impact with its financial products and services across the area it affects. Therefore, empowering SMEs as a key driver of the Turkish economy and developing products and services for them with a 'consultant banking' approach will always be a focus point. TEB also leverages the power of BNP Paribas' international network to provide special opportunities for its customers of all sizes to contribute to Turkey's integration with the global economy and to support foreign trade balance. Furthermore, the Bank stands by all entrepreneurs, especially women, with its financial and non-financial services to develop the entrepreneurship ecosystem and for the successful implementation of its development policies. The Bank's performance in these areas contributes to United Nations Sustainable Development Goals, in particular SDG2 (Zero Hunger), SDG4 (Quality Education), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG17 (Partnerships for the Goals).

SMEs AND LOCAL ECONOMIC DEVELOPMENT

SME BANKING

TEB carries out its SME Banking activities under its “consultant banking” approach since 2005. TEB constantly improves the products and services it offers to SMEs within the scope of SME Banking activities and assists them with diverse solutions introduced in various areas such as growth and competition that represent the biggest challenges for SMEs. Keeping a close eye on the changes and developments in economy and technology as well, the Bank provides guidance to equip SMEs with alternative perspectives, and to help them better prepare for the future business and production life. In the field of SME Banking, TEB is organized to cover separate business lines to offer specialized service to its customers that require different products and services of a different scale. In addition to financial solutions, the Bank also provides support in non-financial aspects such as access to information, training and networking.

Guidance for technological transformation

The progress in technology affects all sectors and digitalization of production and consumption processes modify the business conduct of all parties.

In the digitalization process where competition has acquired a whole new level, “value-added production” comes to the forefront, and it becomes critical that all businesses, big or small, adopt digitalization and embed technology in their business conduct.

TEB carries out activities for helping the SMEs adjust to the digital transformation and for raising their awareness levels. Focused on making a difference with financial and non-financial products and services, the Bank prepares SMEs for the circumstances of the future, while working towards getting them get ahead of competition. In this context, TEB brought together Techno Start-ups under TIM-TEB Start-up Houses and chambers of commerce and connected SMEs with start-ups in a common platform through special events. While providing SMEs competitive advantages in global arena by offering them opportunities to access domestic software and hardware solutions they need in technological transformation, TEB is also offering new partnership opportunities for start-ups.

New Service Model

As the first bank in Turkey that comes to mind in SME Banking, TEB aims to provide services at appropriate levels in correct segments while observing customer needs. As the companies’ needs are getting diversified,

the need for segmentation emerges. In its new structure, TEB segmented its customers in SME and SME Plus groups and updated its definition of SME. Within the scope of its segmentation activities, customer representatives were supported with specific trainings suitable for their segments on cash management, foreign trade and financial markets. TEB aims to increase its contribution by providing advisory services for SMEs with its expert employees. The Bank believes that the new cash management solutions to meet different customer needs will set it apart in the sector.

With this new strategic perspective, TEB offers services for companies with specific needs in a wide range of areas, from foreign trade to project financing, derivative instruments and supplier financing. The Bank also re-designed its digital service model to include automatized credit processes with the purpose of providing faster daily banking services for small enterprises. This initiative will contribute to increase in customer number and customer satisfaction.

CEPTETEB İŞTE

TEB conducts activities focused on offering new digital experiences to facilitate its customers’ daily financial needs. The Bank held discussions with more than 100 firms during the development phase. Based on the results of workshops organized with the participation of TEB employees and firm representatives, the new digital platform CEPTETEB İŞTE was launched, which is designed for commercial firms to facilitate their daily banking transactions. CEPTETEB İŞTE is the only platform in the industry designed specifically for commercial customers with rich transaction functions, a welcome screen that gives a summary of customer’s products and daily financial status and with features such as a financial calendar and POS management.

CGF (Credit Guarantee Fund) Credits

CGF is a fund which becomes useful when an SME, although it has no restraints to receive a credit from an institution, cannot make use of it due to lack of a guarantee (collateral, lien); hence it provides support to SMEs by giving credit guarantees to access credits from banks. TEB continued its support in 2019 for SMEs, who have difficulties in accessing finance and particularly in providing guarantees and became one of the leading private banks which intermediates in CGF credits. In 2019, new products were added to the CGF credit product list as CGF SME VALUE, CGF COSME (in cooperation with Ministry of Treasury and Finance and European Investment Bank) and CGF ECONOMY VALUE which is indexed to inflation. With these new credit products, opportunities were provided for SMEs to access long-term credits with favorable interest rates without guarantees.

TEB SME Consultants

It is critical to provide guidance to the SMEs with respect to allocation of the funding they receive, as much as providing the financing they need when planning their resources. TEB SME Consultancy Program, which started in 2007, aims to equip branch customer representatives with additional skills to use towards the mission of being an SME consultant bank.

With the strategic perspective gained at this program, TEB customer representatives provide guidance to SME's on their journey of sustainable growth. TEB SME Consultancy training program is delivered in two phases, namely guidance and expertise. Customer representatives who complete these two phases provide services to offer solutions to various customer segments by specializing in a wide range of areas such as domestic sales marketing, foreign trade, production management, technology and agriculture. TEB SME Consultants family continued to grow with new graduates in 2019.

AGRICULTURAL BANKING

TEB Agricultural Banking aims to stand by the producers with agricultural banking products, which are aligned with the needs of the sector and producers, and designed according to the conditions and dynamics of agricultural production.

Meeting the Needs of the Producers

TEB Agricultural Banking continues to extend resources to support agricultural input finance as well as financing of investment projects for agricultural producers of all sizes and for producer organizations (associations, cooperatives and chambers) within the scope of its "consultant bank" mission. TEB Agricultural Banking derives its competitive superiority from its long-term relationships with customers built on its specific financing types addressing different sub-production kinds, its expert team and strategic approach based on know-how. Within this context, in 2019, collaborations were made with the agricultural chambers and development agencies of the regions; the problems and solutions were discussed with all parties of agricultural production in the region.

TEB continues its collaborations with various organizations to expand the use of "TEB Harman Kart" (TEB Harvest Card), which plays an important role in procuring essential inputs for farmers, with once-a-year payment term at harvest period and advantageous interest-free period. Through partnerships with industry leaders in the agricultural ecosystem during the year, manufacturers were supported by HARMAN POS and advantages were offered for their agricultural needs. Additionally, TEB Agricultural Banking promoted its financial and non-financial products by attending domestic and international agricultural fairs and meeting with potential customers.

Technological Solutions

With Agricultural Banking products and services, TEB supports farmers, who are a major asset of Anatolia. In line with its mission of being the consultant bank of the farmers, TEB offers its technological capabilities to their use.

- With Lexus, the automated surveying system for producers wishing to obtain cash loans collateralized with land lien, the survey process can be completed within seconds.
- With Farmer Registry System (FRS) integration, TEB processes applications without requesting extra documentation and meets financial needs instantly.
- Farmers can apply for Harman Card and TEB agricultural credits via SMS without having to visit a branch.

GOLD BANKING

TEB continues to create value in Turkish jewelry industry with its expertise in gold and jewelry, with its accessibility and experience through innovative products which make a difference in the industry. Providing solutions for the needs of customers in jewelry industry for more than 20 years, TEB has been supporting this industry with financial and non-financial products with a market share of 22% based on BRSA's December data.

TEB Gold Banking offered a solution to the payment and maturity problems in purchases of gold for both wholesale and retail jewelers with the "Milyem Card" product it developed. TEB Gold Banking offers a comprehensive service with a range of products including current/time Gold Deposit Accounts, the Silver Deposit Account, Type B Gold Fund and the New Golden Age for individual and corporate customers wishing to make savings.

Besides the strength stemming from its market leadership position, TEB continued to maintain its close relationship with the jewelry industry by participating in the most critical gatherings of the sector as the main sponsor. In 2019, TEB continued its traditional support for the "Istanbul Jewelry Show" which is the world's 5th biggest fair on jewelry.

MUNICIPALITY BANKING

TEB Public Banking continued to be one of the most significant players in this area in 2019 with its products and services developed specifically for the needs of local administrations. With Public Banking approach, TEB provided municipalities easy access to financing and contributed to more rapid infrastructural investments. Providing the first online/real time collection service within the scope of its cash management solutions, TEB offered a faster and easier service for citizens to make their payments to municipalities.

MICROBUSINESS BANKING

With its Microbusiness Banking activities, TEB caters to the financial and non-financial needs of micro businesses.

Patron Kart

The Bank's Patron Card product provides tradesmen and small enterprises with the opportunity to quickly access credit facilities with a single card through alternative distribution channels. TEB customers can access their full limits in commercial installment loans, seasonal loans, overdraft accounts and company credit cards over a single card. They can pay bills, cheques, social security contributions and HGS label charges (bridge and road tolls) on time with the overdraft account linked to the Patron Card, saving them a trip to the branches. The Patron Card offers businesses operating in the tourism sector seasonal loan payment options as well. They are able to make their loan repayments in May-October period in two installments in line with their cash flows. The TEB Patron Card company credit card feature allows users to pay for purchases confidently and securely both in Turkey and abroad.

Cooperation with Trade Chambers

TEB Microbusiness Banking works in cooperation with tradesman chambers which have a significant role in their industries. Within the scope of collaborations with professional chambers and associations in 2019, TEB visited 250 chambers around the country. Convenient services were provided to professional chambers and their members such as free cash transfer and favorable interest rates.

PUBLIC BANKING

The Public Banking Department, established in 2017 within the Corporate Banking business Line to expand the scope of business with the public sector and to increase cooperation areas, continued its activities in 2019 to offer funding at favorable costs to public institutions.

It is intended to meet public sector's needs in foreign trade, structured trade finance, cash management, and alternative funding facilities with BNP Paribas' industry expertise and support for longer term and lower-cost funding. In 2019, efforts have been made to develop relationships with new public institutions and satisfy their banking needs, as well as to make alternative funding facilities more accessible for public institutions in accordance with their medium and long term strategies, primarily through capital markets.

INTEGRATION INTO THE GLOBAL ECONOMY

MULTINATIONALS DESK

TEB is the first bank in Turkey to set up a Multinationals Desk. Since 2006, TEB has been servicing multinationals as well as Turkish firms with international operations, by providing significant advantages and convenience in line with BNP Paribas' "One Bank for Corporates" motto, calling upon the resources of its own extensive network of domestic branches in Turkey as well as those of BNP Paribas' 202 thousand employees, over 30 million customers, and 100 trade centers located in 72 countries.

TEB delivers the service quality and standard that global partners of multinationals receive from BNP Paribas at the maximum extent allowed by the local regulatory framework. Through the Multinationals Desk of its corporate banking division and with its specialized employees in the headquarters and corporate branches, TEB seeks to be the main bank with which all multinationals with operations in Turkey prefer to work, as almost 1,300 multinationals from 45 countries already do.

TRADE CENTERS AND SERVICES

BNP Paribas ranks among the world's top three banks in foreign trade finance and first in Europe. BNP Paribas' operations in 72 countries and Trade Centers active at more than 100 locations in more than 60 countries enhance TEB's competitive edge in trade finance. Thanks to its capability of delivering global services, the Bank provides tailored solutions such as foreign trade legal framework consultancy and preparation of letter of credit documentation. TEB Trade Centers, located in İstanbul, Bursa, and İzmir, mark a first in the Turkish banking sector in terms of the foreign trade financing and foreign trade consultancy. Currently operating out of three locations, TEB Trade Centers develop trade finance models that can be tailored to customer requirements thanks to the trade finance expertise and extensive correspondent networks of TEB and BNP Paribas.

Every TEB Trade Center employs a team whose members have expertise in "structured trade and commodity finance". This team devises financing solutions that are specifically tailored according to the goods involved and customer cash flows. In this way, firms can be offered tailored products that go beyond the sector's conventional financing methods. TEB is adept in producing financing solutions for export commodities such as grains, edible oils, synthetic lubricants, plastic raw materials, chemicals, fruit concentrates and mineral ores such as iron, copper and chromium. TEB customers' financing needs in both domestic and international markets in this area

can be precisely addressed at every stage from initial procurement to final collection.

Maintaining correspondent relationships with more than 1,100 banks located all over the world, TEB constantly seeks to expand this network in line with its customers' needs. In addition to its strong correspondent network, TEB also enjoys the possibility to offer its customers competitive prices and maturity alternatives in foreign trade transactions using the network of BNP Paribas. Facilitating cross-border money transfer in 135 different currencies to more than 180 countries, TEB also offers cash transfer services to customers who want to make bulk payments at competitive costs.

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

Foreign trade training programs

TEB provides its customers with specialized consultancy services related to their foreign trade and investment activities. In addition, TEB also works with sectoral and regional exporters' associations, chambers of commerce and industry, organized industrial zone directorates and similar organizations to provide practical foreign trade training and seminars on foreign trade issues that are designed to meet the particular needs of firms in different parts of Turkey.

SMEs AND FOREIGN TRADE

TEB SME Banking works in full force for a stronger economy and a stronger export performance. In this context, the Bank signed a partnership protocol with TİM (Turkish Exporters' Assembly) to provide exporters with financing opportunities with favorable terms and commercial support. With this protocol, TİM member firms were able to benefit from favorable interest rates for foreign currency credits made available for exporters and favorable currency rates for their currency purchase and sale transactions.

In addition to providing financial support, TEB SME Banking contributes to increase exporters' competitive strength in foreign markets through foreign trade trainings and free of charge advisory services in many areas delivered by its expert employees.

Tebledisticaret.com

TEB serves businesses with export aspirations through its informative digital platform "www.tebledisticaret.com" (foreign trade with TEB), which offers a guide to exploring international markets and makes life easier for them. The website "tebledisticaret.com" is a platform designed

to provide accurate, up-to-date and quality information to companies currently or potentially engaged in foreign trade. These companies can find all the information they seek to access new markets through tebledisticaret.com as a single source. In addition to information on more than 160 countries' market data, prospective customer lists, import tax rates, fair and exhibition calendars, over 10,000 industry-specific reports are also available on tebledisticaret.com. The website also features rich resources about special government incentives, import tax rates and other local duties and fees, transportation options, and required documentation, etc. in the target markets along with information on import and export procedures that companies seeking new markets should know.

SYNDICATION LOANS

TEB renewed its syndication loan in 2018 and 2019, demonstrating the international investors' confidence in TEB and Turkey. The syndication loans that TEB secured in 2018 amounted to Euro 433.5 million and USD 33.5 million, and Euro 306 million and USD 61.5 million in 2019. Syndication agreements contribute to renewed confidence in the strong Turkish banking system in international markets and mean a reconfirmation of the financial system's strength. The loan agreements with a 367-day maturity were signed with the participation of 17 banks in 2018 and 22 banks in 2019. Total costs of the syndication loans were Euribor + 2.65% and 2.10% for the Euro tranches and Libor + 2.75% and 2.25% for the USD tranches, respectively.

ENTREPRENEURSHIP

START-UP BUSINESS BANKING

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

Start-up House Model

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

TİM-TEB Start-up House Joined GAN as the First Acceleration Center from Turkey

After opening an office in San Francisco, CA (USA) to facilitate global operations of start-ups, TİM-TEB Start-up House became the first and only acceleration center from Turkey to join Global Accelerator Network (GAN), which operates in over 120 cities in 94 countries and offers start-ups an opportunity to engage with more than 100 prestigious acceleration centers. Partnering with GAN has enabled TİM-TEB Start-up House participants to join the GAN Ventures Global Investment network of more than 10 thousand start-ups and benefit from many acceleration services and also get free support from other global accelerators within this network.

number of tech start-ups, introduce their innovative business ideas to the economy and drive their healthy growth. The first house was launched in İstanbul in 2013 and the model was expanded in collaboration with Turkish Exporters Assembly (TİM) to bring the service to more locations in Anatolia. With TİM-TEB Start-up House acceleration programs, start-ups and scale-ups (Growth Stage) can get support for financing their business ideas, accessing public resources, offering their innovative services on local and international platforms, and growing their technology firms. The project is Turkey's most extensive and comprehensive start-up initiative with 14 different programs offered to entrepreneurs. TİM-TEB Start-up Houses offer specific programs for technology companies at different stages such as incubation, acceleration and development to support their sustainability and rapid growth and also guide the ecosystem.

TÜBİTAK BIGG

TEB has been accepting applications from entrepreneurs as the only accredited private financial institution in TÜBİTAK's Young Enterprise (BIGG) Program. In 2019, the Bank was one of the top institutions to intermediate the allocation of the highest amount of grants among 30 implementing institutions. In 2018 and 2019, TEB accepted over 1,000 applications for technological business ideas from 64 cities in Turkey and supported entrepreneurs in commercializing their ideas and receiving grants.

