



KUVEYT TÜRK

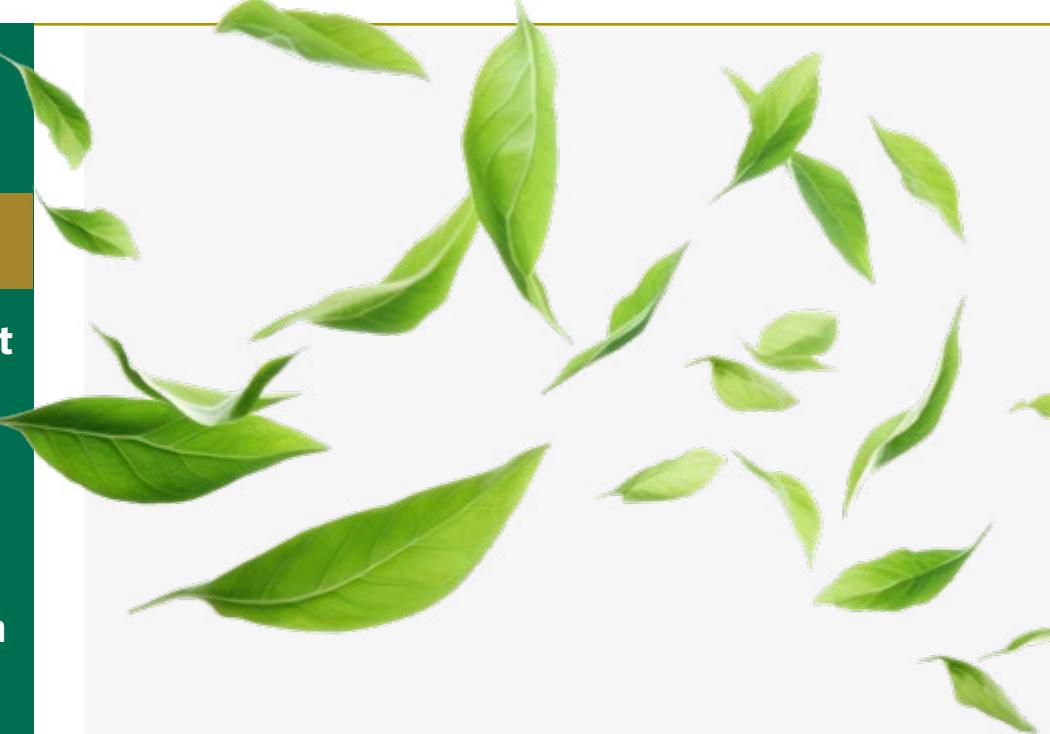
2023  
**SUSTAINABILITY  
REPORT**



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**Reporting Period:**  
January 1, 2023 - December 31, 2023



Our sustainability report has been prepared digitally, emphasizing environmental awareness. This digital format reduces paper usage, while our content, enriched with interactive elements, facilitates understanding of data and access to information. Our aim is to raise environmental awareness by reaching broader audiences with our sustainability goals.

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## 01. ABOUT THE REPORT

**AS KUVEYT TÜRK, WE TRANSPARENTLY SHARE OUR PERFORMANCE IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE AREAS IN LINE WITH OUR SUSTAINABILITY PRINCIPLE.**



### Purpose and Scope of the Report

As Kuveyt Türk, we transparently share our performance in environmental, social and governance areas in line with our sustainability principle. This report aims to strengthen our interaction with our stakeholders by addressing in detail our sustainability goals, strategy and practices as of 2023.

In this report, drawn up in accordance with the GRI Standards, an internationally recognized framework enabling us to structure our sustainability reporting processes and measure our performance, we present necessary data to meet the needs of our stakeholders in a transparent and accountable manner and as a reflection of our sustainability commitments.

### Reporting Period

The environmental, social and economic information presented in the report covers the 12-month operating period between January 1, 2023 and December 31, 2023; our Head Office building in Istanbul, Kuveyt Türk Banking and Life Base (Kuveyt Türk Banking Base- KTBB) in Kocaeli and our branches.

During the reporting process, we focused on making a positive contribution to nature by reducing our negative environmental impacts, supporting social development through our social responsibility projects, and improving our governance standards to achieve our sustainability goals. At Kuveyt Türk, we aim to provide more robust and sustainable financial services for the future by determining the steps we will take in line with the Sustainable Development Goals.

This report is not only an accountability tool, but also a guide to our sustainability journey. Receiving the contributions and feedback of all our stakeholders is of great importance for us in achieving our sustainability goals. You can share your comments and suggestions on the report with us via [✉ surdurulebilirlik@kuveytturk.com.tr](mailto:surdurulebilirlik@kuveytturk.com.tr) e-mail address.



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In 2023, financial institutions increased their support for environmental, social, and governance-focused projects; green financing instruments became one of the key elements in the sector.

## 02. MESSAGES FROM THE MANAGEMENT

### 2.1. Message from the Chairperson

**IN LINE WITH OUR SUSTAINABILITY VISION, KUVEYT TÜRK PARTICIPATED IN THE ENVIRONMENTAL, SOCIAL, AND ECONOMIC TRANSFORMATION JOURNEY OF THE FINANCIAL SECTOR IN 2023 THROUGH THE SUSTAINABLE FINANCING SUPPORT IT PROVIDED.**

**Dear Esteemed Stakeholders,**

We have left behind 2023, a dynamic year full of both opportunities and challenges for the global banking and finance sector. The sector underwent strategic transformations due to economic uncertainties, geopolitical crisis, digitalization, and the impact of sustainability goals.

The year 2023 was marked by intense monetary tightening policies implemented by central banks worldwide in the fight against inflation. As a result of these policies, the increase in cost of funding and financing led to a shift of resources towards relatively safe havens, while the risks stemming from supply and demand imbalances in the economy increased. Consequently, from the second half of the year, a process of stabilization in global growth was observed.

Geopolitical uncertainties led to fluctuations in energy prices and commodity markets, reducing risk appetite and causing capital outflows from risky assets. The decline in confidence indices and high levels of country risk premiums signaled the need to strengthen risk management systems, prompting banks to focus on resilience strategies, particularly against operational risks.

Within the scope of climate adaptation and mitigation efforts, global initiatives continued at full speed, and the need for sustainable transformation efforts, environmentally friendly technological solutions, and awareness projects frequently came to the forefront. In 2023, financial institutions increased their support for environmental, social, and governance-focused projects, and green financing instruments became one of the key elements in the sector.

The growing diversification of customer demands required banks to develop flexible and customized business models. In this context, digitalization processes were accelerated to respond to rapidly changing customer expectations; artificial intelligence (AI) applications played a strategic role in reducing operational costs and increasing service speed.

These developments once again demonstrated the ability of the Turkish banking sector to adapt to change economic conditions and achieve its sustainable growth objectives.

In 2023, our Bank continued to provide fast and effective solutions to the needs of our customers with 445 branches and a team of 6,011 specialists. Over the past year, we maintained our leadership in the participation finance sector, reaching total assets of TL 668 billion and equity of TL 48 billion to the non-consolidated data. With our pioneering products and services, we expanded our customer base across all segments, thereby increasing our support to the national economy.

In line with our sustainability vision, Kuveyt Türk participated in the environmental, social, and economic transformation journey of the financial sector in 2023 through the sustainable financing support it provided. In the coming period, we will continue to create value with our stakeholders through our strong capital structure, innovative products, and services, while supporting environmental and social development with our sustainability strategy. I sincerely thank our team members, who played an important role in all these processes, and our valuable stakeholders who have always trusted us.

I extend my heartfelt condolences to the families of those who lost their lives in the major earthquake disaster that occurred in our country, which is centered in Kahramanmaraş and affected 10 surrounding provinces, and to our nation.

**Kind regards,**

**HAMAD ABDULMOHSEN AL MARZOQ**  
Board Chairperson



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As Kuveyt Türk, a leading institution in the participation finance sector, we place great emphasis on the concept of **“sustainable finance”** in our 2025 vision.

## 02. MESSAGES FROM THE MANAGEMENT

### 2.2. Message from the CEO

**AS KUVEYT TÜRK, WE CONSIDER SUSTAINABILITY NOT ONLY AS A GOAL, BUT ALSO AS A RESPONSIBILITY THAT ADDS VALUE TO SOCIETY AND TRANSFORMS THE PROFITS GENERATED INTO BENEFITS FOR THIS LAND.**

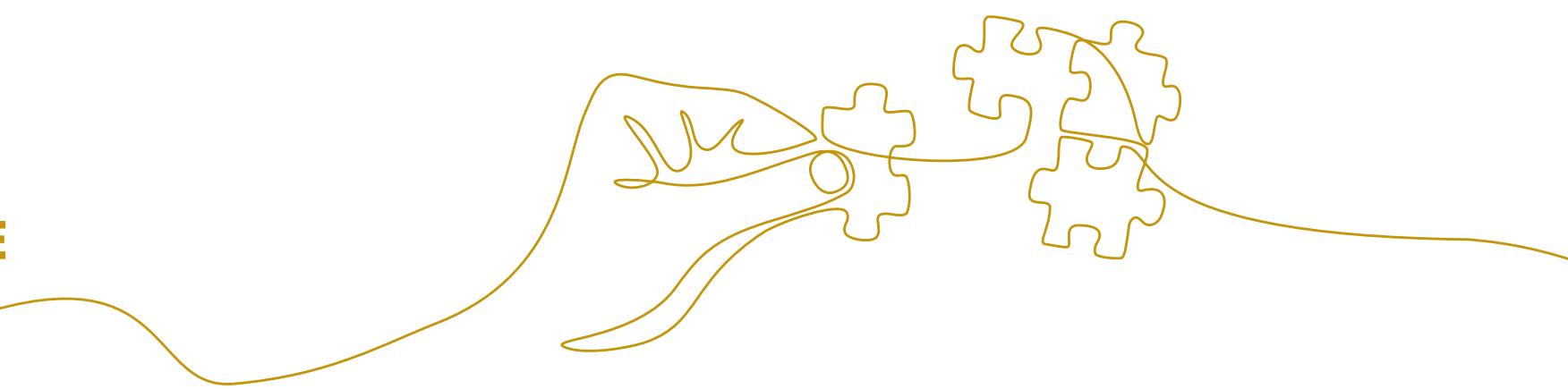
**Dear Esteemed Stakeholders,**

As Kuveyt Türk Participation Bank, we have been providing services in the field of participation finance for 34 years. Considering our responsibilities towards our society and nature, we support our customers in line with the principles of participation finance. Today, we have a strong financial structure, a robust customer portfolio and a determined vision to support sustainable development. The year 2023 demonstrated once again the critical importance of rapidly adapting to changing global dynamics and fulfilling our social responsibilities.

2023 was a year characterized by economic uncertainties, geopolitical tensions and climate change impacts. Inflationary pressures, supply chain challenges and fluctuations in energy prices forced the banking sector to develop stronger risk management strategies. These developments have further increased the importance of digitalization; offering banking services through digital platforms has become a critical factor in ensuring customer satisfaction. At Kuveyt Türk, we have made significant investments in this digital transformation process and will continue to take pivotal steps in this area in the future.

Within the scope of combating climate change, sustainable transformation is critical for the finance sector, and important steps have been taken to develop a sustainable finance ecosystem in Türkiye and the Turkish banking sector. Our strategic plans extend beyond financial success, encompassing sustainability and legal compliance targets as key priorities.

At Kuveyt Türk, we view sustainable finance as a responsibility and a strategic opportunity. In line with this approach, we offer a range of sustainable financing supports to our valued customers. Last year, we continued to provide support for hydroelectric, biomass, wind and solar power plants, mainly rooftop solar energy power plant. Within the framework of our 2025 vision, we aim to invest more in sustainable projects, prioritize projects that support social development and take actions to reduce carbon emissions in our operations.



On the other hand, the potential impacts of climate change on financial markets have made it imperative for banks to strengthen their risk management systems. In this context, Kuveyt Türk adopts a comprehensive strategic approach under the leadership of our Sustainability Committee to effectively manage climate risks. In line with our Bank's strategic goals, we have started to assess climate-related risks and opportunities and to establish the necessary management mechanisms for measuring, monitoring and reporting these risks.

In 2023, we participated for the first time in the Carbon Disclosure Project (CDP), a platform where organizations disclose their environmental impacts, risks, and opportunities related to climate change, sustainability strategies, and governance structures. We achieved a B score.

Our Sustainability Committee and affiliated Working Groups are effectively implementing our Sustainability Strategy and integrating it into our processes. Since our establishment, we have considered sustainability as a fundamental requirement of participation finance and adhering to these principles as a priority. As Kuveyt Türk, we consider sustainability not only as a goal, but also as a responsibility that adds value to society and transforms the profits generated into benefits for this land. Acting with the awareness of protecting social and cultural values, we aim to sustainably transfer all the assets we have inherited from the past, such as our environment and nature, to future generations.

With the support of our valued stakeholders, we will continue to shape the participation finance sector in Türkiye by adapting to change and innovation with a proactive approach.

**Kind regards,**

**UFUK UYAN**  
Board Member and CEO



# Kuveyt Türk at a Glance

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## 03. KUVEYT TÜRK AT A GLANCE

### Financial Indicators



**668**  
billion TL  
of unconsolidated  
total assets



**48**  
billion TL  
of shareholders'  
equity



**4.6**  
billion TL  
of paid-in capital



### Manufactured Capital Indicators



**445**  
branches with a wide  
service network (including  
Bahrain branch)



**6,011**  
qualified  
employees



**17.6**  
billion TL  
agricultural sector risk



**12%**  
increase in the number  
of digital channel customers  
compared to the previous year



**100 thousand**  
TL cash grant support  
for each entrepreneur as of  
2023



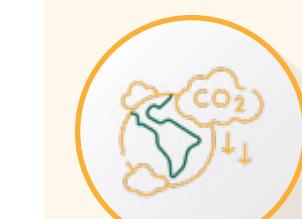
**34%**  
rate of open accounts  
remotely  
without going to the branch



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## 03. KUVEYT TÜRK AT A GLANCE

### Natural Capital Indicators



**5,007.1**  
tCO<sub>2</sub> eq  
of Scope 1 emissions



**12,212.4**  
tCO<sub>2</sub> eq  
of Scope 2 emissions



### Social Capital Indicators



**81,000**  
seed balls  
donated



**25,495.6**  
MWh  
of electricity consumption



**30,169**  
m<sup>3</sup>  
of water consumption



**41.9**  
tons of waste  
sent for recycling



**4,734**  
students enrolled in the  
"Entrepreneurial Explorer Platform" created  
to infuse the spirit of entrepreneurship to children



**GİRİŞİMÇİ KAŞİF**



"Software for the Future" Computer Donation Project  
**1,736**  
computers  
donated to students



**106**  
schools  
equipped with  
computer labs





# About Kuveyt Türk

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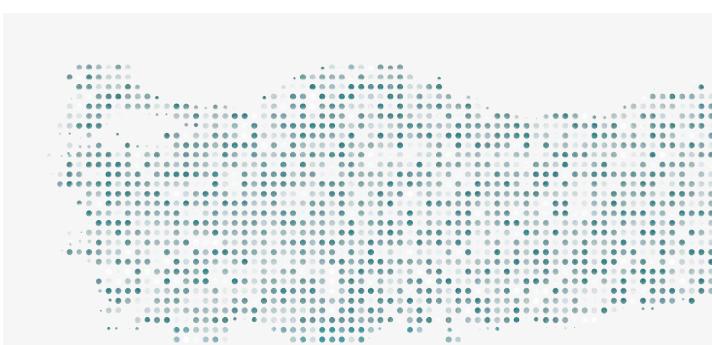
## 04. ABOUT KUVEYT TÜRK

### 4.1. History

According to the authorization of the Central Bank of Türkiye dated February 28, 1989, the Bank started operations as a Private Finance House on March 31, 1989, under the trade name Kuveyt Türk Finance Institution of Foundations Joint Stock Company. 1999 saw its business operations come under the scope of Banking Law No. 4389 along with other private financial institutions. In 2006, the Bank assumed its current name: Kuveyt Türk Katılım Bankası A.Ş. (Kuveyt Türk).

We maintain our pioneering position in our sector through our customer experience-oriented approach, our efforts in technology and innovation, and the steps we have taken towards digital transformation by effectively bringing our distinguished financial products and services to account owners and investors.

We play an active role not only in the banking sector but also in the national economy through our various investments in many sectors ranging from real estate to industry. Since our establishment, we have been acting with sensitivity in the interest-free banking system and adopting a research approach in investment areas. Our principle is to provide modern, reliable, stable, high quality and fast services to our account owners and the business world. We support the development of our employees by organizing continuous training programs to increase their productivity.

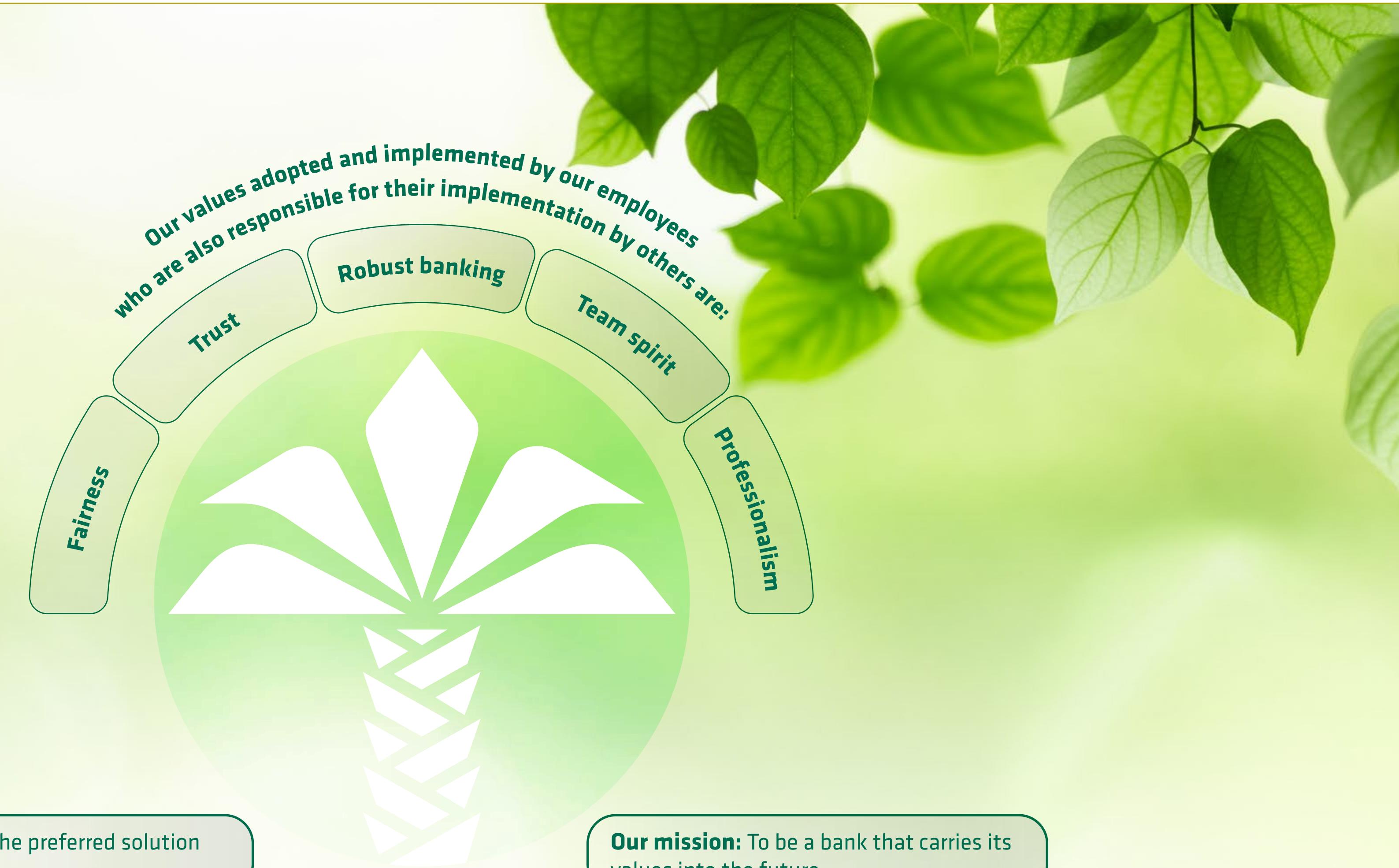


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## 4.2. Vision, Mission and Values



**Our vision:** To be the preferred solution partner bank.

**Our mission:** To be a bank that carries its values into the future.

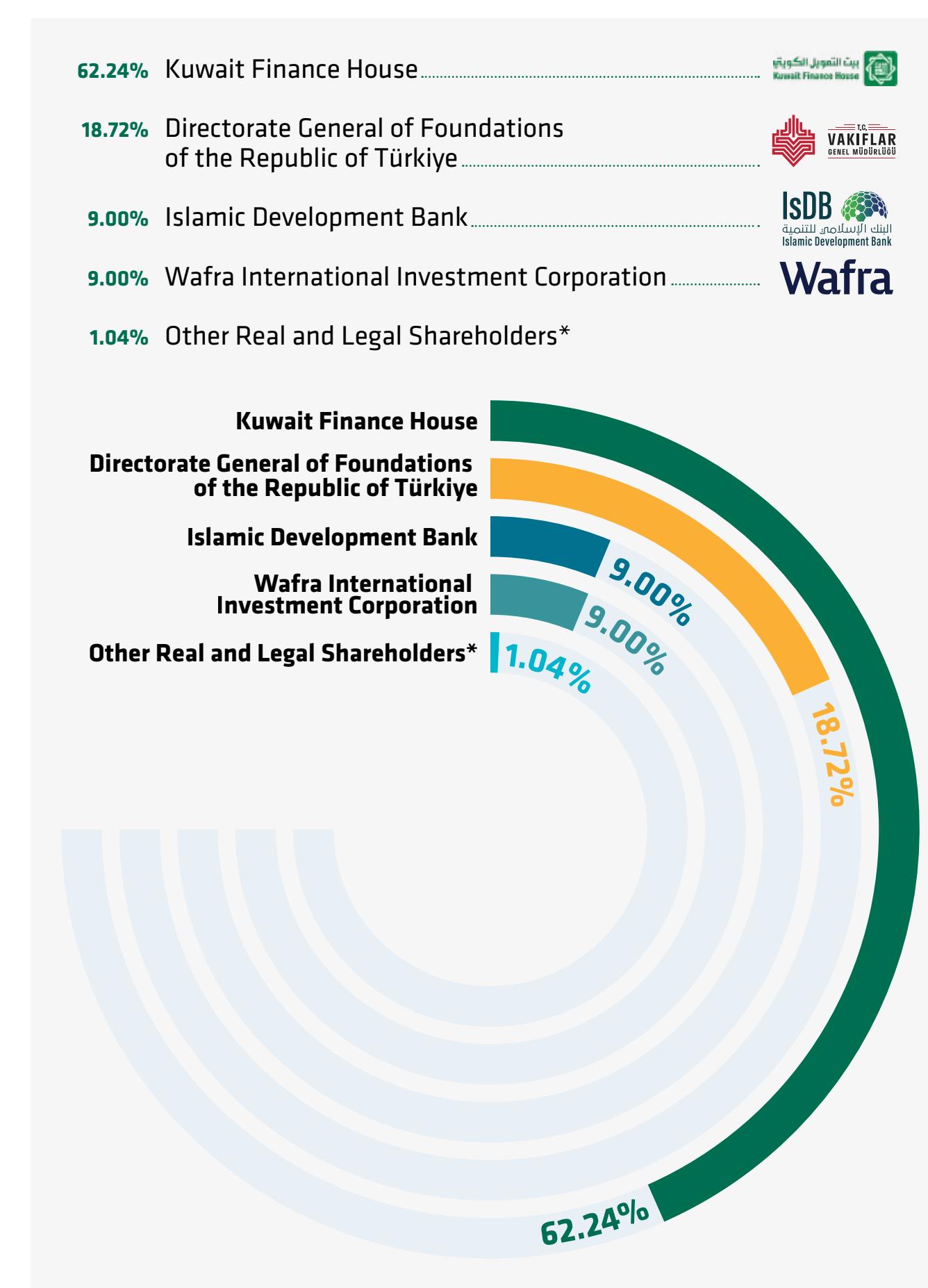
**Our strategy:** While our goals of being the first bank that comes to our clients' minds for all of their financial needs, that they can consult without hesitation and apply comfortably, as well as providing them with a lean experience, are fueling our vision of **“being the preferred solution partner bank”**, our strong and dynamic team, our innovative brand, and the most recent technologies that we will benefit from will be the primary supports enabling us to achieve this vision.