University Collaborations

TEB Start-up Banking is among the major partners of METU YFYI and ITU Bigbang programs, which evaluate and recognize innovative business ideas and models. Throughout the process from evaluating the start-ups to preparing the candidates for the final stage, TEB provided training and mentoring support to develop the ideas further. At the final stage, 40 entrepreneurs, including 20 from METU YFYI and 20 from ITU Bigbang, were evaluated. After the selection TEB Start-up Banking presented two awards to the most innovative technology ideas, one from each university.

TİM-TEB Start-up House Growth Circuit Acceleration Program was another TEB and METU collaboration.

Entrepreneurs selected for this program received early stage funding (seed funding) from Growth Circuit (a METU affiliate) and training from UC Berkeley mentors. Following the acceleration stage in Turkey, 15 entrepreneurs accepted to the program participated in two different programs in Silicon Valley and received guidance from prominent mentors after completing their training. On the demo day at Draper University, the entrepreneurs made presentations to numerous investors, starting with Tim Draper.

Startup2Corporate Meetings

In 2019, TEB Start-up Banking brought together start-ups with corporations to encourage collaboration opportunities. The Startup2Corporate meetings and activities have allowed the companies to follow the latest technological trends, access new technology products/services and reach their target customers. Industry-leading organizations were included in the program and the start-ups in the portfolio could meet with more than 50 corporations in 2019 to discuss potential collaborations.

WOMEN BANKING

With services and solutions designed to meet the needs of women business owners with an integrated approach, TEB focuses on providing them with financial and non-financial support for sustainable economic growth. Aiming to be "women's consultant bank," TEB facilitates their access to finance. Women face problems in accessing financial resources, and especially the challenges of finding collateral and obtaining loans may lead to giving up at early stages of starting their businesses. Therefore, solving these problems can play a key role in preparing the stage for women to take part in the economy, not only as consumers but also as producers. As part of an agreement signed with the European Bank for Reconstruction and Development (EBRD), TEB has extended funds allocated to the Bank in the amount of Euro 50 million as loans for women entrepreneurs without collateral. TEB Women Banking offers more accessible prices in its banking products and services with fee packages designed particularly for women business owners. Women business owners who engage in foreign trade or have aspirations for

TEB Women Banking awarded by European Bank for Reconstruction and Development (EBRD)

During the EBRD summit, TEB Women Banking's projects were nominated for the Environmental and Social Innovation category among 52 projects for financial or non-financial services. At the end of the evaluation process, TEB Women Banking was recognized with "Gold Prize," ahead of many projects from around the world.

this line of business were supported with special pricing and limits set by Eximbank as part of the agreement signed in 2019 as well.

TEB Women Academy

TEB develops various solutions to provide women business owners with the information they need to grow their businesses. Created for this purpose, TEB Women Academy is a special program that offers women business owners training to build on their leadership and business management skills through workshops and brings them together with inspiring women of the business world. These events, designed to engage with women in various Anatolian cities, continued in 2019 in collaboration with local non-governmental organizations and TOBB (Union of Chambers and Commodity Exchanges of Turkey) Women Entrepreneurs Board. The number of women reached through 30 Women Academy events in 24 cities in 2018 and 36 events in 27 cities in 2019 was nearly 6,000.

Coaching and Mentoring for Women Business Owners

Studies worldwide show that women display an increase in their self-confidence, awareness and use of skills when they receive coaching/mentoring. TEB launched Women Banking support programs to provide coaching and mentoring for women business owners. With the TEB Star Cluster project, TEB branch managers selected to support women bosses were trained as "Enterprise Coaches" with a special curriculum. As the first of its kind designed with this level of depth by a bank in Turkey, this project was intended to provide coaching for women business owners to solve the day-to-day problems they face and help them take action to grow their companies.

With TEB Growth Academy – a group coaching program – selected women business owners attend a three-day special training program, where they develop their 90-day business plan and business goals. As part of the program, women entrepreneurs are provided with both training and coaching services and they are also encouraged to take steps toward growing their businesses with a systematic method and perspective.

Incentives and Sponsorships

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

conducts communication activities. "Elalem Ne Der" (What Would People Say), the ad campaign of TEB created for International Women's Day was launched in online and offline channels on 8 March 2018.

On 8 March 2019, the Bank maintained its encouraging statement for women, highlighting the slogan "Success does not have a Gender." This empowering and inspiring statement was received with positive feedback, capturing over 7 million engagements online with over 4 million impressions. TEB also supports women business owners in Anatolia and promotes women's entrepreneurship initiatives in Anatolia by offering training opportunities and sponsorships. In 2019, the Bank was a sponsor of İŞKAD Women Entrepreneurship Awards, which recognize successful women entrepreneurs in Adana and surrounding region.

In 2018, TEB supported the annual WeConnect International conference as a "training sponsor." In addition to delivering a training on "leadership and management," the Bank also created partnership opportunities for women entrepreneurs.

SOCIAL ENTREPRENEURSHIP

As part of its efforts to support the development of the entrepreneurship ecosystem, TEB launched a new project on social start-ups, which are gaining popularity in Turkey and around the world. Accordingly, the Bank signed a collaboration agreement with the Turkey office of Ashoka, the world's first and leading social entrepreneurship network, and organized "Investments that Make a Difference" events, bringing together social start-ups with potential investors to support sustainable business models. This partnership also included "Social Finance Meetings," organized to raise awareness and support to social start-ups for social financing, resources and networking.

Açık Açık Social Entrepreneurship Platform was launched as part of the "Investments that Make a Difference" project, which TEB carried out in partnership with Açık Açık Association, Ashoka Turkey, and Prosumer Economy Society, to define, support and promote social entrepreneurship in Turkey.

OTHER ENTREPRENEURSHIP PLATFORMS

TEB Private Angel Investment Platform

TEB Private Angel Investment Platform was created to bring together entrepreneurs with innovative business ideas with investors. With the Angel Investment Platform, launched in 2013, TEB became the first bank to introduce the “angel investor” concept to its customers after the regulation on Individual Participation Investor (BKY) License was published in the Official Gazette. The platform was accredited as an Angel Investor Network by the Undersecretariat of Treasury in 2015, becoming the first platform of a bank to receive approval for ‘angel investment’ from a public authority. The platform is involved in activities such as issuing licenses for investors and following the investment processes by submitting documentation and information about the investments made through the network to the Undersecretariat of Treasury.

The platform’s activities also included seminars to introduce angel investments to investors and entrepreneurs in various cities. These events give the entrepreneurs an opportunity to present their projects directly to the investors, who can then study the potential business ideas closely. Furthermore, promising entrepreneurs who need to develop their projects further are directed to TEB Start-up Houses.

TEB Private Investors Club

CXO Club – the Leaders of the Future Club, founded in 2017 as an initiative of TEB Private Angel Investor Platform, aims to strengthen business partnerships and support the entrepreneurial ecosystem to have a healthier structure. It addressed topics such as digital transformation, the entrepreneurship ecosystem, new business models, global trends and concepts and threats for large enterprises in closed-circuit meetings. During CXO Club Meetings, TEB shares its know-how with customers to help them leverage such information for private and corporate investments in the future.

TEB Fintech Future Four Program

TEB launched the TEB Fintech Future Four Program to support start-ups with innovative solutions for the finance sector and co-create innovative products. In 2018, TEB joined forces with a strong international partner to help Turkish fintechs expand abroad. TEB Fintech Future Four Program has been transformed into a platform where applications can be received and brilliant ideas can be expected throughout the year.

SUSTAINABILITY-LINKED LOANS

Sustainability-linked loans are different from other loans, primarily because they are offered with more advantageous interest rates or payment terms when the borrower meets certain social and environmental goals.

In 2019, TEB intermediated the first Sustainability Linked Loan for a company in Turkey, setting an example and becoming a pioneer of sustainability in financial markets. The Bank aims to extend more sustainability-linked loans in the years to come.

Sustainability-Linked Loan

In 2019, BNP Paribas and Turkcell signed a “Sustainability-Linked Loan” agreement, intermediated by TEB, for Euro 50 million with a 3-year maturity. The agreement’s scope included targets such as collecting electronic waste, using solar energy in electricity consumption, and reducing paper consumption. According to the loan agreement, the applicable interest rate will be reduced if the sustainability-based environmental targets are met.

2

ETHICS OF THE HIGHEST STANDARD



In all its operations, TEB upholds ethics of the highest standard. All TEB employees, suppliers and business partners are also required to work in full compliance with the laws and regulations of the respective countries where they operate. TEB applies its Ethical Standards to the maximum with all its employees and is also cognizant of its responsibility toward its external stakeholders, starting with the customers and suppliers.^{103-1, 103-2, 103-3} With these practices, TEB also contributes to United Nations Sustainable Development Goals SDG10 (Reduced Inequalities), SDG12 (Responsible Consumption and Production) and SDG16 (Peace, Justice and Strong Institutions).

ETHICAL STANDARDS¹⁰²⁻¹⁶

Ethical Principles

Upholding ethical principles plays a key role in the success of the Group and its people. Therefore, relevant managers and executives are responsible for creating work environments across all departments, regions and branches that fully comply with the Bank's ethical principles. Accordingly, the managers:

- Recognize the importance of ethical principles and uphold them in all circumstances.
- Set an example for their employees with their actions and thoughts.
- See it as their primary responsibility to instill and implement the ethical principles within their own companies and across the TEB Group.
- Work to spread the corporate culture and ensure that the employees embrace the required norms, values and principles.
- Create an environment that encourages employees to freely raise issues concerning the company's transactions and ethical principles, and promotes open communication.
- Are always consistent in their actions and decisions.

Employees of TEB Group Companies are required to adhere to the ethical principles addressed under four categories: Using Company Resources, Relations, Obligations toward the Company, and General and Specific Rules. All employees are required to take the TEB Code of Ethics training. All details of ethical principles are publicly disclosed on the corporate website.

Fighting with Corruption and Compliance with Laws and Regulations

TEB implements various measures to prevent corruption and ensure Compliance with applicable laws and regulations. This topic is addressed in the Fighting with Corruption Document, Code of Ethics, and Internal Reporting Guidelines. The job descriptions of the relevant departments include responsibilities and the necessary systematic control mechanisms are established. Furthermore, the Compliance and Internal Control Group and the Inspection Committee perform on-site/remote audits within this scope.

In the event that employees detect unethical behaviors such as fraud, corruption or forgery in breach of corporate integrity, they can report such cases directly to the Head

of Compliance and Internal Control Group via the internal notification line dedicated for this purpose.

The dedicated phone line and email address to contact the Head of the Compliance and Internal Control Group are:

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

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

The Group Risk Management, Compliance and Internal Control Group, and the Inspection Committee are independent units but work in coordination with each other and report to the Board of Directors. In 2019, these units completed their duties as required.

The inspection system is established to cover all activities and departments of the Bank and its subsidiaries. As of year-end, TEB Inspection Committee operates with a team consisting of the committee head, four assistant committee heads, five audit managers, four supervisor inspectors, four senior inspectors, 28 inspectors, nine authorized deputy inspectors, 18 assistant inspectors, one senior IT inspector, two IT inspectors, one assistant IT inspector, one Inspection Committee support and coordination officer and one executive assistant.

In 2019, the Inspection Committee conducted 191 branch inspections as part of the solo and process audits. Further 32 inspections 205-1 included 23 at the Head Office, seven in the subsidiaries, and two in Information Technologies. Additionally, a Management Declaration was drawn up to address the banking and IT processes.

The Compliance and Internal Control Group is structured with the Internal Control Department, Legislation Department, Compliance Department, Information Technologies Control and Subsidiaries Coordination Department and TRNC Compliance Department. Internal control activities cover key control areas. In the internal control structure, critical control activities in branches and head office departments are performed by the Branch Control Department, Head Office Control Department, Finance and Treasury Operations Control Department, Control Design and Support Department, and Information Technologies and Support Services Control Department.

The Bank's Board of Directors resolved on November 8, 2005 to form an Audit Committee responsible for all TEB Group companies pursuant to the provisions of Article 24 of the Banking Law No. 5411. With this resolution, the Board also assigned the powers of the Senior Risk Committee, established according to Law No. 4389, to the Audit Committee.

Various ethical regulations published by the Legislation Department address topics such as prioritizing customer interests, preventing discrimination, the importance of fighting corruption and laundering proceeds of crime, managing conflict of interests, integrity in market transactions, the importance of data privacy and the social impact of operations to sustain a healthy economic system and protect customer/employee rights. All relevant documents are published on the TEB Group Intranet on a platform accessible to all employees. Internal Notification channels 102-17 such as a dedicated phone line and email address, etc. are in place to contact the Head of the Compliance and Internal Control Group, established to ensure that cases related to corruption, fraud, violation of ethical principles and international financial sanctions are reported and necessary actions are taken.

In 2019, the Audit Committee convened 49 times. The Committee is responsible for monitoring the risks on a consolidated basis, establishing control points, reviewing written procedures for different activities, ensuring coordination between the Inspection Committee, Risk Management, Compliance and Internal Control groups, building an internal control system for the same purposes between the Bank and other Group companies, and fulfilling the obligations specified in the Banking Legislation.

The external audits of the Bank and its subsidiaries for the 2019 reporting were performed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The Bank also undergoes various audits performed by regulatory agencies, including the Banking Regulation and Supervision Agency and the Ministry of Treasury and Finance.

All Bank employees and Board members have taken anti-corruption training. The training programs ²⁰⁵⁻² delivered within the reporting are detailed in the following tables:

2018			
Training	Participants	%	Training Hours
Fraud	492	5	1,065
Forgery	496	5	1,119
Forgery and Fraud	15	0.2	105
Compliance	1,806	19	5,587
Information Security Awareness	1,003	11	3,310
Compliance (e-learning)	8,730	92	5,245
Capital Market Crimes Information Abuse and Market Fraud (e-learning)	33	0.3	17
Information Security Awareness (e-learning)	10,715	100	7,185
TEB and Group Companies Information Security Policy (e-learning)	10,029	100	8,358
Prevention of Laundering Proceeds of Crime and Financing Terrorism (e-learning)	11,453	100	18,589
Total	44,772		50,578

2019			
Training	Participants	%	Training Hours
Forgery	290	3	808
Fraud	294	3	874
Forgery and Fraud	2	0.02	14
Compliance	1,025	11	2,888
Information Security Awareness	119	1	411
Prevention of Laundering Proceeds of Crime and Financing Terrorism (AML / CTF) (e-learning)	15,471	100	15,221
Compliance (e-learning)	8,779	98	4,390
Capital Market Crimes Information Abuse and Market Fraud (e-learning)	32	0.4	16
Fraudulent Banking Activities – Detection and Prevention Methods (e-learning)	1,188	13	1,187
Information Security Awareness (e-learning)	9,749	100	4,970
TEB and Group Companies Information Security Policy (e-learning)	9,466	100	4,819
Checking Suspected Forged Bills and Considerations	1,066	12	355
(Compliance) – Fighting Corruption – Awareness	7,610	85	3,805
(Compliance) – Market Integrity – Market Abuse	32	0.4	32
Total	55,123		39,790

Avoiding Conflicts of Interest ¹⁰²⁻²⁵

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

- Personal interests must never be held above the interests of the company. One's position in the company, company

property or service information shall not be used for personal interests. In case of a conflict of interest or any doubt thereof, the situation should be reported to the Legislation Department.

- Bank employees are always expected to perform their duties with full objectivity and diligence. They must never cause personal conflicts of interest with the customers.
- In their relations with the customers, Bank employees should follow the relevant provisions of the Regulation's articles on "Duties and Responsibilities" and "Actions Prohibited for Bank Employees."
- Bank employees should always perform their duties objectively, never hold their personal interests above those of the customers, and never give rise to a situation where a choice must be made between their own interests and those of the customers. Wherever the interests of the customer are concerned, direct or indirect personal interests of the employees should not be a topic of consideration.

Bank Employees:

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

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

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

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

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

PROTECTING CUSTOMERS' INTERESTS

Policies and Processes to Protect Customers' Interests

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

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

The Bank has established an organizational structure and assigned responsible teams in order to sell products that align with the customer's profile, inform the customer transparently and clearly, create processes so as not to cause conflict of interest and manage customer complaints effectively.

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

Complaint Management

At TEB manages Customer Complaints in line with the relevant Management Policy and Management Implementation Guidelines. Customers may report their complaints via different channels:

- Corporate website (www.teb.com.tr)
- Direct fax or letter to TEB
- CEPTETEB website (www.cepteteb.com.tr)
- CEPTETEB online banking and email
- Review and complaint websites (www.sikayetvar.com, www.sikayetim.com, etc.)
- Social platforms (Facebook, Twitter, etc.)

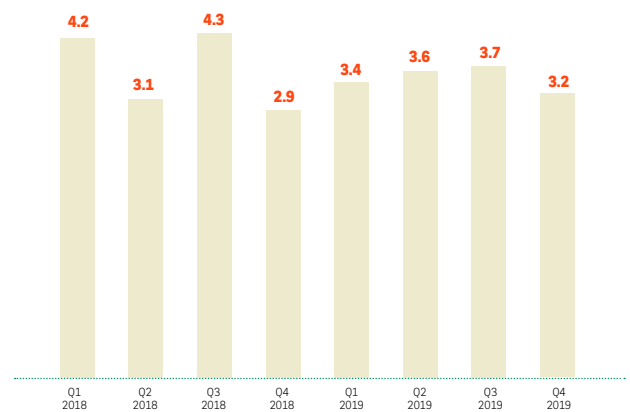
- TEB Phone banking at 0850 200 0 666
- TEB Star Line at 444 0 766
- TEB Private Banking Line at 444 0 966
- CEPTETEB Support Center at 0850 222 09 29
- TEB Corporate Banking Line at 444 0 832
- 'Opinion/complaint Submission Forms' available in the branches
- Relevant public institutions

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

Standard responses are communicated via the customers' preferred feedback channel using a template suitable for the

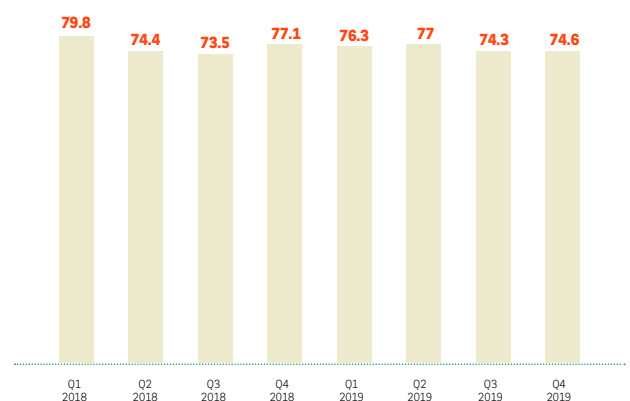
Average Complaint Resolution Times

(days)



Resolution Rate of Complaints in Favor of Customers

(%)



declared contact information, while non-standard answers should be approved by the Satisfaction Review and Quality Manager before they are sent out.

Even though customer complaints may vary in number depending on periods, they are replied within 3-4 days on average. The majority of the complaints (over 70%) are resolved in favor of the customers. (Source: TBB data)

Customer Satisfaction

In line with its vision and target of being “The Most Recommended Bank,” TEB measures customer experience continuously and works to enhance its service excellence by adopting people-focused design-thinking principles.

Using the NPS (Net Promoter Score) system, TEB measures the experience of approximately 240,000 customers annually and to what level they would recommend TEB. Through NPS and customer satisfaction surveys, business units and related teams regularly analyze the “voice of customers” to identify the problem areas in customer experience and to make improvements where needed. The contact points where TEB hears the voice of customers continuously increase while the solutions developed in light of customer feedback have more than doubled since 2013 when the Bank began to monitor customer satisfaction scores. In 2019, TEB maintained an improvement trend in transaction-based satisfaction scores.

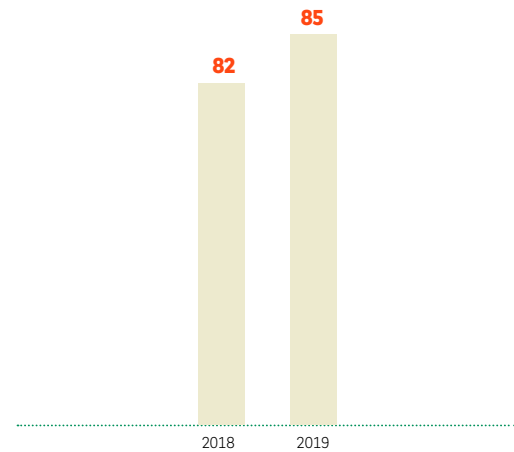
In 2019, TEB teamed up with BNP Paribas International Retail Banking to design the Customer Experience Management Model, which has been deployed in TEB and other international retail banks of BNP Paribas.

TEB Customer Experience Team delivers Customer Experience Orientation training to newly recruited branch employees. As a result, all the employees adopt customer focus, TEB’s customer experience methodology and satisfaction measurement system. The Bank continues to invest in CRM, big data, analytics and real-time engagement technologies to better understand customer needs and respond to customers with personalized offers at the right time in line with their expectations.

Calls are monitored to improve service quality in the Customer Engagement Center as a basis for performance. According to the audit results, training programs are offered to correct the common mistakes while the involved Customer Representatives receive specific feedbacks. Additionally, all Customer Representatives and Team Leaders are subjected to monthly quizzes to test their knowledge.

TEB has partnered with two other leading banks and expanded its ATM network as part of the “3 Banks Single ATM” collaboration.

TEB Customer Engagement Center Call Response Rate (%)



Products and Services Tailored to Professional Needs

In 2019, TEB continued its close cooperation with different professional organizations or chambers such as bar associations, universities, veterinarians, dentists, pharmacists and chambers of physicians.

- As of 2019 year-end, TEB has established partnerships with 22 bar associations.
- As part of an agreement signed with Turkish Pharmacists Association in 2018, TEB continued to offer special campaigns for pharmacists in 2019. With a special campaign for pharmacists, TEB offers a monthly contribution payment of TL 170 to the individual pension accounts (BES) of pharmacists who open an account for the deposit of Social Security Institution (SGK) payments and who actively use TEB POS devices. Commercial credits up to a TL 60 thousand and consumer credits up to TL 40 thousand, guaranteed by Turkish Pharmacists Association, monthly cash register fee waiver for POS devices and favorable pricing in POS pricing are some of the benefits offered.
- TEB intermediated the salary payments of 24 universities in 2018 and 26 universities in 2019.
- TEB offers services for the managements of more than 11 thousand residential complexes and buildings. TEB runs joint projects with leading property management companies, standing apart in the sector as a prominent bank with its strong infrastructure support and digital solutions for cash management.
- The New Products and Services that contribute to the Bank’s Product Diversity are explained in detail in the Annual Reports (<https://www.teb.com.tr/about-teb/annual-reports/>)

ETHICAL SUPPLY MANAGEMENT

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

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

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

TEB's main Stakeholder Engagement platforms with suppliers are listed below:

Engagement Platform	Scope	Frequency
Supplier Day	Sessions and meetings on TEB's or the market's top agenda topics.	Annual
Supplier Awards	Rewarding high-performing suppliers. The awards are presented during the Supplier Day event.	Annual
Supplier Portal	TEB Supplier Portal is open to all suppliers. Bids/offers from new suppliers who have completed their registration process are accepted via the portal.	Continuous

Local Procurement ²⁰⁴⁻¹

TEB Procurement	2018	2019
Number of Suppliers (total)	1,384	1,317
Number of Suppliers (local)	1,253	1,205
Ratio of Local Suppliers (%)	90.5	91.5
Procurement Volume (total, TL million)	818.6	1,063.8
Procurement Volume (local, TL million)	791.8	976.6
Ratio of Local Procurement (%)	96.7	91.8



3

SYSTEMATIC INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS



While integrating Environmental, Social and Governance Risks into its processes, TEB - like all financial institutions - also ensures that these risks are addressed as part of its operations and especially customer-related activities. In this process, TEB also follows the standards of BNP Paribas, a global leader in this field, and ranks among the leading institutions in Turkey that fulfill the relevant responsibilities. TEB brings the same responsible approach to Supply Chain Management and contributes to a number of United Nations Sustainable Development Goals (SDGs) with these practices: SDG3 (Good Health and Well-being), SDG5 (Gender Equality), SDG6 (Clean Water and Sanitation), SDG8 (Decent Work and Economic Growth), SDG12 (Responsible Production and Consumption), SDG13 (Climate Action), SDG14 (Life Below Water), SDG15 (Life on Land), and SDG16 (Peace, Justice and Strong Institutions).

TEB'S ENVIRONMENTAL AND SOCIAL RISK APPROACH

While keeping its focus on financing the real economy as part of sustainability, TEB has also established a management system to monitor the impact of its funding, anticipate the possible risks and take measures to mitigate them as a part of its sustainability approach, since many of the industries that the Bank works with are directly affected by environmental and social issues. The objectives of this Environmental and Social Risk Management System are to identify the potential environmental and social risks including occupational health and safety risks that may arise in the event of funding, manage them systematically and integrate them into business processes. In building this system, TEB carefully considers industry best practices, the approach of BNP Paribas and the dynamics of the national economy.

TEB does not approve any funding, investment or transaction that may result in serious impact on human health and safety, protected species, or the environment as a whole, and that involves products subject to nationally accepted sanctions. To enforce this decision, TEB has created a list of activities excluded from the scope of all related operations. This list is based on internationally recognized agreements, laws, regulations and conventions that regulate the production and trade of such products.

The Bank also develops industry-specific policies for certain sensitive sectors that may particularly impact social life and the environment. These policies ensure that the Bank's commitment to environmental and social issues are considered as part of loan conditions. Such practices mitigate the risks that TEB and its customers may be exposed to and minimize the possible adverse effects as well.

Sectors and Businesses TEB Does Not Finance (Excluded Goods and Activities)

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

TEB does not finance the following activities:

- The production or trade in controversial weapons within the scope of the group's defense sector practices,
- Production, trade and use of drift nets over 2.5 kilometers in length,
- Production of asbestos fibers,
- Production or trade in products containing PCBs

(polychlorinated biphenyls),

- The trade in any plant or animal species or products governed by the Convention on International Trade in Endangered Species of Wild Fauna or Flora (CITES) which are not authorized by a CITES permit,
- Cigarette manufacturers, wholesalers and distributors.

Approach to Sectors with High Environmental and Social Risks (Sectoral Policies)

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

TEB uses special Environmental and Social Risk control mechanisms when financing the following industries:

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

Implementation of Sector Policies

Analyzing Environmental and Social Risks starts with assessing whether a company's operations are within the scope of excluded sectors/activities or not. If the company is engaging in these activities, the Bank will not proceed with the loan offer and cancel the transaction.

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

"Environmental and Social Risk Analysis" has become an integral part of the loan process at the Bank, and criteria, such as the financial standing of a customer, are also

considered in the final loan decisions. We regard this as the right approach to managing both Environmental and Social risks and also credit risks.

MANAGING ENVIRONMENTAL AND SOCIAL RISKS IN THE SUPPLY CHAIN

TEB Supply Chain ¹⁰²⁻⁹

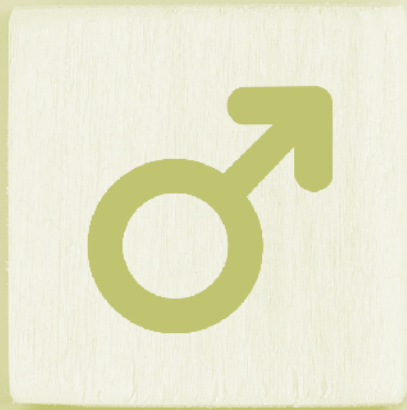
TEB procures a wide range of products and services and works with suppliers, mostly SMEs, from diverse industries. As a bank with multiple branches and a strong technological infrastructure, TEB's main procurement item is technology purchases followed by electrical, mechanical, construction and contracting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

Managing Environmental and Social Risks in the Supply Chain

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

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

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



SOCIAL RESPONSIBILITY

Diversity and Equal Rights in the Workplace

A Good Place to Work and Responsible Employee Management

Continuous Development and Dynamic Career Management



SOCIAL RESPONSIBILITY

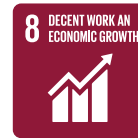
TEB recognizes its responsibility for demonstrating an exemplary approach in all practices that involve its employees as its key stakeholders. Considering the 10,000 employees (direct or indirect through subcontractors), their families and close circles, this responsibility comes with significant impact.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

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

- Diversity and Equal Rights in the Workplace
- A Good Place to Work and Responsible Employee Management
- Continuous Development and Dynamic Career Management

4

DIVERSITY AND EQUAL RIGHTS IN THE WORKPLACE



All TEB employees have equal rights for its employees. No discrimination against age, language, religion, race, political opinion, health condition, gender or marital status is tolerated [103-1](#), [103-2](#), [103-3](#) under any circumstance. The related policy is disclosed transparently in the Code of Ethics on the corporate website as well. This approach also contributes to United Nations Sustainable Development Goals SDG5 (Gender Equality), SDG8 (Decent Work and Economic Growth), SDG10 (Reduced Inequalities) and SDG16 (Peace, Justice and Strong Institutions).

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

No discrimination against any employee is made in any Human Resources practice, including:

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

This principle applies to both our employees and also to our relations with all stakeholders.

Breakdown of TEB employees and Board of Directors by gender and age groups, and basic salary ratios by position and gender are shown in the following tables: ^{405-1, 405-2}

2018	Distribution by Gender		Distribution by Age Groups		
	Female Employees	Male Employees	Under 30	30 - 50	Over 50
Position					
Board of Directors, Executive Committee	1	1			2
Senior Executives	4	14		3	15
Mid-level Managers	365	701		815	251
Other	4,758	3,643	1,513	6,598	290
Total	9,487		9,487		

2019	Distribution by Gender		Distribution by Age Groups		
	Female Employees	Male Employees	Under 30	30 - 50	Over 50
Position					
Board of Directors, Executive Committee	1	2			3
Senior Executives	4	14		3	15
Mid-level Managers	353	680		822	211
Other	4,518	3,382	1,668	6,013	219
Total	8,954		8,954		

Ratio of Average Salary by Gender	2018 (%)	2019 (%)
Ratio of Average Salary of Female Employees to Male Employees	98	98

Parents

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

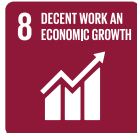
TEB offers maternity/paternity leave⁴⁰¹⁻³ in accordance with applicable laws. The employees who took such leaves are provided in the following table:

Female Employees	2018	2019
Number of employees who were eligible for maternity leave	356	352
Number of employees who took maternity leave	356	352
Number of employees who returned to work after maternity leave	351	344
Return Rate (%) <i>(Number of employees taking maternity leave / Number of employees returning to work after maternity leave)</i>	99	98
Number of employees still working at TEB 12 months after returning to work following maternity leave	283	173
Retention Rate (%) <i>(Number of employees taking maternity leave / Number of employees still working at TEB 12 months after returning to work following maternity leave)</i>	79	49

Male Employees	2018	2019
Number of employees who were eligible for paternity leave	175	191
Number of employees who took paternity leave	175	191
Number of employees who returned to work after paternity leave	175	191
Return Rate (%) <i>(Number of employees taking paternity leave / Number of employees returning to work after paternity leave)</i>	100	100
Number of employees still working at TEB 12 months after returning to work following paternity leave	175	191
Retention Rate (%) <i>(Number of employees taking paternity leave / Number of employees still working at TEB 12 months after returning to work following paternity leave)</i>	100	100

5

A GOOD PLACE TO WORK AND RESPONSIBLE EMPLOYEE MANAGEMENT



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

A GOOD PLACE TO WORK POLICY 103-1, 103-2, 103-3

TEB

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

TEB embarked on its "Best Place to Work" journey in 2012 with a "Positive Management" approach and practices that value employees. In 2016, TEB became the first and only bank to be included in the "Great Place to Work - Top Employers" list. Furthermore, Top Employers Institute, a globally recognized company in Human Resources policies and practices, names TEB among the Top Employers of Europe and Turkey in 2019.

DEVELOPMENT OF EMPLOYMENT AT TEB 102-8

As of 2019 year-end, TEB employed 8,954 people. Our employees are, as listed below:

- 54% - female employees
- 54% - branch employees
- 20% - under the age of 30
- 99.2% - based in Turkey (71 employees in TRNC)
- 99.6% - on permanent employment contract
- 99.1% - employed full time

As of 2019 year-end, 1,092 people are employed through the subcontractors, resulting in nearly 10,000 direct and indirect employees under TEB's responsibility. TEB always strives to learn the expectations of the employees, who are the key stakeholders, encourage their development while responding to their requests, and maximize their satisfaction.

As a bank with operations across Turkey, TEB's organization structure is based on regions except for the Head Office. In 2019, this organization was restructured as a result of activities aimed at creating synergy, future-proofing with digitalization, increasing efficiency in processes, and centralizing management in line with the Bank's business goals. The vast majority of the employees work full time on permanent contracts. Due to the outsourced services, the majority of the subcontractor employees working at TEB are cleaning, security and cafeteria employees.