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### 4.3. Shareholding and Capital Structure

Kuwait Finance House is the largest shareholder of Kuveyt Türk with a 62.24% share.

#### Shareholding and Equity Breakdown:



\*The Chairman and Members of the Board of Directors, Audit Committee Members, Chief Executive Officer, and Vice Presidents hold a 0.11% share in the Bank's capital.

\*\*It was established on November 20, 2023 and started operating on July 11, 2024 by obtaining an official authorisation.



#### Affiliates and Subsidiaries

Subsidiaries and Affiliates	Share Rate
Architech Bilişim Sistemleri ve Pazarlama Tic. A.Ş.	100%
KT Bank AG, Germany	100%
Kuveyt Türk Portföy Yönetimi A.Ş.	100%
Neova Sigorta Katılım Sigorta A.Ş.	100%
KT Kira Sertifikaları Varlık Kiralama A.Ş.	100%
Kuveyt Türk Yatırım Menkul Değerler A.Ş.**	100%
KT Sukuk Varlık Kiralama A.Ş.	100%
Körfez Tatil Beldesi Turistik Tesisler ve Devremük İşletmeciliği A.Ş.	99,99%
Körfez Gayrimenkul Yatırım Ortaklıği A.Ş.	75%
Katılım Emeklilik ve Hayat A.Ş.	50%
Katılım Finans Kefalet A.Ş.	15%

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**4.4. Milestones**

**1989** The first day of "Robust Banking" (March 31, 1989)

**1998** First interest-free credit card

**2000** Start of retail banking services

**2002** First Turkish private finance institution to become a direct member of Visa

**2007** First gold sale in grams on the Istanbul Gold Exchange

**2010** First sukuk issuance in Türkiye

**2011** The first participation bank in the world to be accepted as an "associate" by the London Bullion Market Association

**2014** The world's first digital bank branch with live video support: XTM

**2015** First private banking activity in participation banking

First branchless digital banking platform in participation banking: Senin Bankan

First participation-based asset management company: KT Portföy

First participation bank in Germany: KT Bank AG

**2017** Support platform for technology entrepreneurs: Lonca Entrepreneurship Center

**2018** Türkiye's Best Employer and Finance's Best Employer Awards by the Great Place to Work Institute (GPTW)

Europe's Best Islamic Finance Institution: KT Bank AG

Techno-Venture Capital Investment Fund

More than 60 banks in 20 countries, including Nigeria, Malaysia, Indonesia and Egypt, started using the banking software developed by Kuveyt Türk

**2020** Neova Sigorta, a major player in the insurance sector, becomes a 100% subsidiary of Kuveyt Türk

Launch of Innhouse, an innovation center that stands out with its unique and functional architectural design

**2021** First "Global Sustainable Tier 2 Subordinated Sukuk Issuance"

The first participation finance institution to join the Miles&Smiles partnership with Turkish Airlines and Mastercard

The first participation bank from Türkiye to be accepted as a member of Factors Chain International (FCI), the umbrella organization of financial institutions providing guarantee and collection services for export receivables against goods

**2022** Our Supply Chain Financing transaction we realized within FCI, which is the first transaction in Türkiye and the world in the field of participation finance

First participation finance institution to offer its customers medium and long-term leasing financing indexed to the Turkish Lira Overnight Participation Reference Rate (TLREFK) created by the Participation Banks Association of Türkiye (TKBB) and Borsa İstanbul in line with interest-free finance principles

"Digital Vehicle Financing" service for those wishing to own their first new or second-hand car in Türkiye, all stages of which can be completed via Kuveyt Türk Mobile

Türkiye's first participation-based sustainability fund within KT Portföy, a 100% Kuveyt Türk subsidiary

**2023** Executing Export Price Acceptance Certificate (IBKB) transactions online through the "internet branch" without going to a physical branch for the first time in the field of Participation Finance

Architech, a wholly-owned subsidiary of Kuveyt Türk, introduces BOACard, a new product offering end-to-end services in the field of payment systems to the finance world

Kuveyt Türk participates in the Carbon Disclosure Project (CDP) for the first time and achieves a B score



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## 4.5. Awards

Through the awards we received throughout 2023, we once again demonstrate our sustainable and innovative approach. Thanks to our successful practices in the banking sector in the areas of open banking, digital transformation, customer satisfaction, human resources and data analytics, we were rewarded with many prestigious national and international awards.

### **Kuveyt Türk Carried “The Best Open Banking APIs” Award**

At the “World’s Best Digital Banks 2023” awards organized by the Global Finance, one of the most prestigious publications of the international finance world, we were awarded the “Best Open Banking APIs” prize in the corporate banking category and selected as Türkiye’s leading bank in this field.

### **Kuveyt Türk Selected as Türkiye’s Best Employer for the 6th Time in a Row**

In our human resources processes, we act in the light of the approach of “Digital as the course, people as the focus” based on the principle of “people first - employees first”. This year, we succeeded in making to the “Türkiye’s Best Employers” list for the 6th consecutive year in the “5000+ Employees” category in “Türkiye’s Best Employers 2023 Awards” organized by the Great Place to Work Institute (GPTW),

### **Kuveyt Türk Stands Out with 3 Awards at IFN Awards**

We achieved a significant success and won 3 awards at the IFN Awards organized by Islamic Finance News to appreciate the best corporations in the interest-free finance sector. This year, we were recognized as “Türkiye’s Best Islamic Bank”, “Türkiye’s Best Retail Bank” and “Türkiye’s Most Innovative Bank”.

### **Kuveyt Türk Received “Best Customer Services” Award**

Kuveyt Türk won the “Best Customer Services Bank” award at the “International Finance Awards 2023” organized by International Finance magazine, one of the UK’s leading finance and business analysis publications.

### **Kuveyt Türk Became Türkiye’s Best Financial Institution in API Services**

Through Kuveyt Türk API Market tool, we succeeded in becoming the only financial institution from Türkiye in the “Masters in Openness” category in the “Open Banking Monitor 2023” matrix developed by INNOPAY, which provides strategic consultancy services in areas such as data sharing, API services and the payment industry worldwide.

### **Kuveyt Türk’s 2022 Annual Report Succeeded by Receiving 5 Awards**

As Kuveyt Türk, we are very proud that our 2022 Annual Report won 5 awards at the LACP (League of American Communications Professionals) Awards. Our report received 98 points out of 100 in the “Worldwide Banks of Its Size Category” and was awarded the Gold prize. We also achieved a significant success by ranking 17th among the top 80 institutions in the EMEA (Europe-Middle East and Africa) Region.

Our annual report was recognized as one of the “20 Best Reports in Türkiye”. We also won a bronze award in the EMEA region in the category “Special Achievement Award: Best Agency Report” category in the EMEA region and the “Technical Achievement Award” for overall excellence in the art and method of communication.

### **Kuveyt Türk Wins Award in Yacht Races**

As Kuveyt Türk, we are happy to have won an award in the “Republic Centennial Anniversary Cup” category, which is the 2<sup>nd</sup> stage of the “4<sup>th</sup> Presidential International Yacht Races” held on the occasion of the October 29<sup>th</sup> Republic Day. Our yacht “Kuveyt Türk Cheese” was awarded the first prize in the IRC2 class, reinforcing our maritime achievements. We also came third in the IRC2 category at the 22<sup>nd</sup> Bosphorus Cup.

### **Kuveyt Türk Wins Data Analytics Award for Social Media Performance**

In the Social Brands social media index, where the social media performances of brands from all sectors are measured in an unbiased and data-based manner throughout the year, Kuveyt Türk has managed to rank among the best in the banking sector. We crowned this success by winning the ‘SocialBrands Data Analytics’ award at the Brandverse Awards 2023 final.

**THANKS TO OUR SUCCESSFUL PRACTICES IN THE BANKING SECTOR IN THE AREAS OF OPEN BANKING, DIGITAL TRANSFORMATION, CUSTOMER SATISFACTION, HUMAN RESOURCES AND DATA ANALYTICS, WE WERE REWARDED WITH MANY PRESTIGIOUS NATIONAL AND INTERNATIONAL AWARDS.**





# Corporate Governance Approach

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## 05. CORPORATE GOVERNANCE APPROACH

### Board of Directors

#### **HAMAD ABDULMOHSEN AL MARZOQ**

Chairman of the Board of Directors

Hamad Abdulmohsen Al Marzouq graduated from the University of Southern California in 1985 and obtained an MBA from the Claremont Graduate University. He took senior manager positions at Kuwait Investment Corporation until 1990, followed by the Central Bank of Kuwait between 1990 and 1998, and Ahli United Bank in Bahrain between 1998 and 2014. He was appointed the Chairman of the Board of Directors at Kuveyt Türk in 2014. Mr. Al Marzouq is also a Member of the Corporate Governance Committee, Executive Committee, and Credit Committee.



#### **NADİR ALPASLAN**

Vice Chairman of the Board

Mr. Alpaslan graduated from Istanbul University, Faculty of Political Sciences, Public Administration Department in 1987. He began his professional career at Prime Ministry, Family Research Institution in 1999 and worked as the Ministry Advisor and Head of Administrative Financial Affairs at the Ministry of Tourism for four years. Mr. Alpaslan continued his professional career as the Deputy Undersecretary and Ministry Advisor at the Ministry of Culture and Tourism between 2003 and 2007 and served as the Deputy Secretary-General at the Presidency between 2007 and 2018. He was appointed the Deputy Minister of culture and Tourism in July 2018. Mr. Alpaslan has been a Member of the Board of Directors of Kuveyt Türk since April 15, 2011, and he is a Member of the Bank's Risk Committee, Audit Committee, and Credit Committee.



#### **AHMAD S. A. A. AL KHARJI**

Board Member

Ahmad S. A. A. Al Kharji graduated from the Finance and Banking Department of Kuwait University in 1994 and obtained an MBA degree from San Diego University in 1998. He became a Vice President for Structured Finance at Kuwait Finance House. Between 2003 and 2006, Mr. Al Kharji served as Senior Investment Division Manager and then as Senior Vice President at LMH between 2008 and 2013. He has served as a Member of the Board of Directors of Kuveyt Türk since March 2014. Mr. Al Kharji is also a Member of the Credit Committee, Executive Board, and Corporate Social Responsibility Committee, in addition to his capacity as the chair of the Remuneration and Nomination Committee.



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**Board of Directors**
**MOHAMED HEDI MEJAI**

Board Member

Mr. Mejai attained various educational degrees including Private Equity & Venture Capital for Executives from Harvard Business School. He graduated from IDB Management Development Program from London Business School, holds a Master of Business Administration from a management school in France named EDHEC. Mr. Mejai holds a Master of Science degree in International Economic and Legal Studies from London University. From August 2005 to May 2010 he served as Executive Director Investments and Business Development, International Investment Bank (IIB) in Manama, Kingdom of Bahrain. In the same month of 2010, he was entrusted to lead the company as Chief Executive Officer and Board Member for Oryx Capital Ltd, based in Dubai. From August 2011 until now, he still serves as Director of Investment Department at IDB Group (IsDBG). He serves as a Member of the Board of Directors of Kuveyt Türk since March 2021. He is also a Member of the Audit Committee and Corporate Governance Committee.


**SHADI AHMED YACOUB ZAHRAN**

Board Member

Mr. Zahran obtained his BSc in Accounting from the University of Jordan in 1992. He earned his Master of Business Administration (MBA) in Finance from the University of Manchester in the UK in 2014. He later completed the General Management Program at Harvard Business School in 2021. He is currently a doctorate researcher in SME finance at the Hult International Business School. He has earned several professional certifications, including Certified Public Accountant (CPA) from the state of Illinois in the US in 1996, JCPA certificate from the Jordanian Council of the Auditing Profession in 1996, Certified Bank Auditor (CBA) from the Bank Administration Institute (BAI) in 1999 and Certified Islamic Professional Accountant (CIPA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in 2006. Mr. Zahran is currently Senior Deputy Group CEO - Finance in KFH. Additionally, he serves as Vice Chairman of KFH Capital Investment Company and is a board member at Kuwait Finance House Bahrain, Kuveyt Turk Participation Bank, and Ahli United Bank UK. He is also a member of the Board of Trustees at AAOIFI and Vice Chairman of the Board of Trustees of the General Council for Islamic Banks and Financial Institutions (CIBAFI). Throughout his career, he has held several executive positions, including Head of Financial Controlling at Ahli United Bank in Bahrain from 2005 to 2009, Chief Financial Officer at Ahli United Bank in Kuwait from 2009 to 2014 and Group Chief Financial Officer at Kuwait Finance House from 2014 to 2023. He previously served as Head of Financial Systems Management and Operations Department at Al Rajhi Bank in the Kingdom of Saudi Arabia from 2000 to 2005. Mr. Zahran formerly worked as an external auditor at international external audit firms such as Ernst & Young. Mr. Zahran was appointed a Member of the Board at Kuveyt Türk Katılım Bankası A.Ş. in July 2020. He is also the Chairman of the Audit Committee, and a Member of the Credit Committee and Corporate Social Responsibility Committee.


**GEHAD MOHAMED ELBENDARY ANANY**

Board Member

Gehad Mohamed Elbendary Anany received his Finance & Risk Management Diploma from the University of Wales in the U.K. in 2014. He received his Bachelors of Commerce Degree in Accounting from Tanta University in Egypt in 1996. Mr. Anany has completed specialized training programs in Enterprise Leadership from Instead University, Network Leadership Program from IMD University, and Advanced Risk Management from Wharton University. Mr. Anany holds numerous specialized professional certificates including the International Certificate in Banking Risk and Regulation (ICBRR) from the Global Association of Risk Professionals (GARP) in 2009. Mr. Anany previously held several executive positions at Kuwait Finance House including General Manager for Risk Management from 2016 until 2018, Assistant General Manager for Portfolio & Enterprise Risk Management from 2013 until 2016, Head of Enterprise Risk Management Unit from 2012 until 2013. Mr. Anany is currently the Group Chief Risk Officer at Kuwait Finance House and has over 20 years of experience in Risk Management, Auditing, and Internal Control Systems in Financial Institutions. Appointed a Board Member at Kuveyt Türk Katılım Bankası A.Ş. in July 2020, Mr. Anany is also the Chairman of the Risk Committee and a Member of the Remuneration and Nomination Committee.



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## Board of Directors

### **SALAH A. E. AL MUDHAF**

Board Member

Salah A. E. Al Mudhaf graduated from Kuwait University's Department of Business Administration in 1981. He began his career at the Kuwait Social Security Institution as a manager in charge of the staff. Salah A. E. Al Mudhaf is still serving the same institution as the Deputy General Manager. He was a Member of the Board at Wafra Real Estate and Wafra International Investment Co. in 1993-2014 and 2002-2013, respectively. Since 2013, he has been serving the same company as the Chairman of the Board of Directors. Al Mudhaf was appointed a Member of the Board at Kuveyt Türk Katılım Bankası A.Ş. in April 2019. He is also a Member of the Risk Committee.

### **SİNAN AKSU**

Board Member

Sinan Aksu was graduated from History Department of Gazi University in 2002. Mr. Aksu, who started his career as a Deputy Advisor in 2003, continued this position until 2018. Between 2018 and 2023, he performed various duties including Private Secretary of the Ministry of Environment, Urbanization and Climate Change and the Ministry of Family and Social Services, Deputy General Director of Youth Services of the Ministry of Youth and Sports, Prime Ministry Consultant, General Director of Youth Services, General Director of Higher Education Credit and Dormitories Agency, and Deputy Minister of Youth and Sports. Sinan Aksu was elected as the 1st Servant Leadership Summit held in 2016. He was appointed as the General Director of Foundations by the Presidential Decree published on February 2, 2023. Acting as a Member of the Board of Directors at Kuveyt Türk Katılım Bankası A.Ş. since May 2023, Aksu also carries out his duties as the Corporate Board Member and the Member Responsible for Ethical Banking.



### **UFUK UYAN**

Member of the Board of Directors and CEO

Mr. Uyan graduated from the Economics Department of Boğaziçi University in 1981. He received an MA degree from the Business Administration Department of the same university in 1983. He began his professional career as a Research Assistant at the Economics Department of Boğaziçi University in 1979 and worked as a Researcher Economist at the Special Researches Department at Türkiye Sınai Kalkınma Bank in 1982. Mr. Uyan became the Vice Project Manager at Albaraka Türk in 1985 and continued his career as the Project and Investments Manager at Kuveyt Türk in 1989. Mr. Uyan was promoted to Executive Vice President in 1993 and then appointed Head Assistant to the Chief Executive Officer. Mr. Uyan has been the Chief Executive Officer since 1999 and continues his duty as a Member of the Board of Directors and CEO at Kuveyt Türk. Mr. Uyan is also a Member of the Executive Committee, Credit Committee, Remuneration and Nomination Committee, and the Corporate Social Responsibility Committee.



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## Senior Management

### UFUK UYAN

Member of the Board of Directors and CEO

His resume is presented in the Board of Directors section on page 18.

### AHMET KARACA

Executive Vice President  
Financial Affairs

Mr. Karaca graduated from Ankara University, Faculty of Political Sciences, Public Administration Department in 1990. He started to work as the Sworn Deputy Auditor of Banks at the Undersecretariat of Treasury in 1992 and he was assigned as the Sworn Auditor of Banks in 1995. He continued his duty with the same title at the Banking Regulation and Supervision Agency (BRSA) from 2000, and he served as the Vice President of Sworn Auditors Committee of Banks between 2002 and 2003 at the BRSA. After approximately one year of service, he was assigned as the Sworn Head Auditor of Banks in 2004. Between 2004 and 2006, he received an MA degree in economics from the State University of New York at Albany, USA, and wrote an MA thesis on International Banking and Capital Markets. Mr. Karaca joined Kuveyt Türk Katılım Bankası A.Ş. as the Chief Financial Officer in July 2006 and he still serves under this title.



### AHMET SÜLEYMAN KARAKAYA

Executive Vice President  
Corporate and Commercial Banking

Karakaya graduated from the Business Administration and Finance Department at Istanbul University, Faculty of Economics, and began his banking career as an Inspector at Garanti Bank, where he went on to work at the Audit Committee, Risk Management Department, Credits Department, and Regional Directorates between 1981 and 2003. Mr. Karakaya has been working as the Executive Vice President of Corporate and Commercial Banking at Kuveyt Türk since 2003.



### BİLAL SAYIN

Executive Vice President  
Credits

Mr. Bilal Sayın graduated from the Public Administration Department of Middle East Technical University in 1990. He joined the Kuveyt Türk family in 1995 and he has been serving as the Chief Credit Officer at Kuveyt Türk since 2003.



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## Senior Management

### **HÜSEYİN CEVDET YILMAZ**

Executive Vice President  
Chief Risk Officer

Mr. Cevdet Yılmaz graduated from the Business Administration Department of Boğaziçi University in 1989. He began his banking career as the Assistant Internal Auditor in Esbank Internal Audit and Inspection Department. After having served as Internal Auditor and Branch Manager in the same institution, he began to work as the Head of Internal Audit and Inspection Department at Kuveyt Türk in September 2000. He was assigned as the Audit and Risk Group President in 2003. Mr. Yılmaz has been serving as Chief Risk Officer since 2012.