Key Principles

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



Permanent and Temporary Employees (by Gender)	2017	2018	2019
Permanent Employees	9,438	9,458	8,916
Female Employees	5,074	5,105	4,841
Male Employees	4,364	4,353	4,075
Temporary Employees	26	29	38
Female Employees	20	23	35
Male Employees	6	6	3
Total Employees	9,464	9,487	8,954
Female Employees	5,094	5,128	4,876
Male Employees	4,370	4,359	4,078

Full-time/Part-time Employees (by Gender)	2017	2018	2019
Full-time Employees	9,457	9,451	8,945
Female Employees	5,090	5,106	4,871
Male Employees	4,367	4,345	4,074
Part-time Employees	7	36	9
Female Employees	4	22	5
Male Employees	3	14	4
Total Employees	9,464	9,487	8,954
Female Employees	5,094	5,128	4,876
Male Employees	4,370	4,359	4,078

Outsourced Services	Number of Workers (2019)
Cleaning	574
Security	281
Dining	75
Technical Services	19
Cafeteria	17
Hair Salon	10
Postage - Delivery	9
Other	10

Permanent and Temporary Employees (by Region)	2017	2018	2019
Permanent Employees	9,438	9,458	8,916
Mediterranean Region	369	365	346
Anatolia 1 Region	399	402	376
Anatolia 2 Region	449	429	408
Ankara Region	530	531	478
Europe 1 Region	352	359	320
Europe 2 Region	368	366	333
Çukurova Region	493	491	455
Aegean Region	471	464	454
Southeastern Anatolia Region	412	392	354
Izmir Region	372	368	344
Black Sea Region	338	327	317
Marmara Region	494	488	448
Thrace Region	465	451	408
Turkish Republic of Northern Cyprus	64	70	71
Active Sales Region	191	194	187
Head Office/Non-regional	3,671	3,761	3,617

Temporary Employees	2017	2018	2019
Mediterranean Region	-	1	5
Anatolia 1 Region	2	5	4
Anatolia 2 Region	1	3	5
Ankara Region	-	1	4
Europe 1 Region	3	5	8
Europe 2 Region	1	3	1
Çukurova Region	2	-	2
Aegean Region	5	7	2
Southeastern Anatolia Region	-	-	-
Izmir Region	-	-	5
Black Sea Region	3	2	-
Marmara Region	1	-	-
Thrace Region	3	1	1
Turkish Republic of Northern Cyprus	-	-	-
Active Sales Region	-	1	-
Head Office/Non-regional	5	-	1

Total Employees	2017	2018	2019
Mediterranean Region	369	366	351
Anatolia 1 Region	401	407	380
Anatolia 2 Region	450	432	413
Ankara Region	530	532	482
Europe 1 Region	355	364	328
Europe 2 Region	369	369	334
Çukurova Region	495	491	457
Aegean Region	476	471	456
Southeastern Anatolia Region	412	392	354
Izmir Region	372	368	349
Black Sea Region	341	329	317
Marmara Region	495	488	448
Thrace Region	468	452	409
KKTC	64	70	71
Active Sales Region	191	195	187
Head Office/Non-regional	3,676	3,761	3,618

Employees by Function (by Gender and Employment Contract)	Head Office			Regional Offices			Branches			Customer Engagement Center			Total		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Female Employees	1,489	1,545	1,462	357	371	363	2,869	2,820	2,671	379	392	380	5,094	5,128	4,876
Male Employees	1,290	1,310	1,270	477	482	448	2,462	2,412	2,206	141	155	154	4,370	4,359	4,078
Total Workforce	2,779	2,855	2,732	834	853	811	5,331	5,232	4,877	520	547	534	9,464	9,487	8,954
Full-time Employees	2,777	2,850	2,732	834	852	809	5,331	5,232	4,877	515	517	527	9,457	9,451	8,945
Part-time Employees	2	5	-	-	1	2	-	-	-	5	30	7	7	36	9

NEW RECRUITMENT AND EMPLOYEE TURNOVER ⁴⁰¹⁻¹

TEB offers young people a work environment where they can unlock their potential, continuously improve themselves and create added value. The Bank provides a healthy, pleasant and voluntary work environment as well as successful, innovative and continuous development opportunities with the slogan "My TEB, My World" for TEB employees and young candidates who aspire to work at TEB. In 2019, 72% of the new recruits were under the age of 30. The ratio of new recruits to the total workforce is nearly 10%.

Like every organization, TEB requires a healthy employee turnover. Changes in the number of employees are

managed by a specific system to employ new talents while assigning more responsibilities and promoting successful employees.

Recruitment Channels

In addition to the conventional channels, TEB frequently uses digital platforms for recruitment as well. When needed, the Bank holds online interviews to recruit new employees. In line with the Bank's goals and strategies, approximately 355,000 applications were received and nearly 3,150 interviews were conducted in 2019. As a result, TEB added 786 people to its workforce by using different selection and placement tools to ensure that candidates are selected in line with the job's required qualifications.

Recruitment (by Age Groups)	2017	2018	2019
Number of new recruits under 30	668	832	567
Number of new recruits under 30 / Number of employees under 30 by year-end (%)	33	41	32
Number of new recruits between ages 30 to 50	429	382	214
Number of new recruits between ages 30 to 50 / Number of employees between ages by year-end (%)	6	5	3
Number of new recruits over 50	5	3	4
Number of new recruits over 50 / Number of employees over 50 by year-end (%)	4	1,20	1,50
Total number of new recruits	1,102	1,217	785
Total number of new recruits / Total number of employees by year-end (%)	12	13	9

Recruitment (by Gender)	2017	2018	2019
Number of new male employees	487	558	314
Number of new male employees / Total number of male employees by year-end (%)	11	13	8
Number of new female employees	615	659	471
Number of new female employees / Total number of female employees by year-end (%)	12	13	10
Total number of new employees	1,102	1,217	785
Total number of new employees / Total number of employees by year-end (%)	12	13	9

Recruitment (by Regions)	2017	2018	2019
Mediterranean Region - number of new recruits	14	19	13
Mediterranean Region - number of new recruits / Number of employees by year-end (%)	4	5	4
Active Sales Region - number of new recruits	72	72	52
Active Sales Region - number of new recruits / Number of employees by year-end (%)	38	37	27
Anatolia 1 Region - number of new recruits	40	50	28
Anatolia 1 Region - number of new recruits / Number of employees by year-end (%)	10	12	7
Anatolia 2 Region - number of new recruits	55	37	13
Anatolia 2 Region - number of new recruits / Number of employees by year-end (%)	12	9	3
Ankara Region - number of new recruits	53	51	23
Ankara Region - number of new recruits / Number of employees by year-end (%)	10	10	5
Europe 1 Region - number of new recruits	44	48	36
Europe 1 Region - number of new recruits / Number of employees by year-end (%)	12	13	11
Europe 2 Region - number of new recruits	29	52	18
Europe 2 Region - number of new recruits / Number of employees by year-end (%)	8	14	5
Çukurova Region - number of new recruits	64	55	24
Çukurova Region - number of new recruits / Number of employees by year-end (%)	13	11	5
Aegean Region - number of new recruits	35	32	21
Aegean Region - number of new recruits / Number of employees by year-end (%)	7	7	5
Southeastern Anatolia Region - number of new recruits	32	36	16
Southeastern Anatolia Region - number of new recruits / Number of employees by year-end (%)	8	9	5
İzmir Region - number of new recruits	27	40	20
İzmir Region - number of new recruits / Number of employees by year-end (%)	7	11	6
Black Sea Region - number of new recruits	40	23	19
Black Sea Region - number of new recruits / Number of employees by year-end (%)	12	7	6
TRNC Country Management - number of new recruits	15	7	8
TRNC Country Management - number of new recruits / Number of employees by year-end (%)	23	10	11
Corporate Banking Branches - number of new recruits	16	12	15
Corporate Banking Branches - number of new recruits / Number of employees by year-end (%)	6	5	7
Marmara Region - number of new recruits	34	34	5
Marmara Region - number of new recruits / Number of employees by year-end (%)	7	7	1
Private Banking Region - number of new recruits	3	7	4
Private Banking Region - number of new recruits / Number of employees by year-end (%)	4	9	5
Thrace Region - number of new recruits	42	38	12
Thrace Region - number of new recruits / Number of employees by year-end (%)	9	8	3
Head Office - number of new recruits (excl. Customer Engagement Center)	317	375	192
Head Office - number of new recruits / Number of employees by year-end (%)	11	13	7
Total number of new recruits	1,102	1,217	785
Total number of new recruits / Total number of employees by year-end (%)	12	13	9

Recruitment (by Function)	2017	2018	2019
Head Office - number of new recruits (excl. Customer Engagement Center)	317	375	192
Head Office - number of new recruits / Number of employees by year-end (%)	11	13	7
Regional Offices - number of new recruits	127	116	82
Regional Offices - number of new recruits / Number of employees by year-end (%)	15	14	10
Branches - number of new recruits	509	507	257
Branches - number of new recruits / Number of employees by year-end (%)	10	10	5
Customer Engagement Center - number of new recruits	149	219	254
Customer Engagement Center number of new recruits / Number of employees by year-end (%)	29	40	48
Total number of new recruits	1,102	1,217	785
Total number of new recruits / Total number of employees by year-end (%)	12	13	9

Employee turnover (by age groups)	2017	2018	2019
Number of employees under 30 that resigned	168	211	173
Number of employees under 30 that resigned / Number of employees under 30 by year-end (%)	9.6	13.9	10.4
Number of employees between ages 30 - 50 that resigned	417	374	275
Number of employees between ages 30 - 50 that resigned / Number of employees between ages 30 - 50 by year-end (%)	5.7	5.0	4.0
Number of employees over 50 that resigned	9	6	5
Number of employees over 50 that resigned / Number of employees over 50 by year-end (%)	2.3	1.1	1.1
Total number of employees that resigned	594	591	453
Total number of employees that resigned / Total number of employees by year-end (%)	6.3	6.2	5.1

Employee turnover (by gender)	2017	2018	2019
Number of male employees that resigned	305	308	235
Number of male employees that resigned / Total number of male employees by year-end (%)	7.0	7.1	5.8
Number of female employees that resigned	289	283	218
Number of female employees that resigned / Total number of female employees by year-end (%)	5.7	5.5	4.5
Total number of employees that resigned	594	591	453
Total number of employees that resigned / Total number of employees by year-end (%)	6.3	6.2	5.1

Employee turnover (by functions)	2017	2018	2019
Head Office - number of employees that resigned	182	241	176
Head Office - number of employees that resigned / Number of employees by year-end (%)	1.9	2.5	2.0
Regional Offices - number of employees that resigned	75	33	24
Regional Offices - number of employees that resigned / Number of employees by year-end (%)	0.8	0.3	0.3
Branches - number of employees that resigned	270	251	168
Branches - number of employees that resigned / Number of employees by year-end (%)	2.9	2.6	1.9
Customer Engagement Center - number of employees that resigned	67	66	85
Customer Engagement Center - number of employees that resigned / Number of employees by year-end (%)	0.7	0.7	0.9
Total number of employees that resigned	594	591	453
Total number of employees that resigned / Total number of employees by year-end (%)	6.3	6.2	5.1

Employee turnover (by regions)	2017	2018	2019
Mediterranean Region - number of employees that resigned	3	7	7
Mediterranean Region - number of employees that resigned / Number of employees by year-end (%)	0.0	0.1	0.1
Anatolia 1 Region - number of employees that resigned	14	15	15
Anatolia 1 Region - number of employees that resigned / Number of employees by year-end (%)	0.1	0.2	0.2
Anatolia 2 Region - number of employees that resigned	17	21	9
Anatolia 2 Region - number of employees that resigned / Number of employees by year-end (%)	0.2	0.2	0.1
Ankara Region - number of employees that resigned	28	19	19
Ankara Region - number of employees that resigned / Number of employees by year-end (%)	0.3	0.2	0.2
Europe 1 Region - number of employees that resigned	24	21	14
Europe 1 Region - number of employees that resigned / Number of employees by year-end (%)	0.3	0.2	0.2
Europe 2 Region - number of employees that resigned	20	17	11
Europe 2 Region - number of employees that resigned / Number of employees by year-end (%)	0.2	0.2	0.1
Çukurova Region - number of employees that resigned	31	27	10
Çukurova Region - number of employees that resigned / Number of employees by year-end (%)	0.3	0.3	0.1
Aegean Region - number of employees that resigned	25	18	12
Aegean Region - number of employees that resigned / Number of employees by year-end (%)	0.3	0.2	0.1
Southeastern Anatolia Region - number of employees that resigned	30	31	13
Southeastern Anatolia Region - number of employees that resigned / Number of employees by year-end (%)	0.3	0.3	0.1
Izmir Region - number of employees that resigned	12	17	5
Izmir Region - number of employees that resigned / Number of employees by year-end (%)	0.1	0.2	0.1
Black Sea Region - number of employees that resigned	16	17	10
Black Sea Region - number of employees that resigned / Number of employees by year-end (%)	0.2	0.2	0.1
Marmara Region - number of employees that resigned	26	20	16
Marmara Region - number of employees that resigned / Number of employees by year-end (%)	0.3	0.2	0.2
Thrace Region - number of employees that resigned	12	18	14
Thrace Region - number of employees that resigned / Number of employees by year-end (%)	0.1	0.2	0.2
TRNC Country Management - number of employees that resigned	11	3	7
TRNC Country Management - number of employees that resigned / Number of employees by year-end (%)	0.1	0.0	0.1
Active Sales Region - number of employees that resigned	59	14	11
Active Sales Region - number of employees that resigned / Number of employees by year-end (%)	0.6	0.1	0.1
Head Office/Non-regional - number of employees that resigned	266	326	280
Head Office/Non-regional - number of employees that resigned / Number of employees by year-end (%)	2.8	3.4	3.1
Total number of employees that resigned	594	591	453
Total number of employees that resigned / Total number of employees by year-end (%)	6.3	6.2	5.1

Note: All turnover data refers to resignations only. The figures include Active Sales and the Customer Engagement Center. In 2016-2017, Active Sales figures were excluded from the report due to its format and the figures of 2017 were revised and added to this report.

RECRUITING YOUNG TALENTS

A Test Drive in the Finance Sector: TEB Online University Internship Program

Future leaders want to test an organization before they feel a sense of belonging. TEB Online University Internship program is created for university students who want to take a test drive at TEB. In this program in 2019, 12 young people were offered 8-12 weeks of online internship experience, where they could work on a project with TEB managers. In addition to project work, students also took face-to-face trainings in virtual classrooms and e-learning courses on the Digital Campus.

Campus Gatherings offer university students an opportunity to meet with TEB managers and discover the world of finance. In 2019, TEB engaged with more than 10,000 students through promotional activities, presentations, career days, executive talks, elevator pitch and case studies, and course participations. TEB also reaches university students through career events organized on digital platforms, providing guidance and introducing opportunities for young people with career aspirations in finance.

For the **“One Day at TEB”** event, university students are invited to the Bank to observe life at TEB in person. TEB hosted 150 university students in 2019.

TEB Innovation and Youth Summit

The Bank has organized innovation meetings with a new theme every year since 2007, bringing together the talents at TEB. In 2019, university students were invited to the event for the first time. The theme of this event, which nearly 500 university students attended, was “My Mind is At My Future – Positive Impact for a Better Future”. Young people listened to inspiring talks, discussed how they could contribute to a better future, and had career conversations with TEB executives during the event.

Embracing Youth

TEB Cares About Youth...

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

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

EMPLOYEE BENEFITS

Remuneration Policy

The Remuneration Policy of the Bank was prepared in line with the BRSA's Communiqué on Corporate Management of Banks and Guidance on Good Remuneration Practices in Banks, and within the scope of the principle of proportionality. The Board of Directors has approved the TEB Remuneration Policy upon the recommendation of the Selection and Compensation Committee (SECOM).

SECOM is responsible for preparing the Remuneration Policy on behalf of the Board of Directors in accordance with applicable local regulations, TEB policies as well as those of BNP Paribas. SECOM manages the principles of the remuneration policy by seeking the opinions of Human Resources, Financial Affairs, Risk, Compliance and Internal Control Groups. After reviewing the remuneration policy, SECOM submits it to the Board of Directors for approval. The remuneration policy is reviewed annually.

The Remuneration Policy is designed to align with the Bank's operations, structure, strategies, long-term targets and risk structure in accordance with applicable local regulations. The objective of the Remuneration Policy is to attract and retain employees with the right skills and expertise to serve the Bank's strategic goals in both business lines and support functions.

TEB Remuneration Policy lays out the principles for determining, creating and updating all remuneration-related topics for the Bank employees, Senior Management and "Special Employees" (employees whose professional activities have a significant impact on the Bank's risk profile).