### **İRFAН YILMAZ**

Executive Vice President  
Banking Service Group

Graduating from the Management Engineering Department of Istanbul Technical University, Mr. İrfan Yılmaz began his banking career at the Financial Affairs Department in Kuveyt Türk in 1990, was assigned to Internal Audit and Inspection Department in 1996, and served as the Head of Internal Audit and Inspection Department between 1998 and 2000. Mr. Yılmaz was appointed the Retail Banking Manager in 2000 and after five years at the Department, he took office as the Executive Vice President of Retail Banking and Enterprise Banking in 2005. He has been serving as the Executive Vice President of Banking Services since October 2012.



### **DR. R. AHMET ALBAYRAK**

Executive Vice President  
Treasury and International Banking

Mr. Albayrak graduated from the Industrial Engineering Department of Istanbul Technical University. He received an MA degree in Organizational Leadership and Management at the University of North Carolina at Pembroke, the USA in 1993 and was awarded a Ph.D. degree in Technology Management at Istanbul Technical University, Department of Business Administration in the Social Sciences Institute in 2007. Having joined the participation banking sector in 1988, Mr. Albayrak has been serving as the Executive Vice President at Kuveyt Türk since 2005. He managed the Banking Services Group until October 2012 and he was assigned as the Executive Vice President of Treasury and International Banking as of the same date.



### **NURETTİN KOLAÇ**

Executive Vice President  
Law and Risk Follow-up

Mr. Nurettin Kolaç graduated from the Faculty of Law at Marmara University. He served as an attorney and legal counselor in the banking, financial leasing, and insurance industries for 16 years. He worked as the Vice Head of Department and Head of Department (Legal) in the Banking Regulation and Supervision Agency for six years starting from 2004. He joined Kuveyt Türk in April 2010 as the Executive Vice President of Law and Risk Follow-up. Mr. Kolaç also served as a Board Member at KT Portföy Yönetim A.Ş and Neova Sigorta A.Ş in 2015- 2018, and March 2018-October 2020, respectively. Upon a Board decision dated October 21, 2020, Mr. Kolaç was appointed the Chairman of the Board at Neova Sigorta A.Ş. He is a chairman and member of several working committees in professional associations for the banking industry. With 35 years of experience in law and banking, Mr. Kolaç has been serving as the Executive Vice President of Corporate, Commercial, SME, and Retail Risk Follow-up, Credit Risk Monitoring, Collateral Monitoring, Customer Rights, and Legislation, and Law and Risk Follow-up.



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## Senior Management

### ASLAN DEMİR

Executive Vice President  
Strategy

Mr. Demir graduated from Marmara University, International Relations Department. He completed his Master's degree at Sheffield University in the UK with a thesis on "Critical Elements of Strategy Implementation in Banking Sector." In 2020, he obtained his second MA degree at Marmara University's Business Administration Program offered by the Social Sciences Institute, writing a thesis titled "Behaviors of Participation Banking Deposit Customers." He began his banking career in Kuveyt Türk Treasury Department in 1995, served at the Treasury Department for six years, and continued his career at the Project Management and Quality Department between 2001 and 2004. He was appointed the Project Management and Quality Manager in 2005 and he went on to serve as the Information Technologies Group Manager with the new organizational structure in 2007. He has been serving as the Executive Vice President of Strategy, Human Resources, Digital Transformation, Corporate Communication, and Corporate Performance Management since October 2012 while continuing to perform his duties at Architecht Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. as a Board Member.



### MEHMET ORAL

Executive Vice President  
Retail and Private Banking

Mr. Oral graduated from the Business Administration Department of Uludağ University. He began his career in the Kuveyt Türk family at the Head Office Branch in 1992. He worked as the manager in the İMES, Bursa, and Merter branches between 2000 and 2005. He was assigned as the Regional Manager at the Istanbul European Side Regional Directorate in 2005 after the transition to the Regional Directorate structure. After having served as the Regional Manager for four years, he continued his career as the HR, Training, and Quality Group Manager in 2009. He has been serving as the Executive Vice President of Retail and Private Banking since October 2012.



### ABDURRAHMAN DELİPOYRAZ

Executive Vice President  
SME Banking

Mr. Delipoyraz graduated from the Industrial Engineering Department of Istanbul Technical University. He began his career in the Kuveyt Türk family at the Project and Investment Department and he worked at the Corporate and Commercial Banking Sales Department and Financial Analysis and Intelligence Department until 2000. Mr. Delipoyraz worked as the Branch Manager at Beşyüzevler and Bakırköy Branches between 2000 and 2004. He was assigned as the Regional Manager in December 2004 and he worked at Istanbul Europe 1 and Istanbul Anatolia Regional Directorates. He has been serving as the Executive Vice President of SME Banking since January 2015.



### BAHATTİN AKCA

Head of Internal Audit Group  
Internal Audit Group

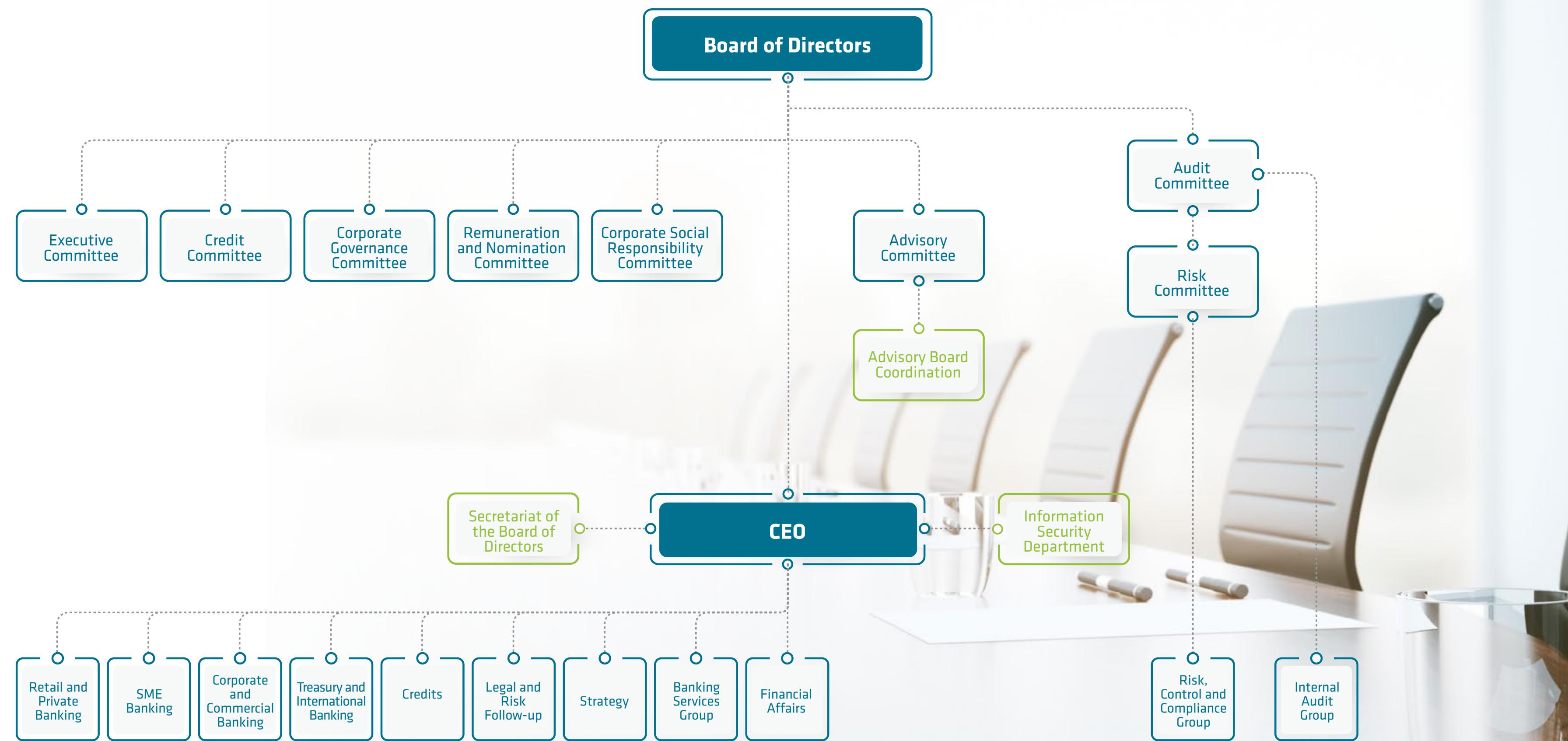
Bahattin Akca was graduated from Business Administration Department (English program) of Istanbul University. Akca, who started to work at the Kuveyt Türk family as an Assistant Auditor in the Internal Audit Group in 1996, served as the Head of Internal Audit Group for 6 years and pursued his career in the Internal Control Group in 2002. He acted as the Head of Internal Control Group between 2003 and 2007. As of September 2007, Akca has been performing his duties as Head of Internal Audit Group.





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## Organizational Chart



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## 5.1. Compliance with the Corporate Governance Principles

### Our Corporate Governance Principles:

Our corporate governance approach enables us to manage Kuveyt Türk in accordance with ethical banking rules and in compliance with regulations, participation banking principles, our articles of association and internal regulations in line with the targets set. Throughout this process, we observe and protect the rights of all our stakeholders, shareholders, customers, employees and account owners. In line with this understanding, we aim to maintain the long-term success of our bank by developing a sustainable management structure. The Corporate Governance Committee established in our Bank is responsible for monitoring and improving our corporate governance practices and making recommendations to the Board of Directors. Our corporate governance structure, based on the principles of participation banking and banking ethics, is designed to protect the rights and interests of all our stakeholders and to support sustainable development. Our Board of Directors provides guidance in setting the strategic goals of our Bank and in the process of achieving these goals, and ensures the effective functioning of risk management, internal audit and compliance mechanisms.

While conducting our stakeholder relations within a framework of mutual trust and respect, we aim to respond to their expectations in the best way. Under our sustainability strategy, we aspire to continuously strengthen our corporate governance structure and make it transparent and inclusive. We strive to increase our positive contributions to society, the environment and the economy by complying with environmental, social and governance (ESG) criteria. We aim to create long-term value by adhering to the principles of responsible banking and work based on accountability, integrity, transparency, reliability, fairness, confidentiality, compliance with legislation, social benefit, respect and responsibility for the environment. We integrate these principles into every stage of our business processes to ensure the sustainable success of our Bank and to maintain the trust of all our stakeholders.

**We strive to increase our positive contributions to society, the environment and the economy by complying with environmental, social and governance (ESG) criteria.**



#### Accountability

We have an obligation to the legal entity of our Bank and our shareholders to prove the correctness of the resolutions rendered and to assume responsibility. In this respect, we aim to increase the trust of our stakeholders by establishing transparent communication at every stage of our decision-making processes.



#### Integrity

While performing our services and activities, we adhere to the principle of integrity in our relations with employees, shareholders, stakeholders and all persons and institutions which our Bank is in contact. This principle enables us to establish healthy, strong and long-term relationships with all our stakeholders and reinforces an environment of mutual trust.



#### Transparency

In identifying trade secret information, we observe the balance between the transparency of the company and the protection of its interests. We contribute to the conscious decisions of our stakeholders by disclosing all kinds of financial and non-financial information about our Bank to the public in a timely, accurate, complete, understandable, interpretable and easily accessible manner.



#### Reliability

Acting with the awareness that trust and reputation lie at the heart of banking, we provide clear, understandable and accurate information to our employees, shareholders, stakeholders and customers. We ensure a reliable relationship environment by fulfilling the services we offer to our customers on time, completely and in line with the promises made.



#### Fairness

Based on the principle that "respect for people is the foundation of success", we do not allow discrimination in our relations with employees, shareholders and any other person or organization with which our Bank is in contact. We aim to provide a fair and inclusive working environment by not allowing any discrimination based on factors such as gender, behavior, opinion and ethnicity.



#### Confidentiality

Regarding our services and activities, we do not share the financial and non-financial information of employees, main partners, shareholders, customers and all kinds of persons and institutions with which our Bank is in contact with any person or organization other than those permitted by regulations. We aim to develop a reliable business relationship by protecting confidentiality.



#### Compliance with Legislation

We comply with the regulations and standards within the framework of the provisions of all international norms and national legislation to which we are subject, particularly the Banking Law. This compliance is one of our fundamental responsibilities to protect the sustainability and reputation of our Bank.



#### Consideration of Social Benefit, Respect and Responsibility for the Environment

In all our services and activities, we consider social benefit and support social and cultural activities in line with the principles of respect for the environment, while maintaining our commercial profitability. We also aim to boost our contribution to society and the environment by paying attention to environment, consumer and public health regulations.

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## 5.2. Ethics and Transparency

As Kuveyt Türk Participation Bank, we operate as an organization with robust banking principles and ethical values. Our Board of Directors and all our employees attach great importance to applicable ethical principles and transparency. While developing our Code of Ethics, we undertake responsibility for adopting, implementing and ensuring the implementation of ethical values as the Board of Directors and all employees.

Kuveyt Türk's main ethical values include robust banking, fairness, trust, professionalism, innovation and team spirit.

### Robust Banking

We offer all our products and services in accordance with Islamic Finance Principles. We offer new products and services in line with the opinions of the Advisory Board. By engaging in participation banking according to Islamic Finance Principles, we call the value "Robust Banking".



- Up to 12 months interest-free period and flexible payment options
- No annual fee
- Get your Tohum Kart instantly through Kuveyt Türk Mobile.
- Special Assistance Services

### Fairness

Kuveyt Türk protects the rights of all its respondents under all circumstances and acts without any interest. We strive to maintain clarity regarding the rights of shareholders, employees, and customers. We work with the awareness that the sense of justice is the most important value related to the rules of morality and belief as well as the behavior in society.

### Trust

Relying upon our robust capital structure, ethical values, professional approach, sense of responsibility and strong technological infrastructure, we are committed to maintain a trust-based relationship with our shareholders, employees and customers.

### Professionalism

Our Board of Directors and employees act in line with the objective expertise required by the job, regardless of personal feelings and opinions. We prioritize the requirements of business ethics and we strive to offer perfect services, focus on quality and work in a disciplined manner. We adhere to the principle of professionalism to achieve our goals, while also being sensitive and respectful for the feelings and thoughts of others.

### Innovation

In line with our vision and goals, we constantly research and improve ourselves to achieve the best in products, services and business practices. By staying true to our roots, we are open to change and aim to make the most effective use of the opportunities offered by the age.

*Voice Menu Feature for Our Visually Impaired Customers*



### Team Spirit

We believe that being a team increases our strength. Our Board of Directors and all our employees see each other as a big family and we accept individual differences as richness by recognizing the importance of acting together to achieve a common goal.

We adopt a zero tolerance policy against any action and behavior that does not comply with our Code of Ethics. We aim to provide a reliable financial environment for both our internal and external stakeholders. We never tolerate unlawful acts such as fraud, abuse, corruption, forgery, bribery, extortion, theft, embezzlement, misrepresentation, deceit, conspiracy and conflict of interest.

The main purpose of the Code of Ethics is to ensure that Kuveyt Türk's Board of Directors and all employees conduct all their business inside and outside the Bank within the framework of the specified ethical principles. We implement "Ethical Banking, Ethical Management" fully and properly. We ensure that both our employees and management undertake this responsibility. Each Board Member and employee undersigning the Code of Ethics undertakes to comply with the provisions contained herein. Thus, we encourage the adoption of an ethical culture in our Bank and develop a sustainable way of doing business.

The Board of Directors takes necessary steps to ensure that all subsidiaries of the Bank comply with the ethical principles set out in the Code of Ethics. By also appointing a "Board Member Responsible for Ethics" from among the Board Members, we monitor the implementation of ethical principles and ensure that suggestions for improvement are made when necessary.

At Kuveyt Türk, we place the principles of ethics and transparency at the center of our business and, acting in the light of these values, we continue to be a responsible organization sensitive to the needs of society. We aim to protect and strengthen the reputation of our Bank by encouraging all our employees to adhere to ethical values.

**Kuveyt Türk's Board of Directors and all employees conduct all their business inside and outside the Bank within the framework of the Code of Ethics.**



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## 5.3. Risk Management

Since the year we were founded, we have achieved numerous successes in the participation banking sector, which operates on the principle of interest-free banking, and we have established transparent and reliable relationships with all our stakeholders, especially our shareholders, and we have introduced reference practices in the field of corporate governance.

We fully comply with the regulations of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board of Türkiye (CMB). We also make significant contributions to the development of participation banking in Türkiye through the Participation Banks Association of Türkiye (TKBB), of which we are a member.

Through our qualified human resources and strong organizational structure, we regularly report on business processes to our main shareholder Kuwait Finance House (KFH) and inform shareholders in line with CMB Corporate Governance Principles through the Investor Relations and Sustainability Department.

Kuveyt Türk's risk management policies are developed and implemented by our Risk, Control and Compliance Group. In addition to our specialized human resources in this field, we manage our risks effectively in the light of modern techniques. Our Bank's basic risk definitions are as follows:

### Credit Risk Management Policies and Procedures

It is essential that our Bank's Senior Management manages and monitors credit risk policies by taking into account the relevant regulations. Under the credit risk policy, the following activities are performed:

- ❖ Strategy,
- ❖ Credit risk management process,
- ❖ Development of analytical models for the measurement of credit risk,
- ❖ Limit allocation principles,
- ❖ Internal risk limits,
- ❖ Concentration risk management,
- ❖ Country and transfer risk management,
- ❖ Credit risk reports,
- ❖ New products and services and
- ❖ Risk monitoring, control and improvement activities

Accordingly, we research new techniques and practices regarding measuring, monitoring and controlling of determined credit risk in credit transactions within the credit risk and legal internal risk limits' framework. Also, Kuveyt Türk monitors non-performing loans (NPL), analyzes the reasons and makes periodic reports to take the necessary measures. The Board of Directors sets our risk appetite through internal risk limits on the basis of risk type, taking into account the risk-taking capacity of our Bank.

Within the framework of internal risk limits, we prepare various analyses and reports for the Bank's portfolio. We monitor and manage credit risk by country, concentration, maturity, sector, default rate, legal status, collateral, geography and currency. In line with these activities, we also inform the Risk Committee through regular reports drawn up for the Bank's portfolio.

### Market Risk Management Policies and Procedures

At Kuveyt Türk, we perform our activities on risk management under the responsibility of the Board of Directors in compliance with regulations. For that purpose, we organize our market risk management activities within the framework of regulations.

Under the responsibility of our senior management, we execute the Risk Management Strategy, Policy and Implementation Procedures approved by the Board of Directors, provide timely and reliable reporting to the Board of Directors on the significant risks faced by the Bank, evaluate risk reports, take necessary measures and participate in the process of setting risk limits.

We regularly review the risk policies and implementation procedures approved by the Board of Directors for the market risk to which the Bank is exposed. In accordance with international standards, we identify, measure, limit and report the market risks that our Bank might be exposed to due to the market conditions in which it operates. Accordingly, we allocate capital as well as mitigating risk through hedging transactions.

In line with the Risk Strategy Document, it is ensured that the Bank has sufficient capital and liquidity to continue its operations under all circumstances and that these are maintained at a reasonable level.

In line with the Market Risk and Liquidity Risk Policies, we set written limits for quantifiable risks arising from the Bank's activities exposed to market and liquidity risks, monitor the risks undertaken by the Bank and the risk limits, and monitor limit exceedances. We take into account the Bank's risk tolerance when setting limits.

We define the acceptable risk level of treasury activities as customer limits, buy-sell limits, authorized transactions, counterparty limits and country risk limits. We identify the establishment of necessary follow-up and control procedures to ensure compliance with the legislation and to prevent unacceptable situations in line with these policy principles. We set limits on the basis of risks.

We establish our risk limits in all risk categories in line with the materiality principle, within the framework of the limits set forth in the relevant legislation. By early warning limits are be set, our Board of Directors also defines the implementation principles regarding the actions to be taken in case these limits are exceeded.

As Kuveyt Türk, we base our market risk management and the system of guiding limits and informative reports we use for this purpose on the following principles:

- ❖ Ensuring that our risk management activities operate effectively and reliably,
- ❖ Making sure that our Bank takes risks in a manner compatible with its risk-taking capability and capacity,
- ❖ Managing risk-taking levels in line with the markets in which risks are assumed and the risk-taking capacities of the relevant parts of our Bank.

**We establish our risk limits in all risk categories in line with the materiality principle, within the framework of the limits set forth in the relevant legislation.**



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**Our Bank engages in activities for all types of operational risks we are exposed to.**



## 5.3. Risk Management

### Operational Risk Management Policies and Procedures

Our Bank identifies, evaluates, monitors, controls and mitigates the operational risks we are exposed to under the supervision of the Board of Directors and the Risk Committee.

The policies and implementation procedures identified within the scope of operational risk management, in-house training provided to our personnel and effective internal control mechanisms ensure that business units have a risk management perspective and that an operational risk management culture is integrated in all units. Accordingly, each unit or personnel should have a good understanding of the activities they perform and their role within the operational risk management framework, and be aware of their authorities and responsibilities.

Under the Risk Control Self-Assessment Policy, we systematically manage operational risks and identify weaknesses, and aim to take necessary measures to minimize the impacts of potential threats.

Our Bank engages in activities for all types of operational risks we are exposed to. This includes identifying problems before significant losses occur at the Bank, as well as assessing the quality of corrective measures and risk mitigation activities. We record operational risk events that occur above the predefined threshold value and the details of these events, and we also engage in Risk Control Self-Assessment to identify potential operational risks.

### Climate Risks

Through our Kuveyt Türk Sustainability Committee, we support and manage Working Groups to identify climate risks that might affect our Bank's business model and understanding of participation banking. Accordingly, the Committee is responsible for developing the Bank's strategy by assessing sustainability-linked risks and opportunities. Additionally, the Committee is entitled to communicate with all stakeholders, particularly the Board of Directors, shareholders, employees and suppliers and allocate responsibilities.

Our Sustainability Committee determines our Bank's priorities by taking into account the risks and opportunities arising from climate change that might affect the Bank. It also ensures that significant climate-related financial risks are integrated into the Bank's strategy and risk management and assesses the need for policy changes that are consistent with its business objectives, values and long-term interests. It establishes necessary management mechanisms to identify, measure, monitor and report climate-related risks on the Bank. It also strives to ensure that the Bank's strategy and risk appetite are in line with the publicly disclosed climate strategy and commitments.

A total of 6 Working Groups under the Sustainability Committee, particularly the Climate-related Financial Risks, Sustainable Finance and Environmental Impact and Risk Working Groups, continue their efforts to identify sustainability-related risks and opportunities. These groups contribute to the development of our Bank's strategy by assessing sustainability risks and opportunities and provide solutions, suggestions and information to the Sustainability Committee.

In 2022, we conducted an impact analysis on its credit portfolio within the framework of the Carbon Border Adjustment Mechanism (CBAM) to analyze the impact of the carbon taxes that will come into force in 2026 on exporters operating in certain industries. Under this study, our customers operating in the cement, energy, iron-steel, aluminum and fertilizer sectors were assessed using 4-digit NACE codes in terms of their financial resilience against the relevant regulations. More than 95% of the portfolio is covered by this analysis.

In the analysis, the ratio of customers' exports to Europe is considered as the starting point for internal credit assessments. Carbon emission data, technology used in production, action plans to reduce carbon emissions or investments made by our customers were also requested. Based on the available data from our customers, our Credit Allocation and Monitoring Departments have integrated qualitative factors in accordance with the framework set by the BRSA and classified our customers according to a 5-level risk scale based on expert assessments. As a result of the study, it was assessed that the CBAM would not have a significant impact on our credit portfolio.

In response to evolving perspectives on sustainability, we have incorporated principles for the application of ESG factors into its credit policies and procedures to demonstrate its commitment to climate-related risks. Accordingly, the

principles to be applied in credit processes are identified as follows: minimizing problems that have a negative impact on sustainability, increasing energy efficiency, supporting transition to a low-carbon economy and performing activities to raise awareness on sustainable development. In line with these principles, renewable energy projects such as solar, wind, hydroelectricity and pollution prevention control facilities such as supply chain, recycling, waste management, fossil fuel substitutes, energy efficiency projects and clean means of transportation are considered within the scope of the Sustainable Finance Framework.



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## 5.4. Information Security

Kuveyt Türk has established the Information Security Policy by setting necessary information security rules to protect its information assets from all internal and external, intentional and accidental dangers, to provide uninterrupted service to its customers, and ultimately to protect the Kuveyt Türk brand.

All issues related to information security in our Bank are addressed in the Information Security Policy and related implementing principles. We ensure maximum compliance with the Laws, Regulations and Policies to which our Bank is subject. We design and implement controls in accordance with the standards and best practices that we take as examples, together with our Bank's teams.

We pay utmost attention for the security and confidentiality of our customers' and our Bank's data. We ensure that the design of systems for Data Security is based on best practices and standards, and we prefer solutions in accordance with the best and latest technologies. We ensure that controls for cyber security risks that may occur in all customer channels work effectively. We closely follow emerging technologies such as video call, data warehousing and artificial intelligence (AI) and adapt to today's cyber security world. More detailed explanations on security are available on the  "Security" page of Kuveyt Türk website.

**We ensure that the design of systems for Data Security is based on best practices and standards, and we prefer solutions in accordance with the best and latest technologies.**



## 5.5. Policies

At Kuveyt Türk, our success in the field of sustainability is based on the policies we have integrated into our corporate culture and meticulously implemented. We adopt the principles of excellence and responsibility in all our business processes based on the policies and regulations we have developed in a wide range from corporate governance to occupational health and safety, from information security to customer satisfaction.

These policies play a critical role in sharing Kuveyt Türk's governance, social and environmental responsibilities with our stakeholders. Each policy shapes our organization's approach and embodies our commitments to employees, suppliers, customers and society.

Through these policies, we aim to leave a more livable world to future generations by anticipating not only today's needs but also those of tomorrow.

The policies in force at Kuveyt Türk are as follows:

-  Occupational Health and Safety Policy
-  Disclosure Policy
-  Conflict of Interest Policy
-  Privacy Policy
-  Information Security Policy
-  Personal Data Storage and Destruction Policy
-  Customer Satisfaction Policy
-  Business Continuity Management Policy
-  Sustainability Policy
-  Policy on Preventing the Laundering of Proceeds of Crime and the Financing of Terrorism
-  Corporate Social Responsibility Policy
-  Corporate Governance Policy
-  Remuneration Policy
-  Profit Distribution Policy
-  Code of Ethics





# Sustainability Management

# 06

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## 06. SUSTAINABILITY MANAGEMENT

### 6.1. Sustainability Approach

The principles of participation finance and sustainability practices support each other. As Kuveyt Türk, we are taking firm steps towards becoming a participation finance institution encouraging all our stakeholders with the aim of building a sustainable world for future generations by acting in accordance with the principles and procedures of participation finance as well as guiding the participation finance sector and supporting sustainable economic development. At our Bank, we continue to support sustainability efforts with many principles that underlie our participation banking business model, such as ensuring sustainable economic development, prioritizing social benefit and welfare, engaging in activities that will lead to added value, fulfilling responsibilities towards the environment and society, protecting nature and living things, preventing conditions that will negatively affect human health, avoiding activities that will adversely affect the balance of nature by disrupting biodiversity, providing fair working environments for employees, creating equal opportunities and financial inclusiveness. We work in close cooperation with all our stakeholders in our sustainability strategy, which we have developed with the awareness of our environmental, social and governance responsibilities.



Acting with the vision of being a participation finance institution raising awareness in the development of sustainable banking and in society, we take actions to fulfill our responsibilities towards all our stakeholders and guide our strategy accordingly. At Kuveyt Türk, we aim to develop sustainable participation banking practices by offering practices, products and services that benefit the environment or have the least negative impact on the environment. In line with the principle "People First - Employees First", we offer a fair and continuous development-oriented working environment for our employees. We act with the goal of ensuring full compliance with sustainable and social policies to ensure social development. Accordingly, we develop lasting value for our society through social financing, donations and sponsorships. By prioritizing sustainability in our decision-making processes under a responsible banking approach, we aim to contribute to sustainability together with all stakeholders of the Kuveyt Türk family. We closely follow national and international standards set regarding sustainability and update our sustainability management system accordingly. We convey our sustainability journey to our stakeholders in this process in which transparency and accountability are our maxims.

*We can slow down  
global warming together.*



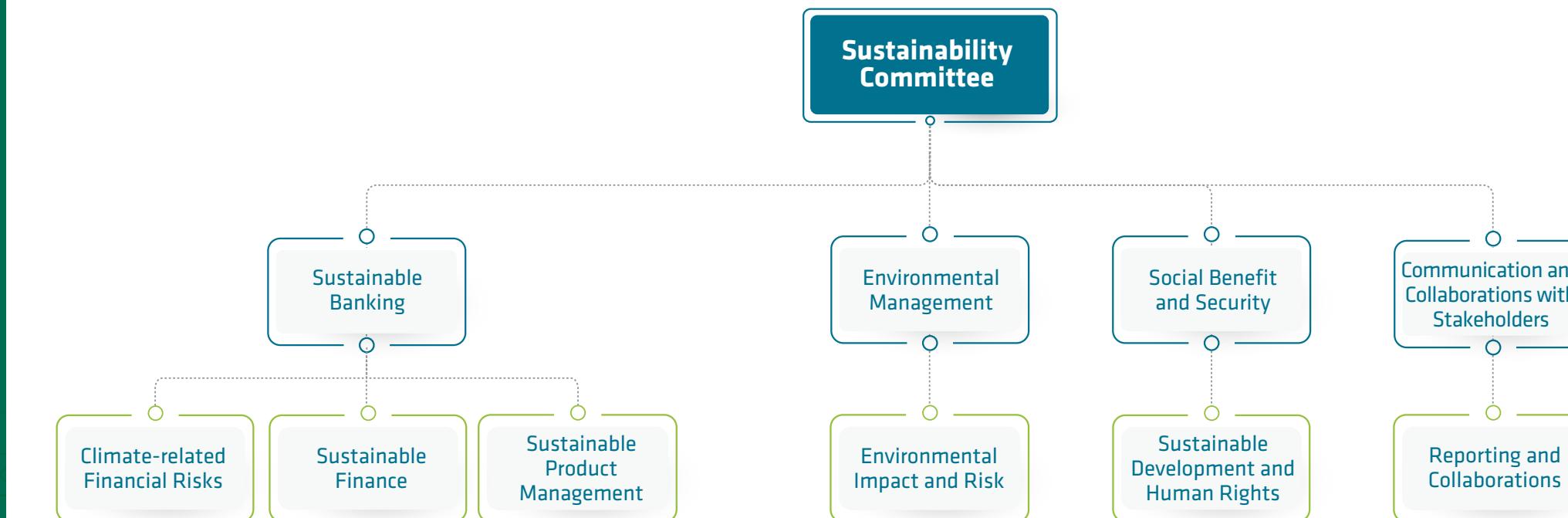
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## 6.2. Sustainability Governance Structure

### Sustainability Committee and Working Groups

We aim to be a responsible and sustainable participation finance institution that will lead its sector based on sustainable participation banking practices. In this regard, we support sustainable economic development and formulate policies and strategies that will render our participation banking business model sustainable. At Kuveyt Türk, we established the Sustainability Committee to fulfill our responsibilities towards all our stakeholders in line with the principles of transparency and reliability and to add value to society and the environment within the framework of our responsible and sensitive banking approach. Main objectives of the Sustainability Committee are to make decisions on the steps to be taken in the environmental, social and governance areas and to integrate the sustainability approach into all processes of the Bank. The Sustainability Committee is composed of senior management members, including the CEO and Executive Vice Presidents.

There are 6 Working Groups under the Sustainability Committee with a focus on Sustainable Banking, Environmental Management, Social Benefit and Security, Communication and Collaborations with Stakeholders. We make decisions regarding the implementation of the Sustainable Banking Strategy developed by the Working Groups in the Sustainability Committee.



The Sustainability Committee sets the targets in order to ensure that the Sustainability Policy and Strategy approved by the Board of Directors takes sustainability into consideration in all decision-making processes within Kuveyt Türk and takes decisions by evaluating the proposals prepared by the Working Groups in line with these targets.

#### Sustainability Committee:

- ➊ It identifies the priorities in the Bank's strategy by considering the risks and opportunities that will affect Kuveyt Türk due to climate change.
- ➋ It supports the Working Groups to identify physical and transition risks and develop action and transition plans.
- ➌ It ensures that significant climate-related financial risks are incorporated into the Bank's strategy and risk management.
- ➍ It guides the Working Groups to ensure the Bank's compliance with sustainability-linked legislation and national/international best practices.
- ➎ It ensures the integration of the Sustainable Banking Strategy, prepared based on ESG issues, into the entire banking business model and supports initiatives to encourage the full engagement of employees.

The Working Groups operating under 4 main headings affiliated to the Sustainability Committee perform the following activities:

- ➊ They draw up their sustainability-linked policies to be submitted to the Sustainability Committee, revise them when required and share them with the Sustainability Committee.
- ➋ They present the issues related to their fields of activity and the Sustainable Banking Strategy they have developed to the Sustainability Committee.
- ➌ They analyze the Bank's climate-related physical (acute and chronic) and transition risks, develop the necessary action plan, identify areas of opportunity and submit them to the Sustainability Committee for integration into the strategy plan.
- ➍ They improve banking practices by taking necessary measures to ensure compliance with national and international developments in sustainable banking and the legislation issued by competent authorities.
- ➎ They strive to integrate innovative solutions into the practices of the Bank by following best practices that will increase positive environmental and social impacts.
- ➏ They communicate with relevant initiatives and stakeholders and report in line with the principles of transparency and reliability in order to improve the Bank's global and local sustainability performance.

At Kuveyt Türk, there are two services for reporting and governance of sustainability activities, rendering its financial activities ESG compliant and meeting the expectations of competent authorities. The Sustainability Service is affiliated to the Investor Relations and Sustainability Department. The Sustainable Finance Service was established under the Credit Policies and Decision Support Systems Department.

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## 6.3. Sustainability Policy

At Kuveyt Türk, we aim to contribute to the development of our country and sustainable growth with the vision of being a pioneer in sustainability in the field of participation banking and the aim of building a sustainable world for future generations. Under the Sustainability Policy we have developed, we identify the principles and objectives of the activities and actions to be performed in this field. By prioritizing sustainability in our decision-making processes under a responsible banking approach, we aim to contribute to sustainability together with all stakeholders of the Kuveyt Türk family.

At Kuveyt Türk, we aim to contribute to sustainability by following local and global developments in sustainability and by taking actions in this field. Within the policy based on 3 fundamental principles, Kuveyt Türk follows the steps below:

### Environmental

- ➊ Aims to contribute to sustainability with the actions to be implemented in this field by following local and global developments in sustainability.
- ➋ Sets targets to minimize greenhouse gas emissions resulting from its activities and supports the transition to a low carbon economy, one of the most important elements of sustainable development.
- ➌ Carries out the necessary work to minimize the negative effects of investment activities by developing environmental risk processes and focusing on sustainability approach.
- ➍ Provides products and services for social or environmental problems to its customers by focusing on changing customer needs and expectations; continuously improves its products and services with technological developments.
- ➎ Provides the establishment of technological infrastructure in order to make saving in the use of resources such as electricity, water and paper used within the scope of banking products and services.
- ➏ Ensures the recycling of recyclable wastes such as paper and plastics formed by the activities of the Bank; encourages to proceed proper process for harmful and non-recyclable waste.
- ➐ Promotes zero waste and circular economy principles by developing waste-reducing systems and processes.



### Social

- ➊ Reflecting the sustainability approach to all areas in which we operate from a point of view that sees the Earth on which we live as a guarantee of our future, publishes all of these activities on the public web platform by making it an Integrated Activity Report within the framework of the standards addressed by the Global Reporting Initiative (GRI).
- ➋ Ensures the adoption and implementation of the Bank's environmental policies throughout all its activities by taking steps to enhance environmental awareness among employees, customers, shareholders, and all stakeholders on the purpose of fostering a culture that is sensitive against to environment and society.

### Governance

- ➊ Executes strategic management requirements with a competent senior management team. Makes short, medium and long term plans and moves forward with targets.
- ➋ Fulfills the principles of corporate governance such as fairness, transparency, accountability and responsibility and make all its employees adopt them.
- ➌ Contributes operating required management systems in order to detect risk early including environmental, social, and governance risks, minimize negative impacts and enhance positive effects.
- ➍ Aims to maintain the position of an organization that can provide flexibility in working conditions in line with human needs and current circumstances, and achieve high employee responsibility through fair performance systems.
- ➎ Works on increasing effective security systems with cyber security projects.
- ➏ Ensures the continuation of the management approach focusing on the protection of consumer.
- ➐ Aims to take the relevant systems to the next level by prioritizing the know the customer principle.



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## 6.4. Material Topics and Contribution to SDGs

At Kuveyt Türk, we conducted a comprehensive materiality analysis to determine our sustainability goals and take relevant strategic steps. In this survey-based analysis, we aimed to determine the materiality ranking of sustainability topics in the eyes of both our employees and managers, and thus we intended to understand how sustainability topics are considered by our internal stakeholders. While preparing the Materiality Analysis, benchmarking studies with sectoral competitors and company priorities were taken as basis, and we identified our universe of material topics encompassing 15 sustainability issues. We analyzed the survey responses submitted by the participants and identified our material topics following a detailed analysis.



Based on the results of the analysis, we categorized our sustainability topics into two categories: highly material and material. This classification will be a guide in directing our sustainability strategy and setting our goals.

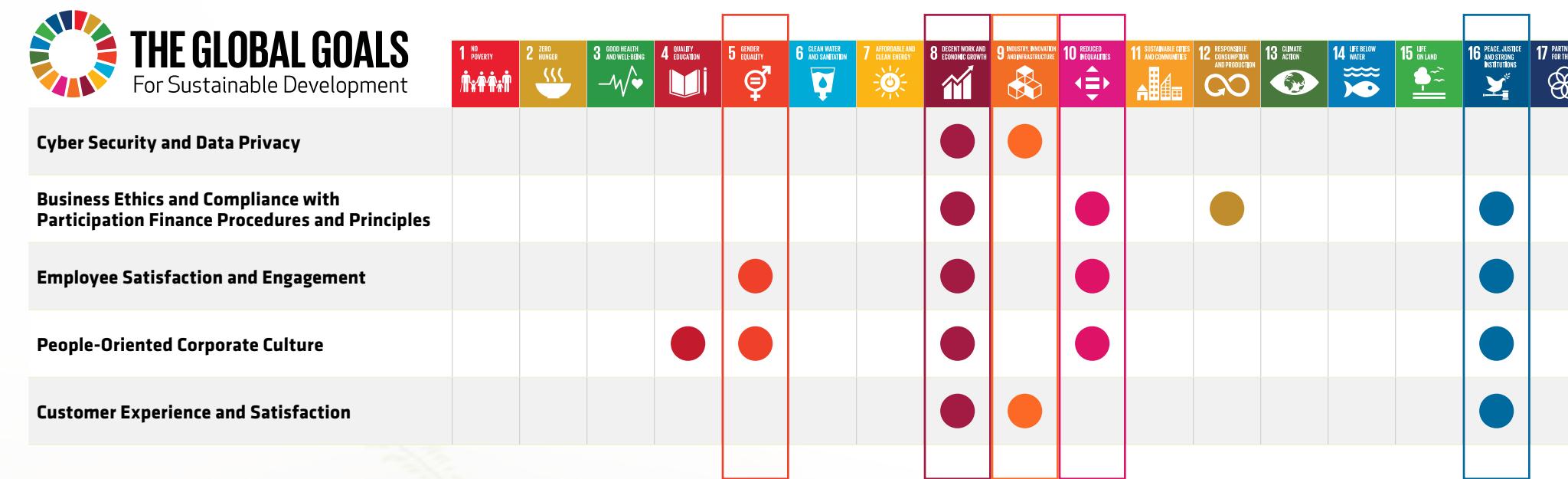
Highly Material	Material
Cyber Security and Data Privacy	Strategic Risk Management
Business Ethics, and Compliance with Participation Finance Procedures and Principles	Innovative Digital Banking Solutions
Employee Satisfaction and Engagement	Sustainable Investment and Financial Performance
People-Oriented Corporate Culture	Conservation of Natural Capital
Customer Experience and Satisfaction	Responsible Supply Chain Practices
	Sustainable Products and Services
	Contribution to Social Development
	Combating Climate Change
	Financial Inclusiveness
	Effective Stakeholder Communication



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## 6.4. Material Topics and Contribution to SDGs

As Kuveyt Türk, we have set our sustainability strategy and material topics in line with the United Nations Sustainable Development Goals (SDGs). Thus, we mapped SDGs based on highly material topics.



As a result of mapping, the SDGs directly related to our highly material topics are as follows:

### SDG 5: Gender Equality

- Human Resources Regulation Based on Equal Opportunities
- Equal Pay for Equal Work Approach
- Flexible Working Hours Following Childbirth to Increase the Employment of Female Employees

### SDG 8: Decent Work and Economic Growth

- Equal Pay for Equal Work Approach
- Flexible Working Model with Ferah
- "Campus at the Bank" and "Kaşif (Explorer)" Applications for University Students
- Support for Entrepreneurs
- SME Banking
- Agricultural Banking
- Barrier-Free (Accessible) Banking
- Rooftop SPP Protocol with OSBÜK (Organized Industrial Zones Supreme Organization)

### SDG 9: Industry, Innovation and Infrastructure

- Support for Digital Innovation - Lonca Entrepreneurship Center
- Ideathon
- Support for Clean Transportation - Hybrid/Electric Vehicle
- SME Banking
- Rooftop SPP Protocol with OSBÜK (Organized Industrial Zones Supreme Organization)
- Fikr'inn Platform
- Agricultural Banking

Indirectly related SDGs are:

### SDG 4: Quality Education

- Kuveyt Türk Academy
- Sustainability Academy
- Data Science Academy
- Well-Being Academy

### SDG 12: Responsible Consumption and Production

- Support for Entrepreneurs
- SME Banking
- Agriculture and Tourism Banking
- Paperless Banking

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## 6.5. Sustainability Goals

As Kuveyt Türk, we have set our goals with the aim of "Leading the way in building a sustainable world" under the 2024-2026 Strategy. To this end, we analyzed national and international regulations, legislation and best practices to formulate our objectives, strategies and tactics. Accordingly, we identified our Key Performance Indicators (KPI) and started integrating them into our business model. We continue to work in line with our 2024-2026 Sustainability Strategy and further develop our ESG model every day.

Environmental Objective	Minimizing negative environmental impacts
Strategy	Calculating and reporting all direct and indirect environmental liabilities of the Bank
Strategy	Developing emission-reducing projects to become carbon neutral
Strategy	Supporting sustainable development through sustainable participation finance products
Strategy	Complying with national and international environmental standards
Strategy	Establishing a reporting system as per the communiqués, guidelines and legislation published by competent authorities
Social Objective	Ensuring full compliance with sustainable and social policies to support social development
Strategy	Reviewing Human Rights policies, informing stakeholders and ensuring compliance with OHS policies
Strategy	Developing training policies under sustainability, raising the awareness of employees and ensuring the engagement of employees
Strategy	Supporting sustainable social investment through social financing, donations and sponsorships
Governance Objective	Supporting development goals by increasing collaborations in the field of sustainability
Strategy	Keeping the Board of Directors and Senior Management updated on the sustainability agenda
Strategy	Reporting in accordance with national and international standards
Strategy	Supporting the Sustainable Development Goals and working with international initiatives in line with the Bank's strategy

AS KUVEYT TÜRK, WE HAVE SET OUR GOALS WITH THE AIM OF "**LEADING THE WAY IN BUILDING A SUSTAINABLE WORLD**" UNDER THE 2024-2026 STRATEGY





# Environmental Sustainability

07

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## 07. ENVIRONMENTAL SUSTAINABILITY

### 7.1. Combating Climate Change

Climate change is a global crisis with profound economic, social and environmental impacts around the world. This leads to pollution and depletion of natural resources, degradation of ecosystems, deterioration of social welfare and worsening of people's living conditions. As financial institutions, being sensitive to climate change and adopting sustainable practices is not only our environmental responsibility but also a critical requirement for our future economic stability. Therefore, combating climate change lies at the center of our sustainability strategies. As a participation finance institution, Kuveyt Türk also maximizes environmental and social benefits by not financing activities that harm human health and the benefit of society and pose a great threat to the environment and living beings, which are included in the list of activities that are not in compliance with the principles of participation finance, and in this regard, it guides its strategy in a way to combat climate change.