Core principles of remuneration are:

- To meet legal requirements,
- To adjust remuneration according to profitability, risk and capital,
- To maximize the performance of the employees and the Bank,
- To attract and retain talent,
- To adjust salaries for different divisions and responsibilities, and
- To create a simple and transparent remuneration policy.

Remuneration and Fringe Benefits

At TEB, salaries are paid on the last working day of each month, in net amount after legal deductions. In addition to monthly salaries, all TEB employees are entitled to merit, sales or annual performance bonuses based on the results of their performance appraisals in terms of achieving quantitative and qualitative goals. Such bonuses are intended to reward collective and individual achievements. TEB Group employees are also entitled to various fringe benefits such as Private Health Insurance for all employees and Life Insurance for certain positions based on specific criteria. TEB also offers different pension plans.

Performance Bonus and Sales Bonus

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

The Bank's financial statements include TL 126 million and TL 116.4 million for 2018 and 2019, respectively, set aside to be paid out the following year as total performance bonus and sales bonus amounts. These total amounts consist of TL 109.4 million and TL 101.2 million as performance bonus for 2018 and 2019 pertaining to performance, and TL 16.6 million and TL 15.2 million as sales bonus in the respective years pertaining to sales.

In 2018 and 2019, the annual average amount of performance-based bonuses that the Bank paid was approximately twice the monthly salaries of the employees who received such payments.

Health and Life Insurance

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

Pension Plans²⁰¹⁻³

In addition to the pension plans of the Social Security Institution, TEB also offers Private Pension scheme with employer contribution in the amounts determined individually for different positions and titles. The employees are required to participate with at least the same amount as the employer's contribution.

HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY SYSTEM AT TEB⁴⁰³⁻¹

Occupational Health and Safety is a material topic for TEB. It is addressed with a systematic approach in line with the general strategies to achieve continuous improvement. The roles and responsibilities of managers and supervisors are well defined, and it is ensured that the employees participate in OHS activities. Occupational Health and Safety is a system that involves identifying the OHS risks, minimizing them with measures, complying with the applicable laws, delivering the right type of OHS training to the right people, preparing for emergency response, monitoring the performance, using

the results for improvements, and inspecting, reviewing and documenting the relevant activities. This system makes it possible to identify the hazards and risks systematically and scientifically, take precautions against such hazards and risks to prevent accidents and other impacts that may be harmful to health, and create a safer workplace.

Given the importance of the topic, additional practices are implemented beyond legal requirements. These include quarterly plans for monitoring and measurement, inspections of the work areas and related spaces, surveying the occupational safety services available to the employees of the subcontractors, and storing and monitoring the data in the occupational health and safety software. ⁴⁰³⁻²

TEB Occupational Health and Safety services cover all direct and indirect employees. Different practices may apply to employees – such as cleaning and security staff – who are assigned to TEB but are not employed by the Bank due to some provisions of the Labor Law. For example, the occupational health and safety training for employees – such as cleaning and security staff – who are assigned to TEB but are not employed by the Bank is delivered by the occupational safety experts of the relevant company due to the applicable regulations, while the TEB OHS department follows up to confirm. Similarly, health reports are written and periodic examinations are performed by the workplace physicians of the relevant company, and checked and monitored by TEB Workplace physicians. As a result, no employee faces discrimination in terms of occupational safety services. ⁴⁰³⁻⁸

Occupational health and safety is specifically included in the agreements signed with the subcontractors as well: Accordingly, the service provider is required to take all occupational health and safety measures and comply with all applicable and future legislation on occupational health and safety, including but not limited to Labor Law, Social Security Law, and relevant regulations.

Emergency response to health situations and preventive health services for the employees are performed by occupational health professionals. Furthermore, processed performed by the occupational health professionals of the relevant companies such as examinations at initial recruitment, periodic examinations and screenings, clearing the employees for work are also followed up by the occupational health professionals of the Bank. ⁴⁰³⁻³

Internal occupational health and safety audits are conducted by the Bank's Inspection Unit and the external audits by the Joint Health and Safety Unit authorized by the ministry. Furthermore, the Inspection Board under the Ministry of Family, Labor and Social Services may occasionally carry out random Occupational Health and Safety audits.

MANAGEMENT OF THE RISKS AND THE OHS COMMITTEE

Occupational Health and Safety risk identification is based on the occupational health and safety law no. 6331 and related

regulations, the occupational health and safety hazards and risk groups (covering physical, chemical, biological, and ergonomic risk factors). Then, a risk assessment table is created using the field audit data and information received from the units in the workplace. Quantitative assessments and risk measurements are performed using the Fine-Kinney method. These are then communicated first to the relevant units and later followed through by the OHS unit to ensure that necessary measures are taken regarding the identified risks and their solutions. Solutions to issues that require management decisions or involve high costs are discussed by the Occupational Health and Safety Committee. The Committee's decisions are then communicated to the units responsible for implementation.

TEB has in place an Occupational Health and Safety Committee, consisting of executives and occupational health and safety professionals. The number of employee representatives is determined according to the provisions of the "Communiqué on the Qualifications and Election Procedures and Principles of the Occupational Health and Safety Employee Representative". The Occupational Health and Safety Committee⁴⁰³⁻⁴, consisting of 29 members including the employer representatives, occupational safety specialists, workplace physicians and human resources representatives, convenes quarterly. Duly elected employee representatives also submit their opinions and suggestions at the committee meetings. Occupational health and safety professionals provide training to the committee members and employee representatives on topics related to their duties, rights and responsibilities.

OCCUPATIONAL DISEASES AND WORK ACCIDENTS ^{403-7, 403-9}

Non-ergonomic work conditions, noise, dust, long periods of sedentary activity and psycho-social risk factors are among the top causes of occupational diseases. As a preventive measure, the employee is checked for suitability for the job during the recruitment stage and periodic examinations are performed in a timely manner. Furthermore, measurements are conducted in indoor spaces (for noise, dust, lighting, thermal comfort, etc.) and personal exposure levels are also checked. According to the results of indoor noise measurements, a hearing test is performed annually for employees in the risk groups due to noise. The employees with chronic diseases and certain health conditions are evaluated for the job and those who are not found suitable for a specific job are recommended for job change. Furthermore occupational health and safety training curriculum includes topics on the causes and prevention methods of occupational diseases. ⁴⁰³⁻⁶

Among the key reasons for workplace accidents are distraction, carelessness, hurry, fatigue, misuse of office furniture, improper use of electrical parts and cables of the office equipment and devices, unauthorized interventions, and ignoring OHS announcements and signs.

To prevent future work accidents, employees involved in a work

Work Accidents – TEB Employees	2017	2018	2019
Fatal Incidents	0	0	0
Fatal Incident Rate (Number of Fatal Incidents/Total Work Hours *2000) – %	-	-	-
Accidents resulting in serious injury (excl. fatal incidents)	0	0	0
Serious Injury Rate (Number of Serious Injuries/Total Work Hours *2000) – %	-	-	-
Work Accidents	93	58	66
Work Accident Rate (Number of Work Accidents/Total Work Hours *2000) – %	0.0072	0.0048	0.0053

Work Accidents – Subcontractor Employees	2017	2018	2019
Fatal Incidents	0	0	0
Fatal Incident Rate (Number of Fatal Incidents/Total Work Hours *2000) – %	-	-	-
Accidents resulting in serious injury (excl. fatal incidents)	0	0	0
Serious Injury Rate (Number of Serious Injuries/Total Work Hours *2000) – %	-	-	-
Work Accidents	11	6	15
Work Accident Rate (Number of Work Accidents/Total Work Hours *2000) – %	*	*	*

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

accident are briefed by the occupational safety specialist after the accident and the work accident information forms are sent by email. In addition, occupational health and safety training curriculum includes topics on the causes and prevention methods of workplace accidents.

The most commonly reported workplace accidents in the Bank include personnel shuttle accidents in traffic, slips and falls, cuts and simple burns. Actions to prevent workplace accidents are reported in risk assessments, and the areas with the most common workplace accidents are discussed and addressed by occupational health and safety committees. For example, the risk of traffic accidents is reduced by monitoring the use of proper seasonal tires in the Head Office vehicles.

To ensure the safety and management of employee shuttles, the documents of the vehicles and their drivers are checked and tracked in real time via the Shuttle Management System. In this context, documents such as insurance policies, periodic inspection reports, the drivers' criminal records, and driver's licenses, etc. of the shuttle service providers are checked using automation, thus minimizing errors and ensuring the necessary safety. Furthermore, the chronological feedback stored in the system makes it possible to monitor the drivers' habits and driving behavior, replacing and even blacklisting the drivers if needed.

The Bank holds briefings with the shuttle drivers to inform them about personnel transportation processes and safe driving to maintain and improve shuttle quality and safety. TEB also communicates information about driving safety and submits Safe Driving Presentations at regular intervals throughout the year to raise awareness among the employees.

Independent inspection companies conduct analyses and audits to ensure a high levels of cleanliness and hygiene standards at the

Head Office as well. These include:

- Cafeteria hygiene
- Facility cleanliness inspection
- Oil analysis
- Glucose syrup analysis
- Microbiological analysis of cooked and uncooked food
- Cleaning and cafeteria employees' hand swap analyses

OHS TRAINING PROGRAMS ⁴⁰³⁻⁵

Occupational health and safety training programs for TEB employees are provided by occupational safety experts and workplace physicians. Occupational health and safety training programs for subcontractor employees, who are not employed by TEB, are delivered by the occupational safety experts and workplace physicians of the relevant companies, and followed up by the TEB OHS unit.

EMPLOYEE SATISFACTION

Using the annual **Global People Survey**, TEB surveys the expectations of its employees and engages in activities to address these issues. Accordingly, TEB aims to improve employee loyalty and identify practices that need development. The results of the 2019 survey, which were shared with all employees through HR Roadshow meetings and an e-learning program, showed that TEB scored above the Turkish norms in positive management, change management, and career management. The Bank continues to inform its employees on all topics of concern and to involve them in the decision-making processes with inclusive and participatory human resources practices.

At TEB, employee satisfaction is measured primarily through surveys. The feedback obtained from these surveys is communicated to the relevant units to develop action plans, which are then implemented according to the project plan.

2018				
Training	E-learning		Classroom Training	
	# of Employees	Training Hours	# of Employees	Training Hours
Basic Occupational Health & Safety	-	-	2,517	19,766
Occupational Health and Safety Responsibilities of Involved Parties & Safety Culture	1,134	756	-	-
Prevention of Potential Work-related Accidents and Occupational Diseases in the Offices	1,139	759	-	-
Firefighting	-	-	19	95
Search & Rescue, Evacuation	-	-	22	88
Basic First Aid	-	-	38	532
First Aid Refresher Course	-	-	97	679

2019				
Training	E-learning		Classroom Training	
	# of Employees	Training Hours	# of Employees	Training Hours
Basic Occupational Health & Safety	-	-	5,908	47,223
Occupational Health & Safety Refresher Course	159	262	-	-
Prevention of Possible Work-related Accidents and Occupational Diseases in the Offices	2	1.3	-	-
Firefighting and Fire Drill	-	-	110	550
Search & Rescue, Evacuation	-	-	111	444
Basic First Aid	-	-	163	2,093
First Aid Refresher Course	-	-	51	357

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

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

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

Under the roof of **TEB Sports Academy**, in-house sports events are organized to keep employees healthy, to enhance

team spirit and "we" awareness, to increase the sense of belonging and to create social value within the scope of social responsibility. In the same context, employees are encouraged to participate in outside sports activities and represent the Bank in these organizations. TEB Sports Academy's activities continued in 2019 with football, volleyball, basketball, running and tennis branches. TEB Football Team ranked second among 20 teams in the 2018 Corporate Football League, TEB Women's Volleyball Team won the 2018 Corporate Games Volleyball Championship, TEB Men's Volleyball Team won third place, and the TEB Tennis Team became the champion of DEİK Business Tennis Cup.

TEB Formation Academy SAKLIKÖY

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

Rewarding Subcontractors' Employees

Based on the feedback and observations, TEB offers various incentives (such as gift cards, bonuses) to reward high-performing employees selected from security, cafeteria, cleaning and transportation service staff every year. Successful small businesses (such as shoeshine, cafeteria, dry cleaning and hairdresser) are also recognized with awards.

Employee Engagement Platforms and Transparency

TEB uses various Employee Engagement Platforms as part of its Responsible Employee Management efforts and increases its transparency. ¹⁰²⁻⁴³

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

TEB Corporate Exhibition History Project

TEB Corporate Exhibition Project documents the 93-year legacy and proud history of TEB.

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

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

6

CONTINUOUS DEVELOPMENT AND DYNAMIC CAREER MANAGEMENT



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

CAREER MANAGEMENT ⁴⁰⁴⁻²

TEB offers Assessment Center and Leadership Skills Development Programs to guide future leaders in their career journeys by assessing their management skills, identifying and improving their strengths and development areas. Accordingly, personalized development programs are offered. The HR teams provide advice to all TEB employees in line with their individual career maps together with the relevant business lines and function managers, and ensure that the employees are placed in the right positions that require their competencies and performance levels. Based on their competencies and skills, the employees are also supported when transferring to different departments and divisions. Promotion possibilities also increase depending on the employees' performances. All job descriptions and career maps at TEB can be accessed via IntraTEB, which is accessible to all employees.

Transparent Career Committees

Employee representatives in non-managerial positions may also participate in career committees' meetings when they convene for promotion and mobility at TEB and express their opinions. This practice allows TEB employees to have a say in promotion decisions and monitor the transparency of the processes.

Local and International Career Opportunities

The Bank, supported by its strategic partner BNP Paribas, offers internal and international mobility opportunities to the leaders of the future at TEB. In line with TEB's objective and open communication approach, all vacant positions in BNP Paribas and TEB Group are announced across the Bank and Group Companies to give all the employees an opportunity to apply. The core principle in this practice is to execute the manager and upper level appointments from internal resources. With the global HR platform 'My Mobility', employees may also see job opportunities in international locations. 85% of the executive level appointments made in 2019 were filled from internal resources.

Talent Management

Talent Management at TEB is the process of identifying and developing employees who work at different levels at the Bank, have a proven track record with their skills and performance, and may play key roles in the Group in the future, to create a competitive advantage.

Competencies and performances of employees with high potential, who may be candidates for key positions in the future and make a difference with their talent, are evaluated objectively using the performance management system and "Assessment Centers" specifically prepared for them. These employees, considered as "talent," attend technical and personal development programs/academies to unlock their

Managing Young Talent at TEB

As part of strategic HR planning, a set number of successful Young Talents go through a multi-stage recruitment process and start working at TEB. During the two-year long Young Talent Development Program, the employees follow a special training and development process. In addition to building on the technical knowledge and skills of the participants, the Development Program also aims to raise awareness among the employees about developing their individual competencies and preparing them for their professional life and duties. Project Work and Mentoring Practice starts in the sixth month following the Young Talents' recruitment. During the process, the Bank's senior executives extend mentoring to the talents working on their project topics, which are taken from the Bank's agenda. After working for nearly four months, the talents present their projects to the Bank's senior management. The performance of the Young Talents, who are tomorrow's banking professionals, and their future development plans are closely monitored.

strengths and reveal their development areas to prepare them for higher positions. In addition to the specialized training programs designed for this group, TEB also support Talents with development tools such as rotation, on-the-job training and in-house mentoring.

As part of Talent Management activities, 72 talents participated in the Assessment Center program, 98 in Leadership Skills Development Programs and 325 in professional and personal development programs based on their individual development plans.

Global Talents who are ready to work abroad and participate in international platforms in line with their career goals are offered jobs opportunities within the BNP Paribas Group. The employees, who work in the countries and business lines where BNP Paribas Group operates, contribute to the global synergy of our Group. In 2012, the BNP Paribas Learning Tour was launched to support the professional and personal development of Global Talents within BNP Paribas, enable them to see the Banking models and best practices in different countries, and give them an opportunity to work with senior executives. This one-month long global program, favored especially by the management trainee talents, is organized four times a year.

PERFORMANCE MANAGEMENT

The objective of the Performance Management System is to align the individual targets and business results with TEB Group's goals and strategies, guide the employees toward the right targets, ensure their development and deliver organizational efficiency. The Performance System also serves as the most important tool in monitoring the competencies of employees, preparing Development Plans for this purpose, and collecting information on Career Management, Remuneration, Rewarding, and Training systems.

In this system, TEB's corporate goals are cascaded from the highest to the lowest levels, all the way down to the "individual" level. Performance assessments are performed

using objective criteria, taking into account the realization of business goals reduced to individual level and the success of employees in reaching their competency goals.