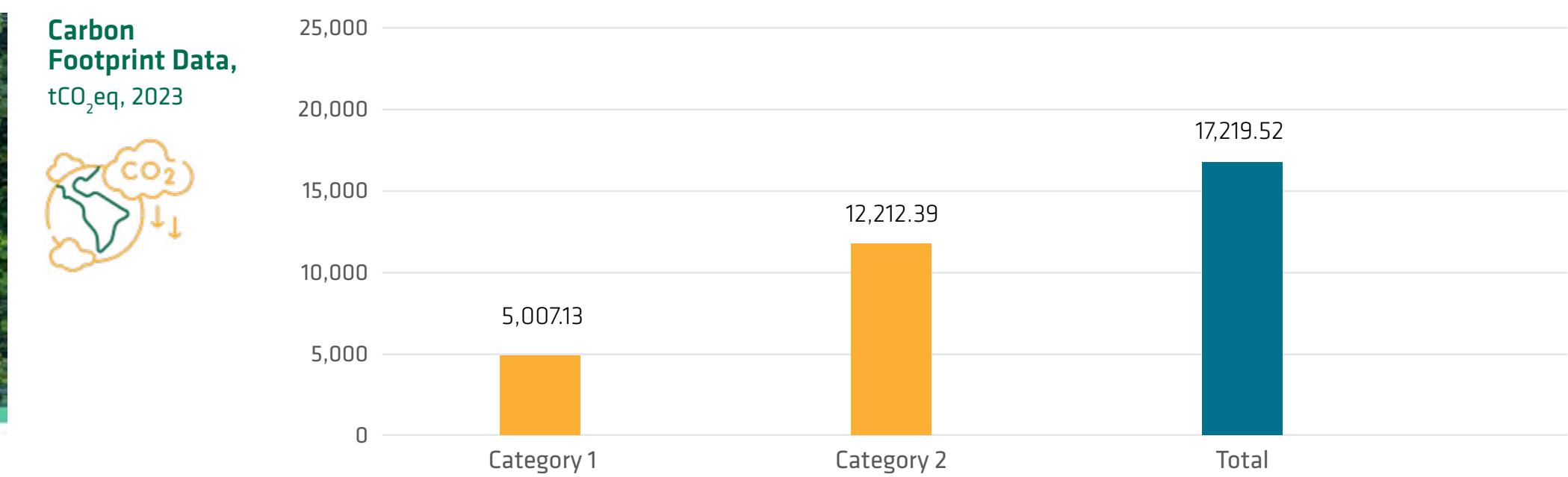


**Our 2023 Carbon Disclosure Project (CDP) Climate Change Score: B**



#### Kuveyt Türk's 2023 CDP Climate Change Score Is B

As Kuveyt Türk, our sustainability efforts have accelerated in 2022 and the Bank's environmental liabilities were measured based on scientific methods. In 2022, Kuveyt Türk started working on the greenhouse gas inventory infrastructure by measuring its carbon footprint. In 2023, our Bank participated for the first time in the Carbon Disclosure Project (CDP), one of the international platforms mediating for the creation of an action plan to learn the magnitude of greenhouse gas emissions, which are the biggest cause of climate change, and to reduce them. Our Bank managed to achieve a B score, one of the best grades in the banking sector in CDP. Our Bank has initiated CDP activities for 2024 and continues to draw up carbon and water footprint reports. In addition, efforts to strengthen the greenhouse gas inventory system infrastructure have been prioritized in the sustainability strategy.



As Kuveyt Türk, we support the fight against climate change by implementing projects that reduce carbon emissions in our operations. To achieve this, we take steps to reduce resource consumption such as electricity, natural gas and fuel oil at our Head Office, Life Base (KTBB) and branches, while also striving to reduce our negative environmental impact through efforts in energy efficiency and waste management. We also optimize personnel transportation routes and reduce the number of personnel shuttles in order to reduce the emissions caused by the transportation of our employees to and from work. Thus, we strive to reduce our emissions. Throughout the process, we expect not only our own operations, but also our business partners in our supply chain to minimize the negative environmental impacts of their activities intended for services/products, and to monitor and evaluate topics such as carbon footprint management and climate change.

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## WE CONTINUE TO WORK ON IDENTIFYING AND MANAGING PHYSICAL AND TRANSITION RISKS

Within the process of identifying operational risks related to sustainability, we also analyze past events in the world, in Türkiye, in the banking sector and in our Bank to identify the types of risks. We monitor and regularly report the identified risk types on the basis of the main groups of environmental, health and safety, economic, infrastructure and technological, social and geopolitical topics. We include climate change risks in our Bank's risk inventory and define physical and transition risks in our risk management strategy. In this context, we are in the planning and analysis phase of studies to create sectoral heat maps by conducting impact analyses for the relevant risks, to include the risks that credit customers might be exposed to due to climate change in the evaluation processes, to perform NGFS and RCP climate change scenarios in scenario analyses, to associate the outputs with our bank's risk appetite and risk limits, and to identify the impacts arising from regulations. On the other hand, we have also analyzed the transition risk arising from the carbon tax for companies exporting to the EU regarding the Carbon Border Adjustment Mechanism (CBAM) and concluded that it will not have any significant impact on our credit portfolio in the light of the available information. We monitor these processes through the Climate-related Financial Risks Working Group, one of the six working groups under the Sustainability Committee. Main duties and responsibilities of this Working Group are as follows:

- ➊ Identifying the physical (acute and chronic) and transition risks to which the Bank will be exposed and warning the Sustainability Committee.
- ➋ Identifying the climate risks to which our bank will be exposed by conducting scenario analysis and stress tests according to national and international initiatives, principles and methodologies.
- ➌ Creating a heat map of the sectors in our bank's portfolio regarding physical and transition risks.
- ➍ Analyzing valuation changes in the Bank's collateral due to potential physical and transition risks.
- ➎ Integrating climate risks into capital and liquidity adequacy processes, and credit, market, liquidity, operational and other risks into management processes.
- ➏ Identifying the risks related to the climate crisis that our Bank will be exposed to regarding its operations and core business; proposing solutions to minimize these risks, and establishing corporate policies.

At Kuveyt Türk, we act together with our shareholders, employees, customers, suppliers and other stakeholders and continue to undertake projects that will benefit sustainable transformation, carrying out all our activities transparently based on an environmentalist and responsible approach.

We include **climate change risks** in our Bank's risk inventory and define physical and transition risks in our risk management strategy.



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## 7.2. Energy Efficiency

Energy efficiency plays a fundamental role in achieving our Bank's sustainability goals. Reducing energy consumption contributes to minimize our negative environmental impacts while reducing our costs. This also supports us in optimizing our operational processes and achieving a more competitive position. Thus, we take steps to boost efficiency in our energy management strategies and we are committed to a sustainable future.

### Self-Consumption Solar Power Plant (SPP) from Kuveyt Türk

As Kuveyt Türk, we drew up a carbon and water footprint report for 2023. We will continue to develop our Sustainability Strategy plan by including efforts to reduce our Scope 1 and Scope 2 emissions on our agenda.

To support these efforts, Kuveyt Türk aims to build a self-consumption solar power plant (SPP) with an installed capacity of 13.7 MW in Isparta by the end of 2024.\* In this respect, we plan to meet 80% of our annual electricity energy consumption from renewable energy. Thus, we aim to neutralize a large portion of our Scope 2 emissions and to engage in renewable energy certificate procurement activities to neutralize the remaining Scope 2 emissions.



### BREEAM Certificate

We also take measures to reduce energy consumption in our Life Base (KTBB) building and use LED luminaires with low energy consumption for lighting and automatically cut off electricity consumption at the end of working hours. As an institution prioritizing these and similar energy-efficient methods, we reinforce the importance we attach to this issue with the BREEAM certificate we were issued for our Kuveyt Türk Banking Base building. We also aim to reduce the number of diesel vehicles in our fleet and replace them with hybrid and electric vehicles, thereby reducing our negative environmental impacts.



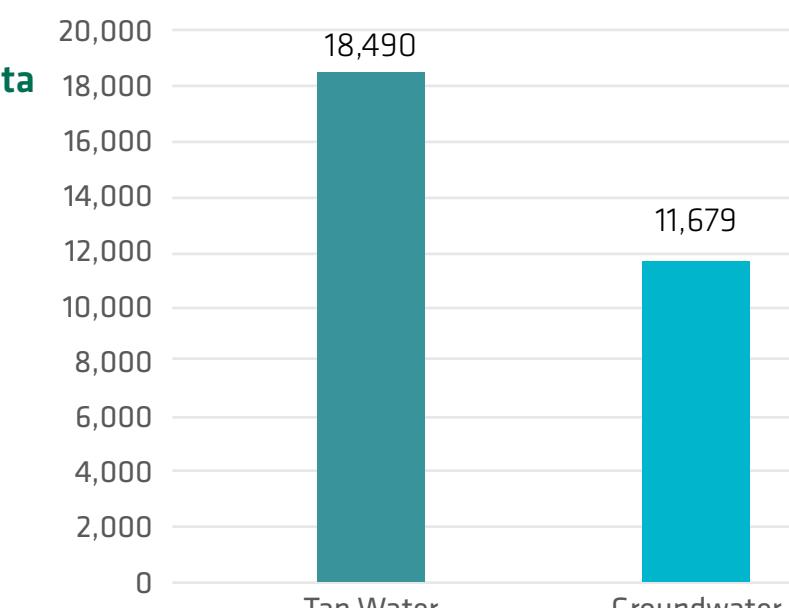
\*Kuveyt Türk Self Consumption SPP Plant was issued a provisional official authorization on August 10, 2024 and started supplying energy to the system.

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**7.3. Water Management**

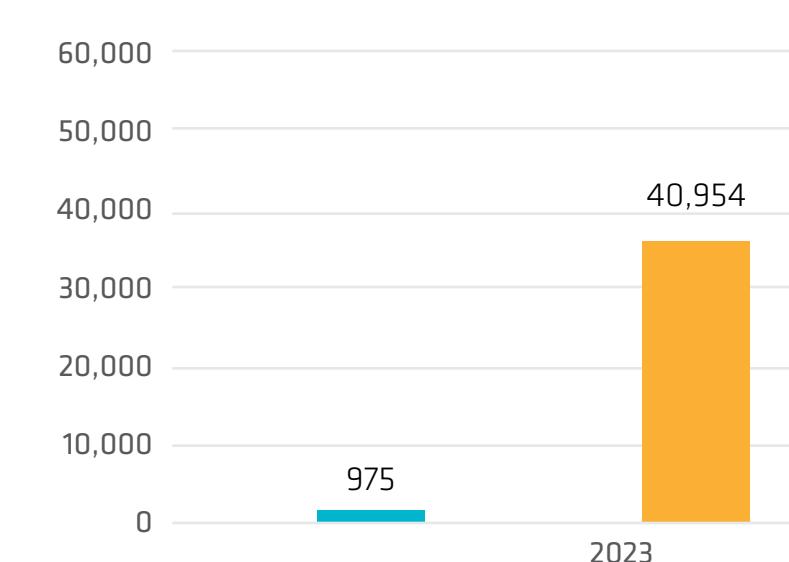
Efficient use and protection of water resources are critical to reduce our negative environmental impacts. In this regard, Kuveyt Türk monitors and reports our water consumption and aims to optimize our water use. As an organization, we invest in water-saving technologies and raise awareness among our employees about the importance of water. We organize awareness-raising activities to reduce the use of water in sinks and draw attention to water saving with the visuals we use in the areas where employees use sinks.

We also collaborate with our business partners to strengthen water management in our supply chain. We regularly evaluate our performance indicators related to water use and report this data.

In addition to all these, Kuveyt Türk develops social responsibility projects by taking into account the impact on water resources in local communities. We aim to contribute to the protection of natural resources by continuously updating our water management strategies for a sustainable future.

**Water Consumption Data  
(m³, 2023)**

**Waste Values  
(kg, 2023)**


Hazardous Waste Amount  
Non-hazardous Waste Amount


**7.4. Waste Management**

Waste management plays an important role in fulfilling our environmental responsibilities as Kuveyt Türk. Accordingly, we develop various strategies to reduce the amount of waste, use resources more efficiently and minimize our environmental impact. We regularly review our processes and make improvements to minimize waste generation.

As one of the biggest supporters of the Zero Waste Project launched by the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, we continue to work on promoting waste recycling. In 2022, both our Headquarters building in Istanbul and Kuveyt Türk Banking and Life Base (KTBB) in Kocaeli fulfilled all the criteria required for the Zero Waste Certificate and successfully passed the audits conducted by the Ministry of Environment, Urbanization and Climate Change, becoming the first participation finance institution to receive this certificate.

In 2023, our Bank delivered approximately 41.9 tons of hazardous and non-hazardous waste to recycling companies.

**Full Support for Sustainability through Paperless Banking Efforts**

As an institution that is aware of the need to change consumption habits in order to protect natural resources, we identify and digitize many processes where paper consumption is high under our "Paperless Banking Project". Detailed information about the project is available under the "Digital Transformation" heading. Through these initiatives, Kuveyt Türk reduces paper consumption, contributes to the protection of trees and helps prevent high water consumption during paper production. We aim to develop paperless banking practices at our Bank, which utilizes digital solutions to reduce its carbon and water footprint, in the upcoming periods.

In addition to these efforts, we work on the reuse and renewal of information technology equipment and donate our idle computers to contribute to the circular economy. We also prefer materials made from recycled plastic in the credit and debit cards we offer to our customers.





# Our Sustainable Participation Finance Activities

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## 08. OUR SUSTAINABLE PARTICIPATION FINANCE ACTIVITIES

As Kuveyt Türk, we take actions in accordance with our Sustainability Strategy, which we have developed based on ESG indicators, both in our main activity area and in our operational activities within the scope of combating climate change. While setting a sustainable business model, our Bank, which attaches importance to national and international environmental targets, especially the Sustainable Development Goals and the Nationally Determined Contribution (NDC). So, Kuveyt Türk strives to act in compliance with them, offers various services to support the sustainable transformation of our customers in various sectors within the scope of combating climate change. Focusing on providing the best customer experience through our customer-oriented approach, our Bank offers sustainable financing support to its customers and supports their transition to a sustainable business model through innovative digital transformation.

### 8.1. Sustainable Participation Finance Approach

#### Credit Policies Prioritizing Environment and Society

As a participation finance institution, Kuveyt Türk avoids all activities that are harmful to society and the environment in line with the principles of participation finance and supports activities that will increase social welfare and protect the balance of nature. At Kuveyt Türk, we do not finance areas of activity that are harmful to our environment and society within the scope of participation banking. In line with this principle, we have improved our Credit Policy and established the Implementing Principles for Environmental, Social and Governance Principles. Based on these principles, Kuveyt Türk aims to specify our implementing principles regarding environmental, social and governance principles as a whole and to increase energy efficiency, to support transition to a low carbon economy and to perform activities to raise awareness on sustainable development.

Our Bank follows national and international regulations and standards on environmental, social and governance issues and makes decisions on the sectors to which it will provide financing according to these standards. Considering the environmental, social and governance benefits of the projects it will be financed, our Bank prioritizes projects that improve environmental, social and governance conditions such as renewable energy investments, environmentally friendly technology, waste management investments, investments that reduce carbon emissions, increase productivity, provide access to basic services and employment. Kuveyt Türk aims to identify environmental and social risks and/or opportunities that might arise as a result of the financing it will provide and to manage them effectively.

**Our Bank follows national and international regulations and standards on environmental, social and governance issues and makes decisions on the sectors to which it will provide financing according to these standards.**

#### Kuveyt Türk Sustainable Finance Framework

At Kuveyt Türk, we established the Sustainable Finance Framework in 2021 in accordance with the Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG) published by the International Capital Markets Association (ICMA) and the Green Loan Principles (GLP) and Social Loan Principles (SLP) published by the Loan Market Association (LMA). While evaluating sustainable finance investments, our Bank takes into consideration the  [Sustainable Finance Framework](#) of which  [Second Party Opinion \(SPO\)](#) has been provided by Sustainalytics.

Kuveyt Türk has also started working on making green asset definitions, closely following the activities of our local public authorities, engaging in preliminary preparations for harmonizing the Bank with regulations, and closely monitoring national taxonomy studies.



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## 8.2. Sustainable Participation Finance Activities at Kuveyt Türk

### Global Sustainable Tier 2 Subordinated Sukuk Issuance

In 2021, our Bank broke a new ground in the field of sukuk and issued the "Global Sustainable Tier 2 Subordinated Sukuk" for the first time across the world, and received approximately 12 times the demand for its issuance of USD 350 million. We support sustainable development by directing the net income from our sustainable sukuk issuance to the financing or refinancing of green and social projects. We also published the [Sustainable Finance Allocation and Impact Report](#) for the years 2022 and 2023 after receiving second and third party opinions in order to share the impact we have created regarding sustainable sukuk issuance with our stakeholders.



In 2021, our Bank broke a new ground in the field of sukuk and issued the "**Global Sustainable Tier 2 Subordinated Sukuk**" for the first time across the world, and received approximately 12 times the demand for its issuance of USD 350 million.

### Support for Clean Energy through Rooftop SPP Financing

At Kuveyt Türk, we prioritize support for access to clean resources. Through our rooftop SPP financing, all or part of the electricity needs of our customers' businesses can be met for long years based on solar power, a renewable energy source. Our Bank continued to support increased access to clean energy by disbursing TL 1.3 billion to 95 MW of rooftop SPP financing in 2023. In 2023, 12.98% of the leasing transaction volume was brokered by Kuveyt Türk within the scope of rooftop SPP. In the upcoming periods, we will focus on the development of clean and renewable energy financing products under our sustainability strategy.

## WITH KUVEYT TÜRK'S BUDGET-FRIENDLY ROOFTOP SOLAR FINANCING

Enjoy the benefits of solar power with our easy payment plan. Install your own rooftop solar panels and start saving on your electricity bills today.



7 AFFORDABLE AND CLEAN ENERGY

### Cooperation Protocol on Solar Power Plant Financing Between Kuveyt Türk and OSBÜK

The **Organized Industrial Zones Supreme Organization (OSBÜK)** was established in 2000 through the "Law on Organized Industrial Zones", assuming a leading role in our country's economy. In line with the needs and activities of 401 The Organized Industrial Zones (OIZs) and approximately 75,000 industrialists, it takes initiatives and develops solutions on behalf of institutions and organizations. To finance the SPP investments of OIZ members and OIZ directorates operating in our country through leasing, a protocol was signed between Kuveyt Türk and OSBÜK. The advantages offered to our customers using financing under the protocol, cross-selling products related to financing and the relevant considerations are specified within the protocol. As per the Protocol, Kuveyt Türk specifically provides pricing for rooftop SPP requests from OSBÜK members.



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## 8.2. Sustainable Participation Finance Activities at Kuveyt Türk

### Renewable Energy Finance for a Sustainable World

Use of renewable energy sources in energy supply is of great importance for future generations to have easy access to clean resources, to prevent greenhouse gas emissions that cause climate change and global warming, to protect the health of living things, to support sustainable economic development and our country's renewable energy action plan.

Establishing its sustainability strategy with the aim of building a sustainable world, Kuveyt Türk prioritizes the creation of clean energy resources through renewable energy financing. In 2023, our bank provided financing primarily for rooftop SPPs, as well as for hydroelectric, biomass, wind, and solar energy plants. Kuveyt Türk, by financing renewable energy projects, continues its journey towards building a sustainable world with efforts that will contribute to environmental and economic development.



### Financing Support for Eco-Friendly Transportation Vehicles

At Kuveyt Türk, we aim to contribute to sustainable development by supporting accessible, clean and modern energy technologies, creating an energy efficient and environmentally friendly smart city infrastructure, and supporting transportation vehicles that reduce greenhouse gas emissions within the scope of combating climate change. [Click here](#) for our blog post where you can find detailed information about electric and hybrid vehicles.



*Discover everything you need to know about hybrid and electric vehicles, now and in the future, on the Kuveyt Türk Blog!*

### First Participation-Based Sustainability Fund

Kuveyt Türk Portföy Yönetimi A.Ş., a subsidiary of Kuveyt Türk and its subsidiary Kuveyt Türk Portföy Yönetimi A.Ş., launched the First Participation-Based Sustainability Fund (KSR). Sustainable investments are crucial in promoting sustainable economic development and social welfare. Through the Sustainability Participation Fund, investors benefit from supporting environmental and social development by investing in the stocks and lease certificates of companies that care about the environment, society and corporate governance. Via the Sustainable Participation Fund, which is the first participation-based fund where you can also invest in USD-denominated foreign stocks and foreign lease certificates, investors support building a sustainable world with their investments.

**WITH THE SUSTAINABILITY PARTICIPATION FUND, INVESTORS CONTRIBUTE TO BUILDING A SUSTAINABLE WORLD THROUGH THEIR INVESTMENTS.**



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## 8.2. Sustainable Participation Finance Activities at Kuveyt Türk

### Contribute to Sustainable Economic Development with Agriculture Banking

As Kuveyt Türk, we support sustainable economic development by standing by our customers operating in the fields of agriculture and animal husbandry. We continue to support our farmers with Tohum (Seed) Card, crop production, dairy and livestock breeding, tractor, field financing, agricultural supplier financing, agricultural machinery financing and we also provide intermediary services through State Supported Agricultural Insurance (TARSIM).