Performance Management:

- shows whether the critical success indicators are realized and the targets are achieved.
- gives the managers to an idea about the employee's performance, measures their success, and gets them noticed.
- makes it possible to identify the competencies required for successful business results as well as the strengths and development areas.
- helps to identify the employees with high performance and high potential to be included in the Talent Management pool.
- creates an interactive platform where all employees can give and request feedback to and from their subordinates, teammates and managers using the instant feedback system.

The employees who stand out with their performance are identified and rewarded objectively.

Performance and Skill Development Assessment System

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

The Performance and Skill Development Assessment System aims to ensure that the employees focus on their goals, strengthen and develop their performances, and subsequently rewards the highest performers differently than the rest. The Performance and Skill Development Scorecard is built on the idea of having a balance among one's goals and enables the superiors to measure their subordinates' performance and target realization levels and assess their

Through the global HR platform 'About Me', TEB understands its employees better and offers them a personalized career and development plan. The employees can create their profiles on About Me, indicate their strengths and monitor their development plans.

skills. The Bank employees' Performance and Skill Development Scorecards are created digitally by the Human Resources Group in the relevant app. Every year, the goal setting and tracking process starts at the beginning of the assessment period, continues with regular check-ins during the year, and ends with year-end assessments. The dates for these activities are announced by the Human Resources Group.

Goals should be set in specific, measurable, agreed, relevant, and time-restricted terms. The assessor guides the assessed employees toward their performance and skills targets verbally during quarterly check-ins and in writing during mid-year check-ins. Providing guidance and advice is a development process and involves check-ins where the assessor comes together with the assessed employees to review the results achieved and give them support and advice to reach their goals effectively and efficiently. The Performance and Skill Assessment process spans the full year while skill and performance assessment check-ins take place in July.

TRAINING PROGRAMS

TEB's training activities are gathered under the umbrella of 'TEB Academy,' which aims to support the personal and professional development of the employees effectively, recognizing that having a "qualified and educated workforce" is key in today's financial services sector. Training programs designed for this purpose include in-house and external development and change projects, and topics for "meeting the internal customer service standard" in training centers.

Recognizing that a "qualified and trained workforce" is the key distinguishing factor in the financial sector, TEB effectively supports its employees under the umbrella of TEB Academy in their personal and professional development and delivers mandatory training programs to introduce local and global regulations. In 2019, nearly 9,000 TEB members took the training programs, averaging 42 hours of training per person (classroom and e-learning).

In line with the Bank's Training and Development strategies and targets, the following activities took place in the reporting period:

- Orientation, Basic Banking Training Programs, on-the-job and mandatory trainings designed specifically for newly recruited employees were carried out.
- Management Skills Development and Coaching programs were organized for management teams as part of the Leadership Academy.
- TEB employees took both in-house training and also external (local - international - BNP Paribas) programs based on their job descriptions and responsibilities.
- Annual training plans were made for the strategies and needs of the groups and implemented.
- In 2019, SME Guidance, Enterprise Guidance, Corporate Banking, Banking Operations, Customer Engagement Center Academy and Digital Law Academy programs were carried out under the umbrella of TEB Academy.
- TEB Digital Academy training programs tailored to the needs of bank groups, launched in 2018, continued in 2019. With TEB's

TEB Digital Academy

The Bank focuses on preparing its employees to the ongoing rapid transformation in business and developing their competences required by the evolving roles. By training the future leaders, rather than supporting young talents to advance in a single area, TEB aims to support them in developing interdisciplinary skills through mobility, and building teams and collaborations. For that purpose, the training and development programs are updated continuously. TEB Digital Academy, launched in 2018, includes development programs designed for the needs of specific business lines. TEB Digital Academy provides opportunities for employees at all levels to follow the latest trends and new technologies and increase their digital literacy. In 2019, 1,700 TEB employees attended these programs.

Let's Get Digital Development Program

Let's Get Digital is a gamified training platform developed by BNP Paribas to improve digital skills. As of year-end 2019, this platform was used by more than 500 TEB employees, who received digital skill certificates.

rapid ongoing digital transformation, awareness raising, digital skill development, and technical know-how training programs, including classroom, applied, gamified and other e-learning methods were delivered for TEB employees to build on their existing skills and/or gain new skills.

- Digital transformation also brings along new risks. Therefore, a training strategy was determined against these risks, awareness raising training sessions were assigned to all Bank employees to help them embrace the Cyber Security culture and specialist trainings were delivered to upskill the employees working in this field.
- Training programs specific to the business lines were designed and delivered for all field employees in line with their respective strategies and basic needs.
- TEB Fund Academy was launched with TEB Portföy Yönetimi A.Ş. to continue the learning journey.
- Activities for licensing (BES/SEGEM/SPL) continued for the relevant employees, who need to hold them as a requirement of their duties and responsibilities.
- Training programs on Local and Global regulations were planned and delivered during the year (Code of Ethics, International Financial Sanctions and Embargoes, Preventing Laundering of Proceeds of Crime and Financing of Terrorism, US CFTC Swap Dealer, AEOI, FATCA, Market Integrity & Market Abuse, Professional Ethics, Protecting Customer's Interests,

Volcker and French Banking Law, Know Your Data, Competition Law, Combating Corruption, GDPR, Know Your Customer, Information Security, Law on Protection of Personal Data, Compliance, Occupational Health and Safety).

- The annual Internal Trainers Meeting was organized with the theme of "Learning Journey" and participation of nearly 200 internal trainers. The most successful internal trainers were recognized with awards.

Average Man-Hours of Classroom Training ⁴⁰⁴⁻¹	2017	2018	2019
Senior Level	22	9	20
Women	26	27	43
Men	21	4	14
Mid-Level	32	33	30
Women	34	34	30
Men	31	32	30
Other	31	41	33
Women	33	40	35
Men	29	42	31
Total	31	40	33

TEB HR Chatbot

TEB's new employees take a pre-orientation program on the digital platform before they start to work and learn about the Bank and the applications. TEB employees can easily access their internal career opportunities and human resources apps that they frequently use in their daily lives with the mobile app mobiliteB. TEB HR Chat Bot provides an interactive communication environment for both TEB employees and candidates to get answers to their questions.

TEB Mentor Program

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

Fikirbazlar (TEB Idea Magicians)

This platform brings together Young Fikirbaz (Idea Magician) employees (Innovative-creative, entrepreneurial spirited, new generation TEB employees who closely follow the business world, technology, digital world, the latest trends and developments in the new world and have an entrepreneurial spirit) and Master Fikirbaz (Idea Magician) executives (TEB leaders in key management and senior executive positions who inspire the employees with their experience, knowledge and vision). The objective is to have them work together on a project they decide on together, using the design thinking methodology. During the process, master and young Fikirbaz employees take a development journey consisting of seven boot-camps in eight months at TEB Design Workshop. The purpose of the platform is for young talents to unlock their potential through projects where they will use their strengths and share them with the master employees, and for master executives to transfer their experiences to young people, to develop and implement projects that will positively reflect on profitability, efficiency, effective resource usage, cost and risk management, employee happiness and customer satisfaction.

INNOVATION

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

TEB has included its customers, students, entrepreneurs, academics, suppliers as well as its employees into the innovation ecosystem since 2007. As the Bank's products and services are redesigned through collaboration, the culture of innovation spreads across a much wider audience.

TEB was mentioned as an example in the global consultancy firm Gartner's report on "Establishing a Culture of Innovation" in the financial sector, published in 2008. From 2013 to 2016, TEB was also named the "Most Successful Innovation Management Bank" by the European Financial Management Association (EFMA) for four consecutive years.

Intrapreneurship Program

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

TEB employees who apply with their innovative and creative projects are invited to the TEB Intrapreneurship Hackathon. During two days of training, the candidates form their teams and work on their project, and then present them to a jury. Teams that pass the semi-finals prepare for the final stage. The project teams selected by the final jury consisting of the senior management are included in the "Acceleration Program," which uses the "Lean," "Agile" and "Design Thinking" methods. The project teams then work for 12 weeks to bring the most viable part of the project to life. Through the program, TEB provides employees with an opportunity to implement their ideas like an entrepreneur and also enables them to develop projects in an environment where different ideas are tested and implemented through innovative business methods independent of silos.



The program, which marked its fifth year in 2019, received over 300 project applications in 2018 and over 200 in 2019 from TEB employees with an intrapreneurial spirit. Intrapreneurs selected by the TEB Innovation Committee, consisting of senior executives, were included in the acceleration program and received mentoring, coaching and training support, finding the opportunity to develop their projects like an entrepreneur.

TEB HOME – Start-up Collaboration Program

With TEB HOME, a collaborative work platform to accelerate innovation, innovative projects received through various channels are prioritized and teams are formed for implementation. Innovative methods are used to realize the projects and start-ups are brought in as partners. Projects included in TEB HOME can be implemented not only in TEB, but also in other markets of BNP Paribas, the Bank's strategic partner. In 2019, three projects were taken to the international platform.

TEB Innovation Committee, consisting of senior executives, selects the projects to be carried out in partnership with start-ups, and the start-up that will be paired with the project. The team formed by TEB and start-up employees carry out project work with a co-creation approach.

In the Home program, TEB employees find the opportunity to test their ideas and projects leveraging the technological skills of the entrepreneurs/start-ups and bring the agile world of financial technology entrepreneurs to the Bank. In such an environment, TEB employees are trained to find solutions and take initiatives for change with improved entrepreneurial strengths.



TEB Innovation Competition (Akıl Fikir – İcat Çıkar)

The twelfth annual TEB Innovation Competition was organized in 2019 as an important reflection of TEB's innovation efforts to the outside world. In the 2018-2019 period, 15,944 applications were submitted to the Innovation Competition, with 75% coming from university students, 16% from customers and 9% from techno-entrepreneurs. The finalists are invited to a special innovation and entrepreneurship camp to prepare for the competition. In addition to financial awards, the winners are also offered career opportunities at TEB. By year-end 2019, 12 finalists joined the TEB family.

Spark (Kivılcım) Portal

This internal platform is developed for TEB employees to develop products, services and processes to improve customer experience. The innovative ideas submitted via the portal are evaluated and transformed into projects, and the employees who bring their ideas to life are rewarded.

Idea of the Week

In line with the needs of the Bank, a call is made on a different topic every week to gather creative ideas from the employees. Following the relevant department's evaluation, viable solutions are implemented.

Innovation Bulletins and Innovation Talks

Innovation Bulletins are regularly published and Innovation Talks are organized to raise awareness among the employees about innovation and to inspire them. The bulletins and the

talks provide means for inspiring exchanges on technology, innovation, digitalization, and next-generation banking.

Learning Together: Fikirbazlar

In an era, where everyone learns from each other, TEB recognizes this change and provides an environment that brings together master leaders and young TEB employees to help them develop projects on selected topics in line with the Bank's priorities.



CIVIC RESPONSIBILITY

Responsibility in Access to Products and Services

Human Rights

Community Engagement Activities

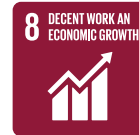
CIVIC RESPONSIBILITY

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

The work on these topics is focused on three areas:

- Responsibility in Access to Products and Services
- Human Rights
- Community Engagement Activities

7 RESPONSIBILITY IN ACCESS TO PRODUCTS AND SERVICES



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

Product and Service Responsibility Policy ^{103-1, 103-2, 103-3}

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

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

RESPONSIBLE MARKETING ⁴¹⁷⁻¹

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

In addition to offering financial products to the customers with favorable terms and conditions, TEB also values issues such as ensuring their health and safety, providing accurate and transparent information on all topics, protecting their personal data, and maintaining their satisfaction with the services they receive beyond compliance with laws and regulations. TEB policies and practices on this subject are addressed in more detail in the 'Ethics of the Highest Standard' and 'Human Rights' sections of this report.

CUSTOMER HEALTH AND SAFETY ⁴¹⁶⁻¹

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

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

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

Aiming to facilitate the access of people with disabilities or senior citizens over 65 to branches, various tools such as

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

ACCESSIBLE BANKING

Accessibility for Customers with Disabilities at the Branches

All customers with a disability defined in the Bank system are given priority access to the TEBMatik ticket system. In line with the regulation on "Accessibility Monitoring and Inspection," some branches are becoming "Accessible Banking" branches for people with orthopedic disabilities and visual impairments.

For the Orthopedically Disabled:

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

For the Visually Impaired:

- Directional tactiles will be applied on the surfaces to guide the visually impaired in the branches,
- Branch doors will feature logo and braille alphabet for the visually impaired,
- Call buttons will be installed at branch entrances.

Card Systems and Applications

Bank and Credit Card Transactions

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

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

POS Transactions

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

Applications of Alternative Distribution Channels

ATM Transactions

The Bank aims to ensure that the customers with disabilities can access ATMs. Therefore:

- ATMs are placed in zones, with at least one ATM accessible by the orthopedically disabled,
- ATM buttons are designed in line with telephone standards
- Privacy and access is provided for wheelchair users and quick transactions
- An easy-to-use voice-assisted menu is provided for the visually impaired, ensuring privacy in ATMs, converted for accessibility.

All TEB ATMs have a voice-assisted menu function for the visually impaired.

The voice-assisted menu function of the ATMs can be used for transactions such as balance inquiries, money withdrawal, cash advances, deposits, credit card debt inquiries and payments from the debit/credit card menu.

Online and Mobile Banking Transactions

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

Customer Engagement Center Activities

To increase the accessibility of the Customer Engagement Center;

- People with disabilities get priority access in the voice response system and can connect directly to the customer representative, and
- Voice response system keying times are made longer for the visually impaired customers.

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

Remote Video Access with Sign Language Assistance

If the hearing and speech impaired customers have registered their disability information with the Bank, remote video support can be offered via the Customer Engagement Center

to communicate in sign language.

Remote video support service can be accessed from the Alternative Distribution Channel corners in the branches, on www.teb.com.tr and the accessible banking website. The hearing/speech-impaired customers can get visual support and report lost/stolen cards by connecting to the Customer Representative and communicate in sign language.

Live Support Line for Customers with Disabilities

Customers with disabilities can get help and report lost/stolen cards by connecting to the customer representative via CEPTETEB online banking and CEPTETEB Mobile App and communicate live by texting as well.

TECHNOLOGICAL INFRASTRUCTURE AND DIGITAL TRANSFORMATION

DIGITAL BANKING

In addition to developing and upgrading its technologies, TEB also focuses on new technologies that can add value to its customers, and has continued to invest in digital channels in 2018 and 2019. In 2019, 81% of TEB customers used digital channels, with the number of customers preferring mobile banking reaching 1.5 million. Meanwhile, the rate of customers using online banking channels reached 60%. CEPTETEB Digital Banking Platform maintained its rapid growth trend, reaching 930 thousand customers in total by the end of 2019. Loan applications through digital channels accounted for 45% of sales while the share of deposits in total volume rose to 30%.

CEPTETEB İŞTE: TEB launched CEPTETEB in 2013 to serve its retail customers and CEPTETEB İŞTE (BUSINESS) in 2019 as a mobile app to perform various financial transactions easily and quickly for SME, Corporate and Business customers. With CEPTETEB İŞTE, developed to meet the needs and expectations of its customers, TEB digitalized daily banking transactions according to the specialized needs of all companies, starting with SMEs. With the app, TEB's commercial customers can easily perform 'daily banking' transactions such as transfers and business payments, 'cash management' transactions such as checks, promissory notes, loans and merchant functions, and 'investment' transactions such as foreign currency, gold and time deposit accounts without having to visit a branch.

TEB Private Mobile Approval project was introduced to digitalize the transaction instruction process. This project made it possible to send instructions to and receive their approvals via CEPTETEB mobile banking and online banking, digitalizing the process of obtaining written instructions and original signatures.

TEB FX: TEB launched the new TEB FX platform in 2018 to enable its retail and corporate customers to perform foreign

exchange transactions instantly and quickly via the Digital Banking Platform CEPTETEB. TEB FX platform users may set the currency pairs they follow, and analyze the exchange rate developments with advanced graphics of the relevant exchange rate. The price is fixed for five seconds to perform a transaction with the currency pair followed on the TEB FX platform while buying and selling transactions can be performed at advantageous exchange rates. With the "Set up an alert" and "Add an order" features included in TEB FX in 2019, the platform has become more effective and practical.

TELEPATI: TEB launched its personal banking assistant TELEPATI in 2019 to provide services via TEB and CEPTETEB websites and started answering its customers' questions instantly. The app accelerates functions such as finding branches and ATMs, frequently asked questions and product pricing.

TEB Fon Danışmanım: TEB Fon Danışmanım (My Fund Consultant) was launched in 2019 to help customers manage their savings easily via CEPTETEB online banking. TEB Fon Danışmanım offers its customers the best fund distribution options based on their investment preferences.

TEB Practical Branch: As a leader in digital banking and the digital transformation in the sector, TEB launched Practical Branches in 2017, with their numbers growing ever since with many locations across Turkey. With this new banking approach that combines digital and physical branches, the number of TEB Practical Branches equipped with Turbo® device reached 31 by the end of 2019, including ten in İstanbul, nine in Bursa, six in İzmir, five in Denizli and one in Van. With the TEB Practical Branch, all documentation is digitally approved on the device, and the customers can easily perform transactions that require physical action, such as money withdrawal, deposit, money transfer, payment transactions, credit card delivery; transactions that require an original signature became smooth as well. The TEB Practical Branch, planned to expand further as the banking model of the future, also contributes to operational efficiency.

Digital Channel Campaigns: In 2019, the number of new customers utilizing loans via digital channels tripled while the number of loans quadrupled year on year, driven by the loan campaigns specific to digital channels and effective performance marketing efforts in digital media. Since the customer representatives reached the target audiences identified with analytical CRM models with the right offers at the right time, campaign efficiency was also positively affected.

Payment Systems: Opening the debit cards to use abroad marked another success for the Bank. TEB offers free cash withdrawal from 50,000 ATMs abroad and access to accounts at no cost. The Bank also captured a market share of 13%

in international transactions by year-end, adding another to its achievements. The number of banks with joint POS agreements reached seven, and the number of models working in ÖKC (Payment Recording Device) 18 in 2019.

TEB SWIFT gpi: In 2018, TEB updated its systems to integrate with the TEB SWIFT gpi application. With this solution provided by SWIFT to facilitate international payments, TEB customers can track the progress of their international payments and the reflected costs quickly, transparently and end-to-end across the payment chain. In 2018, TEB also launched Social Security Institute payment service via SMS, online and offline receipt inquiry service, automatic customs ID notification service, e-waybill service, online DBS Dealer billing notification service, online highway pass notification service and online EFT Payment API service.

My Weather Service: TEB Agricultural Banking introduced a new technological solution to enable farmers to get more efficiency from their production. With this service, farmers get personalized information accustomed to the location of the field and the products grown, including meteorology information with three-day forecasts on humidity, precipitation and wind details, and alerts and recommendations about fertilizer and pesticide times.

TEB Financial Services Group and Digitalization

TEB Faktoring A.Ş.: In 2019, TEB Faktoring improved its customer acquisition rates with the investments made in digital platforms and the competencies developed in this field. The company aims to increase the usage of digital platforms in transactions and provide more support to SMEs.

TEB Faktoring has adopted the principles of "faster, cheaper, safer business" and deployed the Automatic Decision System (OKS) in 2018 as a project that generates a score for the customer/borrower and automatically concludes transactions based on defined criteria, using parametric query and artificial intelligence transferred to the Decision Tree. With this project, which minimized manual error risks, processing times and cost savings were increased. TEB Faktoring will implement the Automatic Credit Line Allocation Project (OLS) in 2020 to enable automatic responses to customer limit requests within specified ranges with the same query and scoring methods.

Supply Chain Financing, widely used across the world, has been on the agenda of the factoring sector since 2016. A dedicated digital platform was created for this product by the Financial Institutions Association (FKB) in 2018. This platform, called TZFS (Supply Chain Finance System), brings together financial institutions, buyers and suppliers in the same electronic medium. SMEs using TZFS were offered financing options at lower costs. TEB Faktoring started to

offer this product to its customers in 2019 as well and became the first company in the sector to perform a transaction on TZFS.

TEB Portföy Yönetimi A.Ş.: TEB Portföy determined 2019 as the year of digitalization and started to implement the projects for which the foundation was already laid. The English module of the TEB Portföy website, which went live at the end of 2018, was launched. As part of a project jointly carried out with TEB, the robot consultancy service "Fon Danışmanım" (My Fund Consultant), which contains model portfolios that are created with algorithms according to the risk profiles of fund customers, was launched after the relevant tests and regulatory compliance processes were completed.

TEB Yatırım Menkul Değerler A.Ş.: TEB Yatırım recognizes that the accelerating consolidation as a result of the recently introduced CMB regulations recently, and the digitalization gaining momentum by technological trends will lead to changes in the structure of the sector and ways of doing business. The company studied this issue and implemented strategies, focusing on enhancing customer experiences by diversifying services in different segments. Accordingly, transformation projects continued in 2019 to create a customer experience that prioritizes effective use of technology and research as a first step, and to build TEB Yatırım as a more efficient and more digital organization. The company continues to develop new services, primarily structured products and digital platforms, set to launch in the years to come.

OPEN BANKING

Open Banking involves sharing opted-in customer data via APIs (Application Programming Interface) that banks offer to third parties (FinTechs), allowing financial services to be improved. With these applications, the Bank aims to develop and multiply products and services available in the market, drive competition and ensure transparency.

In 2019, TEB continued its Open Banking operations, considered the next destination of the financial system after digital banking, with two main programs: API and Fintech Collaboration programs. Under the API program, APIs of main banking services were defined such as account details, account movements, credit applications, interest rates and ATM/branch search.

In terms of business development in the start-up ecosystem, purchase and set up of "API Portal", which will be used as the interface while working with TEB, was completed and thereby the content development process started. Within the scope of Fintech collaboration, presentations of many innovative projects to prepare TEB for the future were made to Bank units, and approvals are obtained. TEB started to share BNPP Opera Tech Venture program with some start-up partners with promising potentials, who completed successful projects. The process is monitored closely so that BNPP subsidiaries operating in other countries can benefit from these start-ups as well.

8

HUMAN RIGHTS



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

HUMAN RIGHTS AT TEB

Human Rights Policy ^{103-1, 103-2, 103-3}

TEB;

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

TEB acts in accordance with human rights in all business processes.

Human Rights Training Programs ⁴¹²⁻²

All TEB employees take general and responsibility-specific training programs on Human Rights. These training programs are detailed in the following tables:

2018			
Training	Participants	%	Training Hours
Forgery	496	5	1,119
Forgery and Fraud	15	0.2	105
Fraud	492	5	1,065
Compliance	1,806	19	5,587
Private Security Officer ID Badge Refresher Course	161	2	9,660
Information Security Awareness	1,003	11	3,310
Compliance (e-learning)	8,730	92	5,245
Code of Ethics (e-learning)	985	10	985
Capital Market Crimes Information Abuse and Market Fraud (e-learning)	33	0.3	17
Information Security Awareness (e-learning)	10,715	100	7,185
TEB and Group Companies Information Security Policy (e-learning)	10,029	100	8,358
Professional Ethics (e-learning)	1,078	11	449

2019			
Training	Participants	%	Training Hours
Forgery	290	3	808
Forgery and Fraud	2	1	14
Fraud	294	3	874
Compliance	1,025	11	2,888
Private Security Officer ID Badge Refresher Course	65	1	3,900
Information Security Awareness	119	1	411
Compliance (e-learning)	8,779	98	4,390
Code of Ethics (e-learning)	673	8	673
Capital Market Crimes Information Abuse and Market Fraud (e-learning)	32	1	16
Information Security Awareness (e-learning)	9,749	100	4,970
TEB and Group Companies Information Security Policy	9,466	100	4,819
Professional Ethics (e-learning)	683	8	17,075

Security Officers play a critical role in terms of Human Rights. The security officers are employed by subcontractors, but they are within TEB's direct area of impact. The Human Rights training delivered to TEB Security employees is detailed below: [410-1](#)

2018			
Training	Participants	%	Training Hours
Private Security Officer ID Badge Refresher Course	145	43	8,700
Fraud	146	44	146
Information Security Awareness (e-learning)	342	100	229
TEB and Group Companies Information Security Policy	338	100	282

2019			
Training	Participants	%	Training Hours
Private Security Officer ID Badge Refresher Course	61	20	3,660
Code of Ethics (e-learning)	1	1	1
Information Security Awareness (e-learning)	327	100	165
TEB and Group Companies Information Security Policy	322	100	161
Professional Ethics (e-learning)	2	1	1
(Compliance) – Fighting Corruption – Awareness	260	83	130

Orange Day



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

Privacy of Personal Data

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

Privacy of Employee Data

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

Privacy of Customer Data

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

Privacy of Employee Data

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

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

HUMAN RIGHTS AT STAKEHOLDERS

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

Human Rights in Financing and Investment Activities

TEB regularly addresses compliance with national and international legislation and ethical values in all its processes starting from customer acquisition. The Corporate Social Responsibility (CSR) policy, drawn up in accordance with national and international laws and the policies of BNP Paribas Group, specifies various sensitive sectors and imposes certain limitations in terms of working with and extending credits to companies operating in these sectors. As part of CSR, companies from different sectors are assessed for their human rights practices and employee rights, as well as the impact of their activities on the local people and the environment. The results of these assessments are considered in customer acquisition and credit decisions.

Human Rights at TEB's Subcontractors

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

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

and legislation as well as International Labor Organization's principles on minimum working age and child labor, freedom to unionize, freedom of assembly and organization, forced labor, gender equality in respect of employment, discrimination at work, working hours and minimum wage.

Human Rights at Suppliers

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

- not tolerate any discrimination
- not impose forced labor or bad working conditions on their employees
- take all necessary measures related to occupational health and safety
- comply with the applicable Labor and Social Insurance laws and regulations in Turkey
- adhere to the principles declared by the International Labor Organization.
- work to ensure environmental compliance, and
- establish programs to recycle products and services.

In service procurements from subcontractors, submitting full documentation related to Occupational Health and Safety and conducting training and certification to raise awareness about environmental management are considered factors that influence the supplier selection decisions positively.

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

9

COMMUNITY ENGAGEMENT ACTIVITIES



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

FINANCIAL LITERACY

TEB launched the TEB Family Academy in 2012 with its 'Responsible Banking' approach to elevate the level of financial literacy in the community and spread it across the base, and raise a financially literate generation.

TEB Family Academy's free financial literacy training is available to all individuals, whether or not they are customers of the Bank. TEB Family Academy offers basic training on topics such as savings, budget management, correctly use of banking products and making informed investments.

'The Social and Financial Education Through Art' project, which was implemented in cooperation with the Ministry of National Education and UNICEF to teach elementary students financial literacy through art and music courses in their regular curriculum, supported 11 million students. Furthermore, within the framework of agreements signed with the Ministry of National Education's General Directorate for Vocational and Technical Education, 7.5 million participants and students received financial literacy training.

Digital Financial Literacy Program

In 2018, TEB took its leadership in financial literacy one step further and launched the Digital Financial Literacy Program for university students based on the requirements of the era.

The program featured the latest financial technologies with high popularity among young people such as Blockchain, FinTech, coding and digital transformation, and engaged 6,500 students from some 30 universities. Meanwhile, more than 350 thousand people took the online training. The program aims to train people as economically savvy individuals, who have a good understanding of financial technologies, save and manage their money effectively, know how to seize financial advantages and utilize technologies, and contribute to digital transformation.

Financial literacy has a direct and positive impact on financial inclusivity. Individuals who are educated and knowledgeable in financial matters have better access and use of financial services. Therefore, TEB Family Academy contributes to several Sustainable Development Goals, supports multiple stakeholders economically and socially, and has a wide area of impact:

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

SOCIAL RESPONSIBILITY ACTIVITIES

Adım Adım

In 2019, TEB runners participated in the İstanbul Marathon and Runatolia Marathon for the benefit of NGOs under the umbrella of the Adım Adım initiative, while TEB employees who did not participate in the marathons supported the causes with their donations. TEB has been named among the “Institutions with a Kind Heart” for its performance in charity runs since 2008.

Blue Bottle Cap Campaign

The blue caps collected at the Head Office and Regional Offices are delivered to Ataşehir Municipality to purchase wheelchairs for people in need. To date, 11 wheelchairs have been delivered to their new owners by collecting 250 kg of bottle caps.

Supporting Education

TEB extends support to schools in need. An auditorium was built at Haşim İşcan Primary School in Ümraniye, and training was delivered on healthy nutrition. Furthermore, a heating system, water tank and pump, and a power generator were donated to and installed in the Toklucak Village Primary School in Diyarin.



Financial Literacy

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

Innovation

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

More information about TEB’s donations is provided in the Annual Reports (<https://www.teb.com.tr/about-teb/annual-reports/>)

SPONSORSHIPS AND DONATIONS

Tennis

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



ENVIRONMENTAL RESPONSIBILITY

Promoting Client Business Models Respectful of the Environment

Reducing the Environmental Impact of Operations

Advancing Environmental Awareness



ENVIRONMENTAL RESPONSIBILITY

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

Environmental responsibility is addressed under three main headings:

- Promoting Client Business Models Respectful of the Environment
- Reducing the Environmental Impact of Operations
- Advancing Environmental Awareness

TEB Environmental Responsibility Policy ^{103-1, 103-2, 103-3}

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

Aiming to minimize its environmental impact and conduct its operations effectively, Türk Ekonomi Bankası A.Ş.:

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

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PROMOTING CLIENT BUSINESS MODELS RESPECTFUL OF THE ENVIRONMENT



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

TEB'S APPROACH TO ENVIRONMENTAL TRANSFORMATION AT CLIENTS

In addressing environmental transformation, the needs of the business or individual that will undertake it should be identified correctly. From an organizational point of view, aligning the business with the environment, modernizing it or installing a waste system could be a very costly process. Even if these investments pay back in the long run, they pose a financial burden in short term. In terms of retail consumers, environmentally friendly products, energy-efficient consumer goods, high-efficiency durable goods or hybrid vehicles are not cheap and may require financing despite being economic. TEB developed its Energy Efficiency and Renewable Energy Policies to respond to these needs and disclosed them transparently:

Energy Efficiency Policy

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

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

Renewable Energy Policy

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

The policy focuses primarily on the following topics:

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

GREEN PRODUCTS

Following the policies developed and the Engagement Workshops held with BNP Paribas in late 2018, TEB has decided to adopt a more strategic approach. Accordingly, the needs of different customer groups were identified and Green Products were offered to the customers. With major projects already or soon to be financed, these products support corporate customers, especially those who need funding for their energy efficiency and environmentally friendly projects or operating capital.

Green Credit

TEB extended a 'Green Credit' for Euro 320 million to the İstanbul Metropolitan Municipality for the construction of Europe's largest waste incineration and power generation facility. The plant will incinerate 1 million tons of solid waste annually and generate 70 MW of electricity. With a daily processing capacity of 3 thousand tons, the plant will meet the domestic electricity needs of 1.5 million people from the waste it incinerates. The roof of the plant, which will offset greenhouse gases, is fitted with solar panels. This green environmental project will generate electrical energy while disposing of waste and also eliminate more than 1 million tons of carbon dioxide emissions every year.

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REDUCING THE ENVIRONMENTAL IMPACT OF OPERATIONS



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

ENERGY EFFICIENCY 302-1, 302-2, 302-4

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

TEB Energy Consumption (MWh)	2017	2018	2019
Internal Energy Consumption (Ümraniye + Dudullu + Branches)	62,729	62,949	59,393
Natural Gas	18,858	17,770	16,084
Electricity	42,466	43,524	41,463
Diesel	1,405	1,655	1,846
External Energy Consumption	20,315	19,928	19,030
Gasoline	1,425	1,380	1,343
Diesel	18,890	18,548	17,687
Total Energy Consumption	83,044	82,877	78,423

LED Transformation Project

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

Digital Energy Management Project

The objective of this project is to develop savings measures by monitoring and measuring the energy consumption of the branches remotely, and inform

the branches about how they can save. Nearly half of the branches use Digital Energy Infrastructure technology to measure their energy consumption, comfortable temperature levels and energy quality and have an early warning system, resulting in 3% saving in energy consumption. During the TEB Managers meeting in 2019, the branches that saved the highest amount of energy were awarded by using competition and gamification technology within the scope of Digital Energy Management system.

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

CO₂ Emissions ^{305-1, 305-5}

CO ₂ Emissions (tons)	2017	2018	2019
Electricity	18,439	18,715	17,829
Natural gas	3,869	3,552	3,215
Diesel	509	352	392
Gasoline (Fleet)	379	367	357
Diesel (Fleet)	4,159	4,084	3,894
Total	27,356	27,070	25,687

TEB prefers environmentally friendly models when selecting company vehicles to reduce environmental impact. This approach has resulted in reducing diesel consumption, the source of NOX gases, which is a leading cause of climate change, from 140,000 liters/month to 120,000 liters/month and decreasing average CO₂ emissions from 400 tons/month to 350 tons/month in two years. Furthermore, the Electric Vehicle Project, launched in 2017, has led to a reduction of 2.7 tons of CO₂ emissions per year, highlight TEB's leading role in the banking sector in testing and implementing alternative green technologies.