The agricultural sector, which is of great importance in sustainable transformation, is also monitored by our Bank and we endeavor to provide solution-oriented and supportive services to our farmers. In 2023, Kuveyt Türk's credit risk of agricultural sector exposure amounted to TL 17.6 billion. This amount includes all supports for agricultural finance and sustainable agricultural practices such as irrigation systems, solar energy systems, etc.

The trend towards sustainable agricultural practices is gaining momentum worldwide and sustainable agricultural technologies are being developed in both global and local markets. Accordingly, we also support companies that benefit the sustainable agriculture sector. We are also working on new financial instruments to differentiate all our sustainable businesses. As a bank, we continue to offer financial solutions to the agricultural ecosystem by cooperating with many leading companies, unions and cooperatives in the sector. Under Agriculture Banking, we aim to increase water efficiency through ["Saving Irrigation / Sprinkler Irrigation Financing"](#) and offer "Solar Energy Financing" and "Drone Financing" to save energy in agriculture and other sectors.

Prioritizing digitalization in agriculture, Kuveyt Türk started integration efforts with FinTechs operating in the agricultural ecosystem. Remote account opening service with our farmers via video call on Kuveyt Türk Mobile was also extended in 2023 and digital allocation was completed through our Kuveyt Türk Mobile application, enabling farmers to receive ["Tohum \(Seed\) Cards"](#) instantly.

### Tohum (Seed) Card

Tohum (Seed) Card is a commercial card that our customers can use for agricultural expenditures. Under Agriculture Banking, Tohum (Seed) Card offers many value-oriented services such as crop production, dairy and livestock breeding, tractor, field financing, agricultural supplier financing, agricultural machinery financing and many other value-oriented services, and our farmers can purchase materials and raw materials required for agriculture and livestock breeding activities with this card. Repayment periods are arranged in accordance with the harvest time of our farmers, with a grace period of up to 12 months. Aiming to support social development by supporting our farmers, Kuveyt Türk's ["Tohum Card"](#) service, which offers farmers the opportunity to repay during the harvest period, reached TL 1.5 billion in turnover at the end of the period.



 **KUVEYT TÜRK**



*We offer special financing solutions to support our farmers and help them thrive with Agriculture and Livestock Financing.*

 **KUVEYT TÜRK**

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## 8.2. Sustainable Participation Finance Activities at Kuveyt Türk

### High Value Added Support for SMEs

As Kuveyt Türk, we always support our small, medium and large-scale enterprises through the activities we carry out within the scope of SME Banking, and we focus on providing high value-added services to our customers. By supporting our SME customers, we help increase production and create employment in various fields.

Our Bank has also started working to fulfill the vision of Advisory Banking in 2023, analyzed various company ecosystems and took system development initiatives to increase customer depth. While the size of the funds extended by Kuveyt Türk under SME Banking reached TL 127 billion, many of the transactions we offer to our SME customers were digitalized, making our services easier and more accessible for our customers, while our sustainability efforts were also supported. Our Bank carried out field dissemination and promotion activities for products such as Digital Letter of Guarantee, New Online Finance, Card and POS, Mobile Online Finance and Digital GKS (General Credit Agreement).

In 2023, Kuveyt Türk increased its leasing receivables by 78% year-on-year, reaching a risk volume of TL 37.2 billion in this area. One of the [Leasing and Incentivized Transactions](#) services is Roof SPP financing, and this service has provided a significant support to the sector. Based on our responsible and environmentalist approach, we will continue financing renewable energy investments with a high level of awareness. Through Kuveyt Türk Tradesperson (Esnaf) Banking, we offer customized solutions for all financial needs of tradespeople and professional occupational groups (pharmacists, doctors, lawyers, dentists, etc.). We offer customized financing support by accurately analyzing the demands of our customers to grow their businesses, make investments and achieve their financial goals. Thus, we plan to support the economic development of our country.

Through our Tourism Banking business line, we offer our products and services in the tourism sector to our tradespeople in hotels, accommodation and touristic regions in our country, as well as the companies and agencies that supply them. Via our tourism sector products and services, our customers operating in this sector can benefit from installment-based commercial financing transactions as well as funding the procurement of goods and services they need. The Bank can also fund repair works and investment needs such as facilities, machinery and land for businesses to continue their operations.

Expanding the scope of its efforts to support sustainable economic and social development day by day, Kuveyt Türk continues to engage in efforts, which are also integrated into its strategy, at full speed, inspired by digital and sustainable resources.



**You can choose eco-friendly travel destinations.**

### Support for Young People through Campus Program

Through [Kuveyt Türk Campus Program](#), which we have prepared for university students between the ages of 18-25, we offer significant advantages, discounts and campaigns to our young friends. We support our students with various campaigns such as Robust Card Campus, up to 10% discount in grocery stores and restaurants.

### Pension Plan for Women: İnci (Pearl) Private Pension

At Kuveyt Türk, we launched [İnci \(Pearl\) Private Pension](#), which offers a customized private pension plan for women, and a service program that will increase the savings of our female customers with a 30% state contribution. As part of this service, we also provide our female customers with a range of other services such as mammography, dental health package and online dietitian.





# Digital Transformation and Innovation

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## 09. DIGITAL TRANSFORMATION AND INNOVATION

Digital transformation has not only made operational processes in the banking sector faster, more reliable and cost-effective, but has also become a critical tool for achieving sustainability goals. Digitalization plays an important role in achieving sustainable banking goals such as effective management of resource use, minimizing environmental impact and increasing customer satisfaction. Through digitalization, banks can reduce their carbon footprint by reducing paper consumption, increase energy efficiency and make their business processes environmentally friendly based on innovative solutions. At Kuveyt Türk, we consider this transformation on the axis of sustainability and see R&D studies and innovation as a strategic priority. Most of the transformation movements included in Kuveyt Türk Sustainability Strategy Plan are planned to be introduced through the power derived from digital resources.

### 9.1. Paperless Banking Project

By adopting innovative approaches in digitalization processes, our Bank has both made its operations more efficient and reduced its negative environmental impact. The “Paperless Banking Project” launched by Kuveyt Türk is a remarkable example in this regard. In line with our goal of reducing paper consumption, we are fully digitizing document approval and document attachment processes. We prevented unnecessary paper consumption by delivering paper receipts used during ATM transactions to customers via e-mail. Through our Digital Slips application, we aim to reduce the amount of non-recyclable thermal paper used in POS devices for our customers' card purchases. These steps have not only supported our Bank's environmental sustainability, but also ensured speed and cost efficiency in operational processes.



### 9.2. Lonca Entrepreneurship Center

Established within our Bank in 2017, Lonca Entrepreneurship Center contributes to the economy by supporting startups that develop digital innovation and sustainable business models. At Kuveyt Türk, we support the development of technology-oriented and scalable startups through our Lonca Entrepreneurship Center, while also pioneering the development of sustainable business models. By supporting projects focused on environmental and social sustainability, Lonca also encourages initiatives that will add value to the national economy by hosting many initiatives, including projects focused on environmental and social sustainability. In this direction, Lonca supports entrepreneurs who want to develop digital and sustainable business models by offering training and mentoring programs and brings them together with experts in this field. While providing financial support to initiatives that contribute to economic development, it also prioritizes social projects that aim to bring about positive changes in society. Through Lonca Entrepreneurship Center, our Bank has graduated more than 90 startups and provided more than TL 15 million in grants to these startups. In this respect, Lonca Entrepreneurship Center stands out as a concrete example of Kuveyt Türk's sustainability vision.

#### Sustainable Startups Graduating from the Lonca Program

Through the Lonca Entrepreneurship Center, Kuveyt Türk hosts many startups. One of the startups we hosted in 2023, Harcy Initiative, which produces more affordable, health-friendly and environmentally friendly building facade thermal insulation material by recycling textile waste, benefited from the support in the Lonca program and Kuveyt Türk Portföy, a subsidiary of Kuveyt Türk, invested USD 200,000 in Harcy. Harcy Initiative has received a total investment of USD 350,000.



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**9.3. Fikr'inn**

As a participation finance institution that anticipated the importance of digital transformation and started transformation efforts early, took timely actions and launched important projects, we not only bring our distinguished financial products and services to account owners and investors in order to contribute to our country's economy, but also maintain our pioneering position in the sector through the steps we take in technology and innovation. Accordingly, by supporting innovative ideas, we make significant contributions to initiatives in the field of financial technology which has seen rapid growth in our country in recent years.

Through Kuveyt Türk Fikr'inn Platform, we receive the ideas of young people, students, entrepreneurs, our individual and corporate customers and entrepreneurs, which they believe will trigger major changes in the finance sector, and we turn these ideas into reality. In addition to idea contests on our platform, where all our customers can share their experiences regarding our existing products and services, we also organize surveys with a focus on a specific theme.

Fikr'inn Platform also enables us to bring together innovative ideas to improve our environmental, social and business processes and to ensure the development of sustainable practices and environmentally friendly ideas within our organization. In 2024, Kuveyt Türk aims to minimize the negative environmental impacts of its operations, raise the awareness of its stakeholders within the ecosystem, and support its customers especially in sustainability with its consultant banking approach.

Our Ideathon Idea Competition for university students is also organized through our Fikr'inn Platform. All of Kuveyt Türk's current news on digital, technology and innovation and research reports on trending topics are also published on this platform.


**9.4. Ideathon**

As Kuveyt Türk, we organize the Ideathon Idea Competition for university students in order to pioneer the development of innovative ideas, reward innovative ideas and support the leaders of the future. Our Bank organizes these contests to support young people to develop innovative and original ideas by internalizing the innovative perspective, to discover their own potential, and to get to know FinTech and the banking sector more closely.

In 2023, the Ideathon Idea Competition aimed to generate value from students' ideas with the motto "Feel the power to shape the financial technology world of the future!". Organized under the theme 'youth banking', the contest received 276 applications and 9 ideas made it to the finals.

Kuveyt Türk also broke a new ground in 2023 by organizing an "In-House Ideathon" for its own employees.

At Kuveyt Türk, we are aware of the importance we attach to the opinions of our stakeholders and customers and the feedback we receive from them, which is our greatest strength that always carries us forward. With this understanding, we have created a new platform to support innovation and continuously improve our products and services with the feedback we receive from our customers. This platform allows us to collect original and innovative ideas from university students, enabling us to take stronger steps towards our sustainability goals. Contributions of our participants support us in adding value in the field of environmental and social responsibility and reinforce Kuveyt Türk's commitment to sustainable development.



**BY SUPPORTING INNOVATIVE IDEAS, WE MAKE SIGNIFICANT CONTRIBUTIONS TO INITIATIVES IN THE FIELD OF FINANCIAL TECHNOLOGY WHICH HAS SEEN RAPID GROWTH IN OUR COUNTRY IN RECENT YEARS.**



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## 9.5. Mobile Banking Services and Remote Customer Acquisition

In addition to creating new marketing alternatives by making use of all the possibilities of the digital world, Kuveyt Türk operates with a marketing approach that is more cost-effective, technological, efficient and puts customer experience at the center instead of conventional branch-oriented banking. Our Bank serves with the vision of increasing financial access by ensuring harmony between digital and physical channels and keeping pace with the new era. In this area, digital experience is monitored through data-driven methods, and efforts are made to ensure that our customers have a better digital product and digital channel experience.

In the name of sustainability, our performance is continuously improved through our infrastructure improvement efforts at all levels.

Digital transformation activities have a significant positive impact on the environmental outcomes of Kuveyt Türk's operations and services. The number of customers using digital channels has increased by 12% compared to the previous year. Furthermore, in 2023, 34% of account openings were completed via remote video calls through the Kuveyt Türk Mobile application without the need for customers to visit branches. This has helped prevent carbon emissions resulting from transportation and paper usage.

Significant efforts have been made in the digital transformation journey, which progressed rapidly after the pandemic. The digitalization levels of our customers' core products, among others, have been examined, and areas for improvement have been identified. Through the Digital Vehicle Financing initiative, 35% of our individual customers completed their vehicle financing transactions through our digital channels in 2023. With the Mobile 360 project, a mobile application was introduced, enabling branch sales teams to take sales and marketing actions outside the branch. With the new Online Finance system, domestic market fund disbursement transactions are now carried out end-to-end digitally by customers.

Along with all the innovative, digital, and sustainable banking services, our bank continues to serve our customers with a total of 1,218 ATMs, 58 XTM, and 45 AOIs, including 444 domestic and 1 international ATM.

At Kuveyt Türk, we continue to publish  [blogs](#) on sustainability-related agendas in order to raise the awareness of our customers on sustainability. We provide information on a wide range of topics from green marketing, eco anxiety, water saving to alternative energy sources.

**In 2023, 34% of account openings were completed via remote video calls through the Kuveyt Türk Mobile application without the need for customers to visit branches.**

## Become a Kuveyt Türk Customer via Mobile and Win 1600 TRY

*By opening an individual business or farmer's account through Kuveyt Türk Mobile and spending 700 TRY or more with your Sağlam Nakit Card, you can earn up to 700 TRY, an additional 500 TRY for two bill payment instructions, and up to 400 TRY through the referral campaign.*



## 9.6. Data Science Workshop

As Kuveyt Türk, we support our digital transformation strategy through the Data Science Academy. With our Academy, we aim to improve our Bank's data-driven decision-making processes and increase the competencies of our employees in this field. Data science has not only increased our Bank's operational efficiency, but has also led to significant improvements in areas such as customer satisfaction, risk management and marketing strategies. In particular, the use of data analytics and artificial intelligence has enabled the development of innovative projects that will increase sustainability in operational processes. At Kuveyt Türk, we act in line with a digital transformation strategy that prioritizes sustainability not only in our current business processes but also in the future.

At Kuveyt Türk, we act in line with a digital transformation strategy that prioritizes sustainability not only in our current business processes but also in the future.



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## 9.7. Barrier-Free (Accessible) Banking

Kuveyt Türk adopts the "Barrier-Free (Accessible) Banking" approach with the aim of ensuring access to banking services for all individuals and undertakes important initiatives under our responsible banking and digital transformation approach. In the light of the principle of "Barrier-Free Banking", our Bank aims to ensure social equality and inclusion by facilitating access to banking services for individuals with disabilities. Our barrier-free banking practices demonstrate Kuveyt Türk's efforts not only to remove physical barriers but also to raise awareness of accessibility and equal rights in society. In this respect, adapting banking services to the needs of individuals with disabilities and providing equal opportunities to all segments of the society constitute the basis of Kuveyt Türk's vision of barrier-free banking. Our Bank aims to increase the participation of individuals with disabilities in the financial world, thereby improving their quality of life and enabling them to take a stronger place in economic life. Customers with disabilities and over the age of 70 can access various services without any difficulty as part of these efforts.

For that purpose, Kuveyt Türk develops innovative solutions to enable everyone to carry out banking transactions independently. Making ATMs suitable for visually impaired individuals, providing sign language support for hearing impaired individuals and expanding accessibility opportunities through mobile branches strengthen the social sustainability dimension of digitalization. Our Bank is committed to developing innovative and inclusive solutions that facilitate access to all banking services for disabled customers. We have many different activities within the scope of Barrier-Free Banking.

*Easy access to all banking transactions at Kuveyt Türk.*

### Studies in our branches:

- ➊ Call buttons are located at the entrance doors of our branches where customers with disabilities can ask for support from bank staff.
- ➋ The boards on our branch entrance doors showing our Branch Name and Working Hours have been rearranged in Braille for our visually impaired customers.
- ➌ By applying a tactile walking surface at branch entrances, visually impaired customers are directed to our retail banking representatives.
- ➍ All our branches have a visually impaired path inside and outside. In case there is a difference in elevation at our branch entrance doors, our customers are provided access to the branch with portable ramps.

### Studies at our ATM and XTM centers:

- ➊ Our XTM centers provide services to the hearing impaired with our authorized staff who understand sign language. Our customers can receive sign language support during video calls in XTM, Remote Customer Acquisition processes.
- ➋ Voice menu service is available at our ATMs. Through this service, our customers with disabilities can perform balance inquiries, withdrawals, deposits, credit card debt inquiries and credit card debt payments via the voice menu. After headset input, the screen dims and the voice menu service is activated. The volume can be adjusted with the button next to the headphone jack. The middle button, input / delete / cancel buttons on our ATMs have also been embossed for easy use by our visually impaired customers.
- ➌ ATM and POS transactions that have financial consequences are notified to our visually impaired customers via text message.

### Studies within the scope of Internet and Mobile Banking Services:

- ➊ Our customers with hearing and speech impairments can open an account using sign language without going to any branch through video calls by downloading Kuveyt Türk Mobile.
- ➋ Our internet branch, mobile branch and website were made compatible with screen reader programs, enabling our customers with disabilities to access our services through these programs. The security image on the internet branch login step was made tactile and readable for visually impaired customers. "Voice Over" feature has been made operational in Kuveyt Türk mobile application.
- ➌ Information and one-time password SMS sent for Internet and Mobile Banking services can be read by screen reader programs.
- ➍ All contracts and forms were published on our corporate website and our customers were provided access to these contracts. Our customers with disabilities are offered the opportunity to listen to these contracts through screen reader programs.
- ➎ The function of enlarging and reducing the text has been added to our website so that our partially visually impaired and 70+ year old customers can easily read the content. Hearing impaired citizens can make video calls to our call center for lost/stolen card notifications.
- ➏ Sign language service is offered to our customers for some transactions. These services are transaction limit change, GSM number change, individual and legal account opening via Kuveyt Türk Mobile application.

All information about our  **Barrier-Free Banking** activities was also shared on our website:

These innovative steps in digital transformation also contribute to our sustainable growth. Thanks to digitalized processes, we reduce our operational costs while minimizing our environmental impacts and providing accessible banking services for all segments of society. We continue to make a difference in the sector with this approach that combines technology and sustainability.



# Employee Orientation

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## 10. EMPLOYEE ORIENTATION

### 10.1. Human Resources Approach

As Kuveyt Türk, we shape our human resources approach to maximize the development and satisfaction of our employees. Our human resources policy is based on the understanding that our employees are the most valuable asset of our Bank. We support the personal and professional development of our employees, thus contributing to the sustainable success of our Bank and increasing employee loyalty.

#### Career Development

Our Bank organizes various training and development programs that encourage the professional and personal development of its employees. The trainings we offer in this context are planned to increase the technical know-how of our employees as well as improving their leadership and managerial skills. We adopt an approach that supports continuous learning to ensure that our employees keep abreast of developments in the business world.

We adopt a fair and transparent management approach in career development and promotion processes. We enable our employees to advance in their careers based on their performance. We conduct our performance review systems based on objective criteria and provide regular feedback to our employees.

#### Respect for Human Rights

Kuveyt Türk employees organize their relations with each other and with customers within the framework of the principles of integrity, trust, impartiality, transparency without any discrimination based on language, religion, race, gender, age, disability, marital status, philosophical belief, sect, etc. in accordance with respect for human rights and Kuveyt Türk Ethical Principles.

#### Occupational Health and Safety

We provide a safe and healthy working environment by maximizing the occupational health and safety of our employees. We conduct regular trainings and audits and take all necessary measures to promote occupational health and safety culture.

#### Performance Evaluation and Rewarding System

Our performance evaluation system aims to improve the competencies of our employees and is based on fair and objective criteria. We offer rewards and incentives to our successful employees as a result of performance evaluations. These awards increase the motivation of our employees and strengthen their loyalty to our Bank. We implement various reward and incentive programs to increase performance and motivation. By recognizing the achievements of our employees, we increase their loyalty to our Bank and encourage their long-term career planning. We shape our employment policy in line with the principles of participation finance. We organize necessary training and onboarding programs for our employees to carry out their banking activities in accordance with these principles, and we encourage the adoption of the values of participation banking. We also adopt a socially and environmentally sensitive approach and encourage our employees to participate in social responsibility projects.

#### Our Remuneration Approach

At Kuveyt Türk, we continue our work with the comprehensive rights we provide to our employees and our competitive remuneration policy. Our remuneration system is based on the job, not the person, and we conduct it in a fair and transparent manner, taking into account the individual performance of our employees, the performance of the group they are affiliated with and the overall performance of the Bank. Through our remuneration management system, we aim to recruit qualified employees and increase the long-term loyalty of our high-performing employees.

Our remuneration package includes salary, performance bonus, foreign language compensation, transportation and meal allowance. We also offer our employees additional benefits such as private health insurance (including spouse and children), private pension system with corporate contribution and family support package. We also provide our employees with cash benefits, transportation, food, birth, marriage and death allowances set by the Human Resources Department every year.

We also provide our employees with additional fringe benefits such as educational assistance, moving support for transfers between cities and per diem for long trips. Through our flexible fringe benefits application called "Sepetim" (My Basket), we enable our employees to choose the benefits that suit their needs and thus aim to increase employee satisfaction.

In conclusion, Kuveyt Türk continuously improves its human resources policies in line with the importance we attach to human rights and employee satisfaction. Ensuring that our employees feel happy, peaceful and valued in their professional lives is among our main priorities.



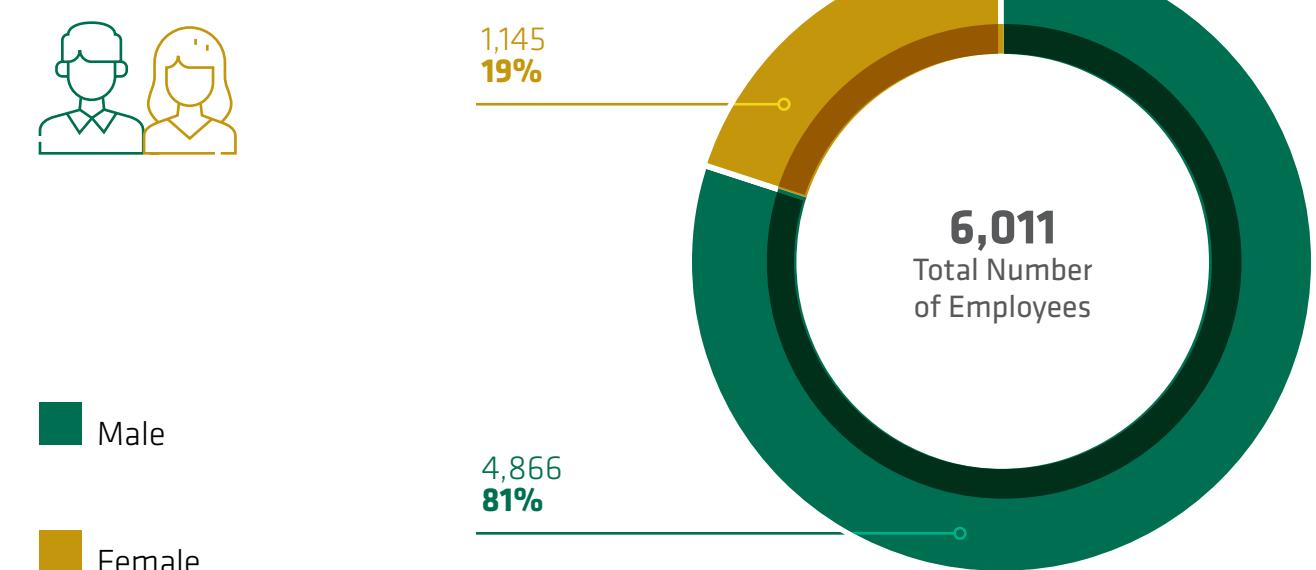
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## 10.2. Equality and Inclusiveness

At Kuveyt Türk, we ensure that our employees have equal opportunities regardless of gender, ethnic origin, age or disability. By adopting a fair, transparent and inclusive approach in our work environment, we enable all our employees to maximize their potential. In line with these principles, which are at the core of our corporate culture, we support our employees to advance in their careers in a fair manner and to develop themselves.

To support the employment of our female employees, we offer flexible working practices after childbirth. We enable our employees to balance their family life and work life with options such as partial work, part-time work supported by the Turkish Employment Agency (İŞKUR), flexible full-time work from home and flexible part-time work from home.

**Number of Employees**



We provide a fair working environment offering equal opportunities for all our employees. In accordance with Article 30 of the Labor Law No. 4857, we undertake to employ disabled personnel in suitable positions at a rate of 3% of the total number of employees in our locations where we have fifty or more employees. We make various arrangements to facilitate the integration of individuals with disabilities into business processes. In our branches and head office building, we provide easy access for the physically disabled, such as ramps, wide doors, elevators and convenient restrooms. We also offer opportunities such as remote working and flexible working hours to our employees with disabilities, eliminating the need to be present at the workplace.

We offer our employees salaries that are position-based and determined in line with objective criteria. We adopt the principle of "equal pay for equal work" and apply a fair remuneration policy in line with the job descriptions, responsibilities, experience and performance of our employees. There is no gender-based wage difference between our male and female employees. We do not discriminate on the basis of minority, gender or other grounds.

In our position-based remuneration approach, we apply a fair remuneration policy by taking into account the job descriptions, responsibilities, experience and performance evaluations of our employees. We ensure wage equality between our male and female employees and do not allow any gender-based wage differentials.

We review our remuneration policies and make continuous improvements through internal audits and market surveys we conduct every year. Throughout this process, we create a transparent and fair remuneration system by taking into account the feedback of our employees. Protecting the rights of our employees and observing the principle of equality constitute the cornerstones of our corporate culture.

**"WE ADOPT THE PRINCIPLE OF 'EQUAL PAY FOR EQUAL WORK' AND IMPLEMENT A FAIR COMPENSATION POLICY BASED ON OUR EMPLOYEES' JOB DESCRIPTIONS, RESPONSIBILITIES, EXPERIENCES, AND PERFORMANCE."**



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## 10.3. Employee Loyalty

### An Employee-Oriented Performance Management System

At Kuveyt Türk, we implement a dynamic and employee-oriented performance management system to increase employee loyalty. Based on this development-oriented system, which we call "Yolculuğum (My Journey)", we support the performance and competency development of our employees. Our employees can set their goals through dynamic performance screens and these goals are evaluated with indicators that are in line with our Bank's strategies. The performance system increases the motivation of our employees and supports productivity by spreading the culture of feedback.

Using the OKR (Objective and Key Results) methodology, we align our employees' goals with the corporate goals. The fact that our employees can clearly see which corporate goal they serve increases their motivation and strengthens their loyalty. Enabling them to track their performance and competency development on a single screen, our system supports a fair and transparent feedback mechanism.

We offer our "Gelişim Mutfağı" (Development Kitchen) practice to support the development of our employees along their career journeys. Under this practice, salary progression based on seniority and performance and certificate-based career paths are established.

### Our Programs for University Students: Campus at the Bank and Kaşif (Explorer)

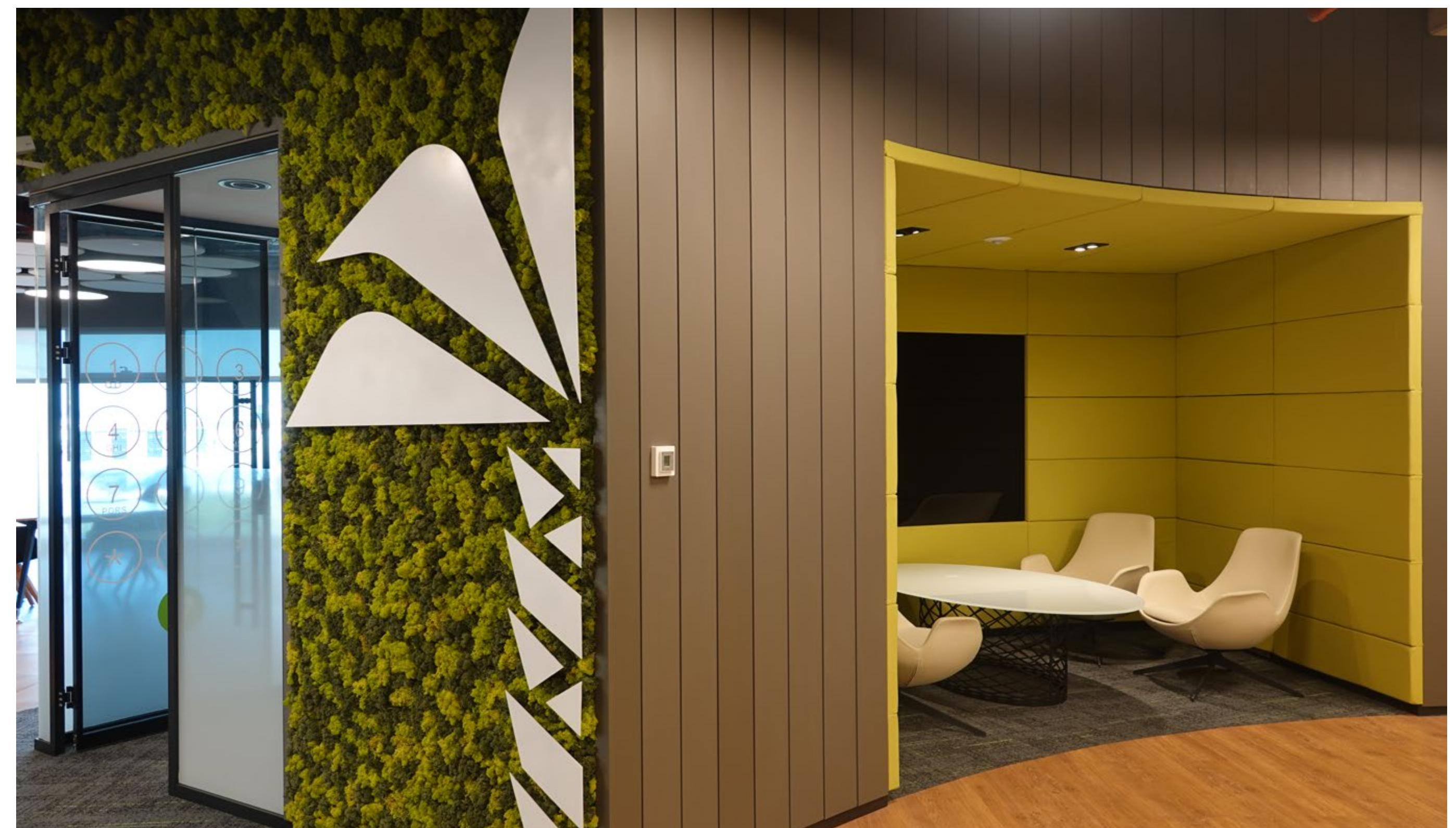
As Kuveyt Türk, we support the careers of young talents in the field of participation banking with our "Campus at the Bank" and "Kaşif (Explorer)" practices for university students and enable them to gain experience in the sector by offering internship programs.



### Flexible Working Model with Ferah

Through the Flexible Working Model which is called Ferah, we support our employees at the Head Office to maintain their work-life balance and offer flexible working opportunities on certain days of the week. Likewise, we aim to increase employee satisfaction by creating areas in our Head Office and branch locations where parents can take care of their children. In addition to salaries and fringe benefits for strengthening employee loyalty, we also provide the social responsibility projects, special day support and material and moral assistance to our employees during their health processes.

Our clubs related to social responsibility, sports and cultural activities encourage our employees to participate in activities outside of work, and these activities are supported by the corporate budget. We also evaluate topics such as job satisfaction, work-life balance, leadership, teamwork and career development through annual employee satisfaction surveys. We continuously improve our improvement processes by receiving feedback from our employees through these surveys.



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## 10.4. Contribution to Talent Development

We believe that sustainability is a multidimensional concept that is not only limited to environmental and financial factors, but also includes the development of human resources and their adaptation to the needs of the future. In this respect, talent development stands out as one of the cornerstones of sustainable growth. By supporting the career development of our employees, we make significant contributions both to their personal success and to the achievement of our Bank's long-term goals.

We prioritize the continuous learning and development processes of our employees in order to remain competitive in digitalization and the rapidly changing global business world. This process enables the strengthening of individual competencies by offering innovative training programs, mentoring opportunities and various career development paths. Our Bank contributes to the development of our employees both through its digital training infrastructure and physical trainings.

### Kuveyt Türk Academy

We offer a wide range of training opportunities to enhance the professional and personal competencies of our employees. Kuveyt Türk Academy is our brand that undertakes, develops and implements all training activities of our Bank. Through our Academy, we organized 66 thousand hours of training activities on digital platforms, reaching 199 thousand hours in total. Our Digital Training Platform provides all our colleagues with unlimited year-round access to various technical and personal development trainings such as Advanced Power BI, Productive AI and Time Management, sustainability, environmental and social risk assessment and climate finance. This platform supports our culture of continuous learning and development by providing our employees with resources that will contribute to both their work and their personal development.

Through the Training Needs Analysis interviews we organize throughout the year, we identify the trainings that our employees as well as our managers and executives need apart from mandatory trainings or that will increase their work performance. In line with these analyses, we organize customized training programs with our Bank's internal trainers and experts who are knowledgeable about the dynamics of our Bank. These trainings not only contribute to individual development, but also ensure that our employees are in a stronger position in the banking world.

Through our career system called "Development Kitchen", which is a building block in career development, we contribute to both the daily work and long-term career plans of our employees. Structured under specific academies within Kuveyt Türk Academy, these programs are guided by the officials and advisors assigned for each academy.

### Sustainability Academy

Kuveyt Türk Academy launched the Sustainability Academy in August 2023 to raise awareness on environmental and social sustainability. After the launch, awareness-raising activities continued with posts on our corporate social media platform "iyi Ki". In these posts, terms related to sustainability started to be shared with the concept of "Sustainable Dictionary".

In 2023, Kuveyt Türk Academy also offered Zero Waste training to all Kuveyt Türk employees through our e-learning platform Kuveyt Türk Academy - Digital Training Platform and made it a compulsory training. Apart from this training package, other trainings on sustainability were offered to our employees through the platform. In 2023, the Sustainability Academy designed a contest called "Sustainable Challange", which includes sustainability issues through "Çevirbil" application. Approximately 70 people participated in the contest and the first person to reach the highest number of correct answers the fastest was awarded a prize.

In 2023, the Sustainability Academy invited children to our organization in order to ensure that the families of our colleagues also have access to this awareness, and organized a corporate tour where topics such as "How to Recycle, What Is Zero Waste, and What Is Electronic Waste" were discussed. After the tour of the institution, they made various tools from waste materials and made paintings under the theme of environmental sustainability.

Through the "Girişimci Kaşif İlk Fikrim" (Entrepreneurial Explorer My First Idea) Program, the children of our employees received 8 hours of idea development training, and then developed Sustainable Solutions to the problems experienced in the world, turned their innovative ideas into projects and delivered presentations before our managers.



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## 10.4. Contribution to Talent Development

### Data Science Academy

Data science is recognized as one of the most critical competencies for making strategic decisions, innovating and gaining competitive advantage in today's business world. Through the Data Scientist Academy we have established within Kuveyt Türk Academy, we aim to provide this competency to all our employees and position data science not only as a technical skill but also as a fundamental element of our corporate culture.

From customer analytics to operational efficiency, from risk management to marketing strategies, data science competencies play a vital role in rendering our business processes more efficient, user-friendly and sustainable. These initiatives support our Bank's innovative and forward-looking vision, increase our competitiveness and create value for all our stakeholders.

### Leadership Academy

Since leadership is a concept that requires mastery and requires the harmonious execution of many qualities from team coordination to individual skills, from having a vision for the future of the sector to being able to catch trends, we, as Kuveyt Türk Academy, established the Leadership Academy in order to support our managers and leaders in our organization throughout this process.

The Leadership Academy aims to help individuals develop their leadership skills and maximize their potential. Our mission is to inspire, inform and support leaders and aspiring leaders in Kuveyt Türk to become effective leaders by providing them with opportunities to practice. Our Academy offers in-depth trainings and workshops on our strategy and its practices, structured for the needs of our organization.



### Well-Being Academy

Well-being means a person's physical, mental and emotional well-being by balancing health, happiness and success. At the Well-Being Academy, which we established to support the well-being of our colleagues, we organize programs under three main headings: Psychological Well-Being, Well-Being in the Family and Physical Well-Being.

Within this program, we try to support the well-being of our colleagues through our seminar series, regular informative content through "İyi Ki", experience sharing programs, physical activities and workshops.

● In terms of our Psychological Well-Being topic, we organize seminars/ webinar series with successful psychologists in their fields. We make these seminars accessible to our entire organization and their families.

● We have content on healthy living, sports and nutrition under our Physical Well-Being topic. We have completely transformed our entire training catering concept into healthy snacks. We organize seminars with experts on days such as Breast Cancer Awareness, Diabetes Day, etc. We organize seminars on healthy nutrition. We create a physical health ecosystem with the support of our gyms and sports trainers in our institution.

● We organize separate programs for parents and children under the heading of Well-Being in the Family.

### Experience Academy

We aim to expand the experience design competency, which is considered to be one of the most critical competencies of the future, throughout the entire Bank by addressing it from a comprehensive perspective. We position this competence not only as a technical skill, but also as a fundamental element of our corporate culture. From customer satisfaction to employee engagement, experience design plays a vital role in making our business processes more efficient, user-friendly and sustainable. These initiatives support our organization's innovative and forward-looking vision, increase our competitiveness and create value for all our stakeholders.

## 10.5. Occupational Health and Safety Approach

As Kuveyt Türk, ensuring that our employees are in a safe working environment is one of our top priorities in line with the importance we attach to human health and safety. In this context, we take all necessary measures completely within the framework of our OHS Policy.

There are one full-time and one part-time Occupational Health and Safety Specialist at the Head Office campus and one full-time and one part-time Occupational Health and Safety Specialist at the Banking and Living Base campus. A part-time occupational physician is also on duty at both campuses, and our employees undergo regular health checks. Due to our status as a less hazardous workplace, we organize Occupational Health and Safety Committee (OHS Committee) meetings at least once every three months in accordance with occupational health and safety legislation. We hold these meetings under the presidency of the employer's representative with the participation of employee representatives from various units. To minimize occupational health and safety risks, we organize practical drills with emergency teams at least once a year and report the results of these drills in detail. We update the Risk Analysis and Emergency Action Plan every six years at the latest within the framework of legal requirements, but we make necessary revisions instantly in case of amendments in legislation. We have developed the "Near Miss Notification" system to prevent potential work-related accidents. Under the responsibility of our OHS specialist, emergencies are handled by the OHS Committee and communicated to the relevant units in coordination with the Human Resources Department when necessary.

Within the framework of our cooperation with suppliers, we invite their representatives to our OHS Committee meetings, inform them about our occupational health and safety activities and receive their feedback. Thus, we aim to continuously improve our OHS processes through collaborations.

We attach great importance to OHS trainings to ensure that our employees are aware of occupational health and safety. OHS Training is assigned to all employees every three years through Kuveyt Türk Academy digital platform and completion of the training is mandatory. In 2023, 1,033 employees received this training. At Kuveyt Türk, we are committed to maximizing the safety of our employees guided by the importance we attach to occupational health and safety.



# Contribution to Society

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## 11. CONTRIBUTION TO SOCIETY

### 11.1. Corporate Social Responsibility Approach

As Kuveyt Türk, we guide our social responsibility projects through the Corporate Social Responsibility (CSR) Committee. This committee is composed of members of our Bank's Board of Directors and Senior Management and renders decisions on the determination and management of our social responsibility projects. Under the leadership of the Committee, our bank's employees have the opportunity to voluntarily participate in various social projects. These projects are organized in cooperation with the teams of the Corporate Communications Department and the Human Resources Department.

In addition, through our Corporate Social Responsibility Club established within Kuveyt Türk, where our employees voluntarily participate, we aim to organize events that enhance social benefit.

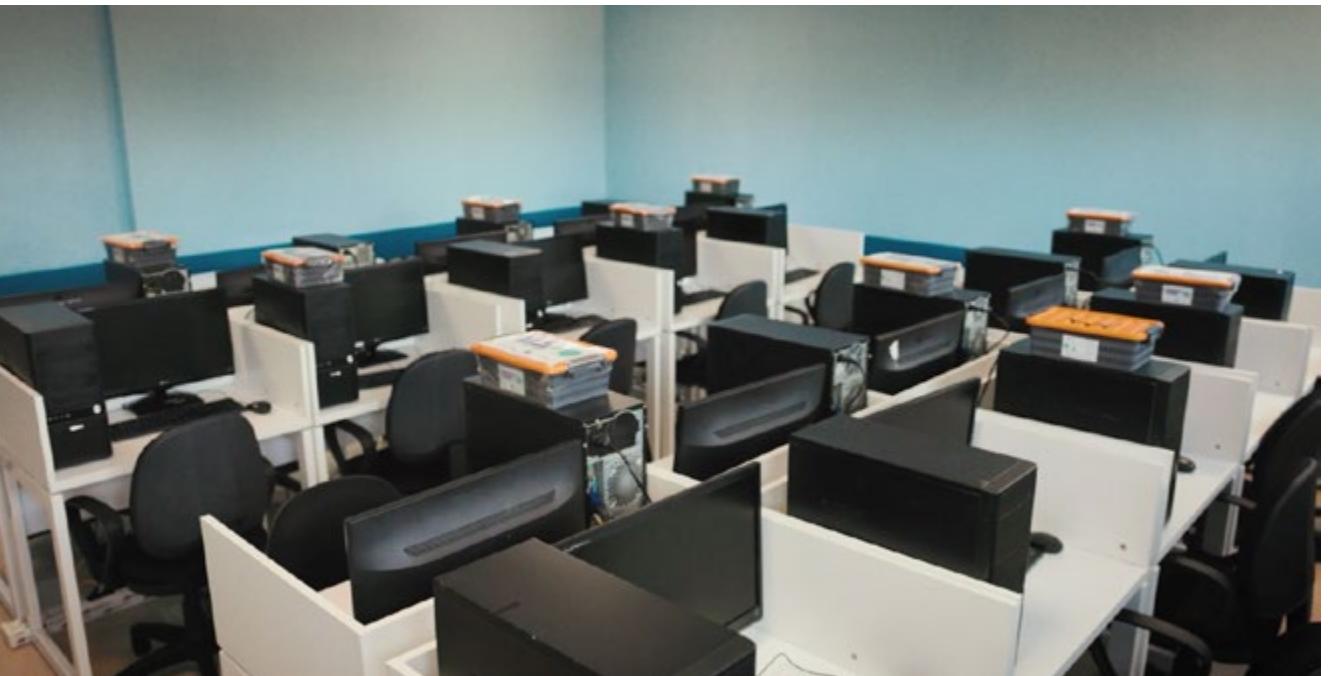
Throughout this process, we share in detail below the projects we have implemented in various fields in order to achieve sustainable development goals and the benefits these projects have provided to society. Each project is designed to meet our social needs, create lasting value and reinforce our awareness of social responsibility, attracting attention with their social impacts.

#### “Software for the Future” Computer Donation Project

As part of the “Software for the Future” project, we donate computers and laboratories to schools in need across Türkiye and transform these spaces into robotic coding classrooms. With this transformation, students are offered basic coding and robotics training. Thanks to the training program we have developed for coding enthusiasts between the ages of 10-14; we aim to help students in selected provinces of Türkiye understand science and improve their application skills.

Designed especially for children studying in public schools and regional boarding middle schools that do not have coding workshops, this project enabled us to visit a total of 55 schools in the last 2 years. Aiming to reach more and more schools every day, our bank donated a total of 1,736 computers under the “Software for the Future” project and took an important step by opening computer laboratories in 106 schools.

Main objective of our project is to provide access to computers for students in need in regions with inadequate technological infrastructure, thus contributing to equal opportunities in education. Thus, it aims to ensure that all students have access to modern educational opportunities and are better equipped for the future.



#### Kuveyt Türk Supports Scouts

As Kuveyt Türk, we contribute to the transfer of historical awareness to future generations by supporting the national awareness camps organized in Çanakkale and Sarıkamış. We aim to keep national values alive by providing sponsorship support for these special camps organized by the Turkish Scouting Federation in Çanakkale Martyrs' Cemetery and Kars Sarıkamış Martyrs' Cemetery. A volunteer team consisting of employees of our Bank also regularly participates in these camps and meets young scouts.