With the Personnel Shuttles Optimization Project, launched in 2017, manual processes (tracking routes, occupancy, registered users, vehicle and driver information with a software, etc. for the personnel shuttles) were taken to the digital platform, improving the efficiency of the shuttles. The improvements made in 2018 resulted in higher vehicle occupancy rates and shorter daily route distances.

WASTE MANAGEMENT ^{306-1, 306-2, 306-5}

A significant part of the waste generated at TEB is due to consumption of office supplies. The objective of the Bank's waste management is to generate as little waste as possible, recycle the amount of waste generated or dispose of them through specialized companies to minimize environmental impact. The wastes collected in the Head Office buildings are delivered to the Ümraniye and Beşiktaş municipalities in İstanbul for recycling.

Paper Consumption and Waste

Paper is the most important consumption item and waste in the Bank's daily processes. The digitalization efforts in the banking sector, and simplifying and moving many processes to the electronic medium with applications such as Registered Email systems (KEP), paper consumption of TEB has decreased significantly. The Bank also works to make sure that the paper consumed does not harm the environment. In 2019, 46% of the paper purchased was FSC certified.

Paper Purchases	2017	2018	2019
Head Office, Dudullu and Branches (tons)	1,043	986	856

Multifunctional printers have been used in branches and the Head Office since 2012 to reduce paper consumption. Operating the printers with user login to control the quantity of printing and double-sided printing practices has resulted in more efficient paper consumption. Some customer agreements are already uploaded to the system and printed by the branches only when needed. In 2018, a project was launched to introduce e-signature and create positive impact on processes such as paper consumption and courier deliveries, etc., leading to lower carbon footprint. In 2019, the weight of papers used for printing the customer agreements in branches was reduced from 90 gr to 70 gr; and the weight of A4 paper used in all branches and the Head Office was reduced from 80 gr to 75 gr. With these changes, an estimated 47 tons of paper will be saved.

The Bank delivers all paper waster³⁰¹⁻² collected at its locations to recycling:

Paper Waste	2017	2018	2019
Total paper waste (tons)	208	263	365
Paper waste delivered for recycling (tons)	208	263	365

59 tons CO₂
Annual Savings

Vehicle Occupancy Rate

59% →  70% ↑

Total Daily Route

14,350 km →  13,790 km ↓

Other Wastes ³⁰¹⁻²

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

Recycled/Environmentally Disposed Wastes	2017	2018	2019
Fluorescent Bulbs (kg)	560	506	0
Waste Oil (liters)	2,050	1,990	1,360
Waste Batteries (kg)	67	66	0

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

Plastic Cup Transformation Project

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

Environmental Sensibility in Constructions

TEB does its utmost to use local materials in its constructions and recyclable products (wood, glass, etc.) to the extent possible. The products are used until the end of their economic life, and then delivered to recycling companies.

Water Consumption

The Bank creates awareness raising announcements and shares them with all employees on World Water Day to reduce water consumption. In addition, installing perlators in the faucets has also reduced water consumption.

TEB Water Consumption (m3)	2017	2018	2019
Head Office and Dudullu	47,167	48,549	46,230
Branches	64,450	67,794	64,705
Total	114,617	116,343	110,935

In 2018, solenoid valves were installed in all branches to prevent plumbing leaks due to pressure changes that may occur at night or in the weekends. Preventing plumbing connection leaks due to changes in water pressure has resulted in improved efficiency in water consumption and reduced damages due to flooding.

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ADVANCING ENVIRONMENTAL AWARENESS



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

ENVIRONMENTAL AWARENESS AMONG TEB EMPLOYEES

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

- Earth Hour Event: The lights of the Head Office buildings are turned off for one hour and an awareness message is delivered to the employees about the event.
- World Water Day: Announcements to promote the day are communicated to the employees.
- TEB Innovation Day and TEB Supplier Awards: The agenda of these events include topics to raise awareness.
- Economic Driving Training: As of year-end 2019, 484 users, including Branch Managers and Head Office teams, have taken economic and safe driving training.
- Awareness Exhibition: A recycling tree was created from glass bottles and exhibited in the Head Office buildings.
- Awareness Announcements: Various announcements are shared with the employees to address the topic of tackling climate change.
- Biophilic Design: An experimental biophilic design was applied in a branch (Zeytinburnu Bulvar) to increase satisfaction and awareness among employees and customers.



ENVIRONMENTAL AWARENESS AT CUSTOMERS

TEB My Tree Project

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

Corporate Banking Practices

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

Sustainability topic, which includes environmental awareness, is also covered in customer communications and events. In November 2019, TEB Cash Management Academy, organized with the theme "Sustainability in Economy" with the participation of more than 450 customers, addressed environmental and social responsibility, contributing to raising environmental awareness by reaching more than 115,000 people in social media.



ENVIRONMENTAL AWARENESS AT SUPPLIERS

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

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

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

GRI CONTENT INDEX



GRI CONTENT INDEX ¹⁰²⁻⁵⁵



For the Materiality Disclosures Service, GRI Services reviewed whether the GRI content index was clearly labeled, referenced and presented for disclosures 102-40 to 102-49 and aligned with appropriate sections in the body of the report. The service was performed on the Turkish version of the report (Turkish GRI Content Index).

GRI Standard	Disclosure	Page/Link/Direct Answer
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	Organizational Profile	
	102-1	12
	102-2	12
	102-3	12
	102-4	12
	102-5	13
	102-6	12
	102-7	12,13
	102-8	48
	102-9	43
	102-10	There were no significant changes at TEB's organization structure, its shareholders or supply chain during the reporting period.
	102-11	TEB acts in compliance with BNP Paribas regarding the Precautionary Principle.
	102-12	17
	102-13	17
	Strategy	
	102-14	10
	102-15	22
	Ethics and Integrity	
	102-16	36
	102-17	37
	Governance	
	102-18	14
	102-19	SASECOM delegates the sustainability processes, if found necessary, to related sub-committees, departments and employees.
	102-20	21
	102-21	23
	102-22	14
	102-23	14
102-24	14	
102-25	38	
102-26	14	
102-27	Related departments and employees inform TEB Board of Directors about economic, social and environmental issues when needed.	

GRI Standard	Disclosure	Page/Link/Direct Answer	
GRI 102: General Disclosures 2016	102-28	14	
	102-29	Board of Directors is the highest governing body for assessment of risks and opportunities. SASECOM provides the necessary advice in economic, social and environmental topics. When necessary, suggestions from related functions, departments and employees are also taken.	
	102-30	15	
	102-31	SASECOM regularly puts issues related to economic, social and environmental material issues and related risks and opportunities on the agenda of board meetings.	
	102-32	The process related to publication of sustainability reports is managed by SASECOM.	
	102-33	There is a pre-determined process for the topics to be put on the agenda of TEB Board of Directors meetings.	
	102-34	There were no concerns, considered as critical, communicated to the TEB Board during the reporting period.	
	102-35	14	
	102-36	14	
	102-37	14	
	102-38	Because of the privacy of the information this indicator is not declared. The remuneration analysis of the Board is not declared as it is not a norm in the countries we operate.	
	102-39	There is no difference in the salary raise ratio for the lowest and highest paid individuals.	
	Stakeholder Engagement		
	102-40	23	
	102-41	There is no labor union in TEB.	
	102-42	23	
	102-43	23	
	102-44	The key impacts disclosed in this report are derived from the results of the Materiality study, where the issues and concerns of each stakeholder group, collected through several dialogue platforms, were considered and assessed. In addition, employees from all departments, who collectively had broad knowledge about each stakeholder's opinions and concerns as a result of daily operations and interactions with them, and shared those issues in detail during the study, hence key topics and concerns of all stakeholder groups were considered. Employee and customer satisfaction surveys, global and national priorities and BNP Paribas applications were also considered for developing the material issues and they were described in detail in previous reports as well, together with TEB's plans. For detailed info, please refer to https://www.teb.com.tr/UPLOAD/PDF/CSR-report/TEB-2016-2017-Sustainability-Report.pdf p.88	
	Reporting Practice		
	102-45	12	
	102-46	TEB used AA1000SES for determining its material issues in workshops conducted with the Sustainability Council. The key topics were grouped and assessed, they were then prioritized. For each material issue, a policy was developed by sub-groups of the Council and approved by the senior management of TEB. TEB used the reporting principles for defining the report content. AA1000 SES standard was used for identifying stakeholders and prioritizing them. Unless otherwise stated, TEB defines "impact" as 'possible positive or negative effects on society, environment and economic development of the region in which the company operates'. Hence during the materiality process, all the GRI Standards' topics, covering economic, social and environmental topics, were considered as main impact areas and selected individually by the attendees considering their magnitude or importance. Hence the first section of the materiality workshops was carried out for only determining the TEB operations' direct and indirect impact. Then, since not all material issues are of equal importance, utilizing the feedback obtained through different platforms, their importance for the stakeholders was considered as well, which may impact their decisions. Based on those parameters, the material issues were then assessed. In terms of Sustainability Context, TEB's performance was reviewed and presented in comparison to previous years' data.	

GRI Standard	Disclosure	Page/Link/Direct Answer
GRI 102: General Disclosures 2016	102-47	24
	102-48	Unless stated otherwise, no information in previous reports has not been restated.
	102-49	There are no important changes in the report about material issues and their scope.
	102-50	7
	102-51	7
	102-52	7
	102-53	Contacts
	102-54	7
	102-55	84
102-56	The report has not been externally assured.	
Material Topics		
<i>GRI 200 Economic Standards Series</i>		
Economic Performance		
GRI 103: Management Approach 2016	103-1	28
	103-2	28
	103-3	28
GRI 201: Economic Performance 2016	201-1	13, For details of financial data: https://www.teb.com.tr/about-teb/annual-reports/
	201-3	53
	201-4	TL 337,542 and TL 174,167 were received in 2018 and 2019 as cash incentives for interns. Incentives from Tübitak in 2018 were TL 1,495,543.
Market Presence		
GRI 103: Management Approach 2016	103-1	28
	103-2	28
	103-3	28
GRI 202: Market Presence 2016	202-1	The lowest wage for newly hired employees was minimum wage (for male and female employees).
	202-2	100% of GM and AGMs are Turkish citizens
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1	28
	103-2	28
	103-3	28
GRI 203: Indirect Economic Impacts 2016	203-2	28
Procurement Practices		
GRI 103: Management Approach 2016	103-1	28
	103-2	28
	103-3	28
GRI 204: Procurement Practices 2016	204-1	41
Anti-Corruption		
GRI 103: Management Approach 2016	103-1	36
	103-2	36
	103-3	36
GRI 205: Anti-Corruption 2016	205-1	37
	205-2	37
	205-3	Employment contracts of employees involved in 6 internal corruption cases were terminated by the Disciplinary Committee.

GRI Standard	Disclosure	Page/Link/Direct Answer
Anti-Competitive Behaviour		
GRI 103: Management Approach 2016	103-1	36
	103-2	36
	103-3	36
GRI 206: Anti-Competitive Behaviour 2016	206-1	There were no significant penalties due to this subject.
Tax		
GRI 103: Management Approach 2016	103-1	28
	103-2	28
	103-3	28
GRI 207: Tax 2019	207-1	TEB's approach to tax is described in detail in its Annual Reports and Independent Auditor Reports: https://www.teb.com.tr/about-teb/annual-reports/
	207-2	TEB's approach to tax is described in detail in its Annual Reports and Independent Auditor Reports: https://www.teb.com.tr/about-teb/annual-reports/
GRI 300 Environmental Standards Series		
Materials		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 301: Materials 2016	301-2	80,81
	301-3	There are no reclaimed products among TEB's products and services.
Energy		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 302: Energy 2016	302-1	79, There is no renewable energy source utilized.
	302-2	79, There is no renewable energy source utilized.
	302-4	79
Biodiversity		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 304: Biodiversity 2016	304-1	There is no operations with an impact on biodiversity.
	304-3	There are no protected or restored habitats.
	304-4	TEB's operations have no impact on IUCN Red List species
Emissions		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 305: Emissions 2016	305-1	80
	305-5	80
Waste		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 306: Waste 2020	306-1	80
	306-2	80
	306-5	80

GRI Standard	Disclosure	Page/Link/Direct Answer
Environmental Compliance		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 307: Environmental Compliance 2016	307-1	There were no significant penalties due to this subject.
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1	78
	103-2	78
	103-3	78
GRI 308: Supplier Environmental Assessment 2016	308-1	New Supplier Selection process is conducted via TEB Supplier Portal since May 15th, 2018. The related form includes social and environmental parameters. Records of 143 suppliers in 2018 and 550 in 2019 were registered and/or updated.
	308-2	There were no incidents regarding supplier environmental issues in the reporting period.
<i>GRI 400 Social Standards Series</i>		
Employment		
GRI 103: Management Approach 2016	103-1	48
	103-2	48
	103-3	48
GRI 401: Employment 2016	401-1	50
	401-2	Benefits provided to full-time employees are the same as those to temporary and part-time.
	401-3	47
Labor-Management Relations		
GRI 103: Management Approach 2016	103-1	48
	103-2	48
	103-3	48
GRI 402: Labor-Management Relations 2016	402-1	Minimum notice period for employees with less than 6 months is 2 weeks, with 6 months-1.5 years is 4 weeks, with 1.5 years -3 years is 6 weeks, with more than 3 years is 8 weeks.
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1	48
	103-2	48
	103-3	48
GRI 403: Occupational Health and Safety 2018	403-1	54
	403-2	54
	403-3	54
	403-4	54
	403-5	55
	403-6	55
	403-7	54
	403-8	54
	403-9	54
	403-10	There were no cases of work-related illness during the reporting period.
Training and Education		
GRI 103: Management Approach 2016	103-1	48
	103-2	48
	103-3	48
GRI 404: Training and Education 2016	404-1	61
	404-2	58, Retired TEB employees can act as mentors to make use of their experiences.

GRI Standard	Disclosure	Page/Link/Direct Answer
	404-3	Performance appraisals of employees are conducted regularly each year.
Diversity and Equal Opportunity		
Diversity and Equal Opportunity	103-1	46
	103-2	46
	103-3	46
GRI 405: Diversity and Equal Opportunity 2016	405-1	47
	405-2	47
Non-Discrimination		
GRI 103: Management Approach 2016	103-1	46
	103-2	46
	103-3	46
GRI 406: Non-Discrimination 2016	406-1	There were no incidents about discrimination in the reporting period.
Child Labor		
GRI 103: Yönetim Yaklaşımı 2016	103-1	70
	103-2	70
	103-3	70
GRI 408: Çocuk İşçiliği 2016	408-1	There are no operations or suppliers at significant risk for incidents of child labor.
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 408: Child Labor 2016	409-1	There are no operations or suppliers at significant risk for forced or compulsory labor.
Security Practices		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 410: Security Practices 2016	410-1	71
Rights of Indigenous Peoples		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 411: Rights of Indigenous Peoples 2016	411-1	There were no incidents related to the rights of indigenous peoples during the reporting period.
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 412: Human Rights Assessment 2016	412-1	Audits at Subcontractors cover social security topics including Human Rights issues.
	412-2	70
Local Communities		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70

GRI Standard	Disclosure	Page/Link/Direct Answer
GRI 413: Local Communities 2016	413-1	There are no projects involving local community engagement.
	413-2	There is no negative impact of Bank operations on local communities.
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1	70
	103-2	70
	103-3	70
GRI 414: Supplier Social Assessment 2016	414-1	New Supplier Selection process is conducted via TEB Supplier Portal since May 15th, 2018. The related form includes social and environmental parameters. Records of 143 suppliers in 2018 and 550 in 2019 were registered and/or updated.
	414-2	There were no social incidents involving suppliers in the reporting period.
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1	66
	103-2	66
	103-3	66
GRI 416: Customer Health and Safety 2016	416-1	There were no significant incidents concerning customer health and safety in the branches or head quarters.
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1	66
	103-2	66
	103-3	66
GRI 417: Marketing and Labeling 2016	417-1	67
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1	36
	103-2	36
	103-3	36
GRI 419: Socioeconomic Compliance 2016	419-1	There were 969 lawsuits amounting to TL 24,772,072 in 2018 and 935 amounting to TL 10,693,841 in 2019. As of 2019 year-end, 12,583 lawsuits were in litigation. Cases. A provision of TL 51,155,466 had been set aside for these lawsuits as at 31 December 2019. The administrative fines of regulatory and auditory authorities imposed against the Bank in 2018 and 2019 were TL 244,490 and 71,490,264, respectively. There were no administrative or judicial sanctions imposed against the Bank's Board Members.

CONTACTS

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