We are the official sponsor of the Çanakkale 57th Regiment National Awareness Camp organized by the Turkish Scouting Federation every year. Organized on the anniversary of the Gallipoli Land Wars, this meaningful event brings together more than 5 thousand scouts and scout leaders from all over Türkiye and many different parts of the world on the Gallipoli Peninsula. The camp gains an international dimension with the participation of scouts not only from Türkiye but also from countries such as the Turkish Republic of Northern Cyprus, Bosnia and Herzegovina, Serbia-Novi Pazar, Georgia, Syria and Palestine.

Coming together under the motto “Grandpa, I'm Here”, the scouts reach Çanakkale in groups and set up their tents in Kocadere Campground. During the camp, which lasts 4 nights and 5 days, various activities and programs are organized to reinforce historical awareness. Through our support for these meaningful camps, we continue to contribute to young people's in-depth learning about important events and sacrifices in our history and to keep national values alive.



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## 11.1. Corporate Social Responsibility Approach

### “Konuşmaya Değer” (Worth Speaking of) Podcast Project

We continue to organize culture and art projects that aim to preserve social values through art and carry them into the future. In this respect, “Konuşmaya Değer (Worth Speaking of)” podcast series brings together well-known and competent names in their fields. In line with the project, calligrapher Fuat Başar, marbling artist Hikmet Barutçugil, miniature master Gülcin Anmaç, cartoonist Hasan Aycın, tile master Ayşe Özkan, religious musician Prof. Ahmet Hakkı Turabi and documentary and photography artist Ömer Faruk Aksoy met the audience as guests of author and screenwriter Tarık Tufan. Presented on April 15, World Art Day, this special series stands out with its in-depth conversations and rich art perspective.

In our “Konuşmaya Değer” podcast series, which reflects the artistic heritage and deep-rooted values of our ancient civilization, these 7 esteemed artists, who specialize in different branches of art, sincerely share their knowledge, experiences and life stories with listeners. In each episode, various aspects of art are discussed and the in-depth narratives of the masters serve as a source of inspiration for art lovers.

Our “Konuşmaya Değer” podcast series can be listened to on popular platforms such as Spotify, Apple Podcasts, Google Podcasts, YouTube, SoundCloud and Turkcell Dergilik. Through this project, we aim to bring together the masters of our traditional arts with young generations. The main goal of our project is to bring the artistic heritage and cultural values of our ancient civilization to a wider audience through the opportunities offered by modern technology and to carry these values into the future.



### Seed Ball Project

The Turkish Scouting Federation is organizing the “Asrin Dayanışması (Solidarity of the Century) Summer Scout Camp” in Beykoz, İstanbul, in order to heal the wounds of earthquake-stricken children between the ages of 10-15 and to bring them together with nature. More than a thousand scouts and scout leaders from all over Türkiye participate in the camp, including 650 scouts from the earthquake zone. While receiving basic scouting training, earthquake survivor students produce seed balls in workshops set up in the camp, sending a message of appreciation to citizens across Türkiye for their solidarity during the earthquake.

Prepared with the contributions of our Bank and the coordination of the Environmental Organizations Solidarity Association (ÇEKUD), the seed balls were sent to 81 provinces in 1,000 pieces each and released to nature in the fall. This contributes to the creation of new green areas across Türkiye.

During the camp, scouts participated in scouting activities such as orienteering, archery, shooting, hiking, treasure hunting and climbing, as well as in the production of seed balls. Tree seeds such as pine, cypress, acacia, laurel, maple, cedar and fruit kernels such as apple, pear, cherry, sour cherry and plum were placed in seed balls prepared with a mixture of clay soil and straw. Each seed ball contains 3-4 types of seeds or fruit kernels which, when released into nature, allow new life to sprout.



**Prepared with the contributions of our Bank and the coordination of the Environmental Organizations Solidarity Association (ÇEKUD), the seed balls were sent to 81 provinces in 1,000 pieces each and released to nature in the fall.**



**Our ‘From Seed to Sapling’ project is bringing 81,000 new trees to life**

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**Entrepreneurial Kaşif (Explorer) Platform**

Offering an innovative and production-oriented approach, Entrepreneurial Kaşif (Explorer) is an online education platform created to give children the spirit of entrepreneurship and prepare them for the future. Attracting the attention of children between the ages of 8-13 with its story-based educational content, this platform offers children enjoyable and instructive experiences through puppets prepared by educational experts. In addition to accessing this content, children can also participate in interactive activities on the platform to make their learning process more fun.

Our goal with Entrepreneurial Explorer is to enable children to access information through research, develop their skills through experience and enjoy the process of production. By enabling our children and young people, one of our most valuable resources, to discover their potential, we aim to raise them as the scientists, creative thinkers and successful entrepreneurs of the future.

Under the Entrepreneurial Explorer Program, we reached more than 5 thousand students with trainings held in 4 schools and through the online platform. "İlk Fikrim (My First Idea)" entrepreneurship training was provided to more than 3,500 students through trainings organized in schools, and nearly a thousand students applied to the program after this training. Around 100 selected students received entrepreneurship training from experts in their respective fields and developed their own projects under the guidance of mentors. Students who successfully completed "My First Idea" entrepreneurship program took the stage at the Demo Day event and presented their projects to the jury members, teachers and parents, including executives from our Bank.

4,734 students registered for our online platform, Entrepreneurial Explorer. These students further improved their knowledge and skills by successfully completing 2,375 tasks in the course section of the platform. As part of our bank's Financial Literacy program, students completed 923 tasks and learned the basics of financial awareness. We continued to offer children an educational and entertaining experience with 45 online live events organized throughout the semester.


**Turkish Red Crescent (Kızılay) Mobile Catering Vehicle**

In times of disaster and need, each step of the 2 mobile catering vehicles designed to quickly reach every region where the Red Crescent (Kızılay) will provide service, from the construction phase to the equipment and preparation processes, was carried out with the financial support of our Bank. Developed to provide fast and effective service wherever the Kızılay is deployed, these vehicles aim to support citizens in distress by providing hot food and drink in times of crisis.



In times of disaster and need, each step of the 2 mobile catering vehicles designed to quickly reach every region where the Red Crescent (Kızılay) will provide service, from the construction phase to the equipment and preparation processes, was carried out with the financial support of our Bank.

**11.2. Responsible Supply Chain**

At Kuveyt Türk, we carry out an effective supplier management process by prioritizing customer satisfaction and the understanding of high quality service. Supplier selection is a comprehensive process through which we consider not only cost advantages, but also sustainability, quality and reliability. In this respect, we receive necessary supplier suggestions from our relevant business units to provide the products or services we need. In addition to the suppliers recommended by our relevant departments or previously interviewed, we also evaluate the supplier information we obtain as a result of research.

	2023
Collaborations With Suppliers	434

We systematically conduct our quote collection and tender processes through the e-tender system that we have integrated into the BOA Banking Platform, an initiative of our Bank. This platform enables us to obtain the best prices by creating a competitive environment while making processes more transparent.

With the quotes we collect, we initiate the approval flow through the e-tender system and submit them to our managers for approval. If necessary, we can also forward them to the requester for approval through our procurement team. After the approval process is completed, we start our collaboration process by placing an order with the supplier of our choice. Via this method, we aim to achieve our goals of increasing customer satisfaction while maintaining our quality standards.

We request information on whether our suppliers manage greenhouse gas emissions, waste and resource utilization resulting from their operations in accordance with national and international standards. We also expect them to ensure that the products they buy are environmentally friendly and recyclable. We prepared "Quote Collection Acceptance Specifications" encompassing environmental, social and governance criteria for our suppliers. Within the framework of these specifications, we expect our suppliers to follow carbon footprint measurements, act in accordance with human rights policies, protect employee rights, provide a safe working environment by fulfilling occupational health and safety practices, support fair wage practices and not employ child labor. We have 611 outsourced employees whose working conditions are regularly monitored and who serve within our organization. Since the hazard class of our workplace is less dangerous, we invite our suppliers to the occupational health and safety committee meetings we organize every three months. During these meetings, we inform company representatives about OHS activities and developments and receive their requests, if any, as feedback. Thus, we have the opportunity to work together on these issues.

Whether or not our suppliers fulfill the services they provide within the scope of the signed contracts is meticulously monitored by our relevant units. The products and services we procure are regularly monitored by the relevant business unit.

We carry out our procurement processes by continuously communicating with suppliers via e-mail and telephone. We also organize face-to-face meetings at our premises to discuss issues in more detail.

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## 11.3. Customer Satisfaction Approach

We have adopted our Customer Satisfaction Policy, which aims to develop common approaches and practices that will bring our attitude and communication style in internal and external customer relations to high quality standards, as a basic guide in all our activities. In today's competitive business environment, maintaining the satisfaction of existing customers and making them permanent is of paramount importance. Accordingly, we are actively involved in activities to strengthen customer loyalty. In particular, we work meticulously on the evaluation of feedback (requests, suggestions, complaints, acknowledgements) from customers. Every customer who provides feedback, regardless of their situation, should be considered valuable by our bank employees and their satisfaction should be considered a critical priority for our bank.

### Our goals within the scope of Customer Satisfaction processes:

- ❖ Setting detailed implementation steps in line with our bank's core values, ethical rules and service approach,
- ❖ Ensuring that the attitudes and behaviors of our employees are developed in accordance with our bank's Kuveyt Türk Customer Ethical Principles procedure,
- ❖ Gaining an understanding that will ensure the targeted service level and employee professionalism,
- ❖ Ensuring that our employees better understand customer expectations and fulfill their responsibilities in meeting these expectations,
- ❖ Increasing efficiency and quality in customer relations,
- ❖ Ensuring and maintaining consistency in our service standards,
- ❖ Providing transparent services by identifying customer rights and clearly communicating these rights to our customers,
- ❖ Analyzing customer feedback to identify areas for improvement and development in the products and services we offer,
- ❖ Ensuring that our employees develop a sensitive approach to customer complaints and raise awareness about the improvements that need to be made in the resolution process for these complaints,
- ❖ Implementing structural improvements to prevent the recurrence of complaints,
- ❖ Ensuring "Customer Satisfaction" by impartially evaluating the feedback received from customers under all circumstances in line with the relevant laws and the Ethical Principles of Banking.

### Our Customer Satisfaction Policy is announced in our website.

Our Customer Communication Center Department is responsible for all stages from the referral of all suggestions, requests, appreciations/acknowledgements, objections and complaints received by the Customer Satisfaction Center to their resolution and then to the fulfillment of necessary actions. We support this process with our code of practice.

While resolving our customers' complaints, we provide feedback through their preferred communication channels. These communication channels include various methods such as telephone, SMS, e-mail and letter.

Our communication channels are organized as specified in our code of practice.

### Our Official Communication Channels:

<b>Customer Satisfaction Center</b>	:	444 3 123 / 0850 251 3 123
<b>Correspondence Address</b>	:	<b>Kuveyt Türk Banking Base- KTBB</b> Cumhuriyet Mah. Özgürlik Cad. No:11/A Çayırova/Kocaeli
<b>E-mail</b>	:	 <a href="mailto:musterimemnuniyeti@kuveytturk.com.tr">musterimemnuniyeti@kuveytturk.com.tr</a>
<b>Mobile Branch</b>	:	Customer Satisfaction tab
<b>Internet Şube</b>	:	 Contact Menu - "Write to Us" section



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### 12.1. Memberships

As Kuveyt Türk, we maintain our active position in Türkiye's financial services sector while we are also taking important steps in the field of quality and sustainability. To this end, our Bank has become a member of many important organizations beyond providing financial services. These memberships ensure that our bank is an effective part of the financial system and contributes to rendering our business processes more transparent and reliable. The organizations of which our bank is a member include:



KalDer (Quality Association of Türkiye)



Istanbul Stock Exchange (ISE),



Central Securities Depository & Trade Repository of Türkiye (MKK)



Istanbul Gold Exchange,



Turkish Capital Markets Association,



Interbank Clearing House,



Interbank Card Center (BKM),



Participation Banks Association of Türkiye (TKBB),



Istanbul Settlement and Custody Bank (Takasbank),



The Banks Association of Türkiye's Risk Center



Kredi Kayıt Bürosu (Credit Bureau- KKB)

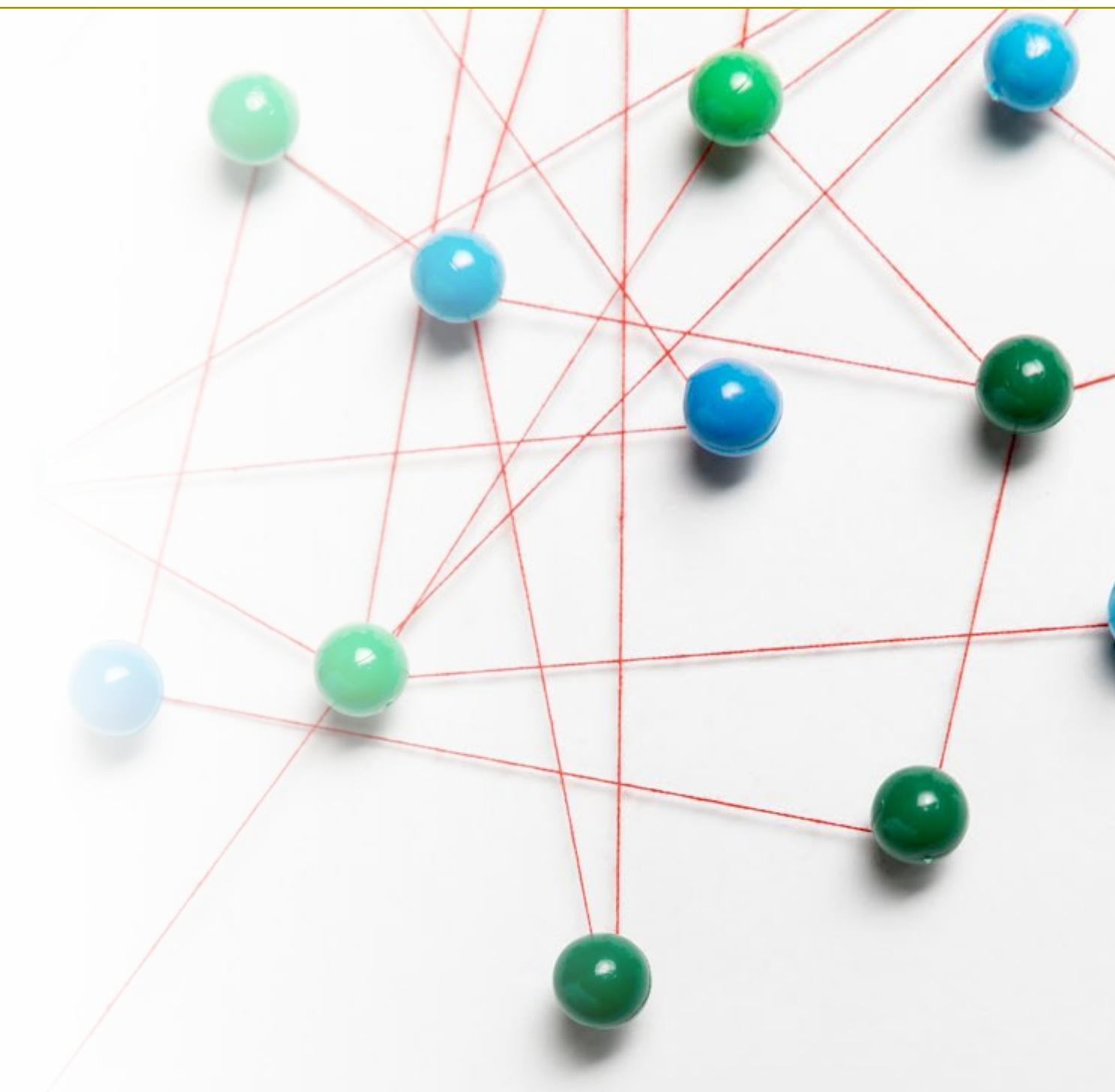


Katılım Finans Kefalet A.Ş.

In terms of sustainability, we support the activities of the following organizations/initiatives.

- ❖ CDP (Carbon Disclosure Project),
- ❖ Sustainalytics,
- ❖ United Nations Sustainable Development Goals,
- ❖ GRI (Global Reporting Initiative),
- ❖ IFRS (International Financial Reporting Standards),
- ❖ ISSB (International Sustainability Standards Board),
- ❖ KGK (Public Oversight Accounting and Auditing Standards Authority),
- ❖ TSRS (Turkish Sustainability Reporting Standards).

These are important steps adopted by our Bank to minimize environmental impacts and act with a sense of social responsibility. By prioritizing our work on quality and sustainability, we aim to implement best practices in the sector and add value to society.



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**12.2. Table on Stakeholder Communication Methods**

At Kuveyt Türk, we aim to establish a strong communication network with our stakeholders, develop strong relations with the society and make this interaction continuous. Our stakeholders include various groups such as our employees, customers, shareholders, suppliers, public institutions and regulatory authorities. Thanks to our effective communication, we take important steps to better understand the expectations of our stakeholders and develop strategies in line with these expectations. We aim to build relationships based on mutual trust by providing accurate and timely responses to the needs and demands of our stakeholders.

We adopt innovative methods in our communication processes and use communication channels tailored to each stakeholder group. To this end, we seek the views of our stakeholders through regular surveys, feedback mechanisms and meetings, and effectively utilize this information to shape our corporate strategies.

Information on our stakeholder groups, the communication methods we have identified for these groups, and the frequency of communication are provided in the table below.



Employees		Customers		Suppliers	
Communication Method	Freq. of Communication	Communication Method	Freq. of Communication	Communication Method	Freq. of Communication
E-mail, telephone and face-to-face meetings	Continuously - Instant - On a Need-Basis	Banking channels (branches, ATM/XTM, internet branch, call center and mobile banking channels)	Continuously	E-mail, telephone and face-to-face meetings	Continuously - On a Need-Basis
Meetings and trainings		Customer relations representatives		Meetings	
Digital communication tools		Meetings		Supplier audits	
Digital training programs		Surveys		Supplier portals	
Employee satisfaction surveys		Corporate web page			
Special events for employees		Social Media Channels			
Committee meetings					
Announcements and notifications					
In-house publications					

Media		Kamu Kurumları ve Kanun Yapıçı Kuruluşlar		Shareholders	
Communication Method	Freq. of Communication	Communication Method	Freq. of Communication	Communication Method	Freq. of Communication
Press Releases	Continuously - Periodically	Periodic reporting	Continuously - Periodically	One-on-One Meetings	On a Need-Basis - Instant
Exhibitions, conferences, fairs		Meetings and conferences		Meetings	
Website		E-mail, telephone and face-to-face meetings		Sharing by email	
Social media		Audits			

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## 12.3. Environmental Performance Indicators

### Carbon Footprint Data



	Unit	2023
Category 1		5,007.13
Category 2	tCO <sub>2</sub> eq	12,212.39
<b>Total</b>		<b>17,219.52</b>

### Electricity Consumption Data



Location	Unit	2023
Head Office		1,550,235.03
Banking Base		7,180,640.07
Branches		16,764,724.94
<b>Total</b>		<b>25,495,600.04</b>

### Water Consumption Data



KTBB Water Consumption Data	Unit	2023
Tap Water		13,541
Groundwater	m <sup>3</sup>	11,679
<b>Total</b>		<b>25,220</b>

Head Office Water Consumption Data	Unit	2023
Tap Water		4,949
Groundwater	m <sup>3</sup>	0
<b>Total</b>		<b>4,949</b>

Water Consumption Data (Consolidated)	Unit	2023
Tap Water		18,490
Groundwater	m <sup>3</sup>	11,679
<b>Total</b>		<b>30,169</b>



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## 12.3. Environmental Performance Indicators

## Waste Data



KTBB Waste Data	Unit	2023
Solid waste containing hazardous substances		-
Cartridges and toners containing hazardous substances		143
Fluorescent lamps and other mercury-containing waste		31
Lead batteries and accumulators		284
Paper and cardboard packaging	kg	12,820
Plastic packaging		610
Metals		2,100
Glass packaging		7,850
Wooden packaging		690
Other		2,650
<b>Total</b>		<b>27,178</b>

KTBB Waste Data	Unit	2023
Hazardous Waste Amount		628
Non-Hazardous Waste Amount	kg	26,550
<b>Total</b>		<b>27,178</b>

Head Office Waste Data	Unit	2023
Solid waste containing hazardous substances		-
Cartridges and toners containing hazardous substances		67
Fluorescent lamps and other mercury-containing waste		14
Lead batteries and accumulators		26
Paper and cardboard packaging	kg	9,240
Plastic packaging		-
Metals		2,152
Glass packaging		3,000
Wooden packaging		-
Other		252
<b>Total</b>		<b>14,751</b>

Head Office Waste Data	Unit	2023
Hazardous Waste Amount		347
Non-Hazardous Waste Amount	kg	14,404
<b>Total</b>		<b>14,751</b>

Consolidated Waste Data	Unit	2023
Solid waste containing hazardous substances		-
Cartridges and toners containing hazardous substances		210
Fluorescent lamps and other mercury-containing waste		45
Lead batteries and accumulators		310
Paper and cardboard packaging	kg	22,060
Plastic packaging		610
Metals		4,252
Glass packaging		10,850
Wooden packaging (20 01 38)		690
Other		2,902
<b>Total</b>		<b>41,929</b>

Consolidated Waste Data	Unit	2023
Hazardous Waste Amount		975
Non-Hazardous Waste Amount	kg	40,954
<b>Total</b>		<b>41,929</b>

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## 12.4. Social Performance Indicators



Employee Demographics	2023	
	Male	Female
Total number of employees	4,866	1,145
	6,011	
Number of persons in governing bodies and the Board of Directors	12	0
	12	
Number of employees excluding governing bodies	4,854	1,145
	5,999	
Number of employees with disabilities	124	22
	146	
Ratio of employees with disabilities (%)	3%	2%
	2%	
Number of new hires	405	218
	623	
Number of female employees on maternity/parental leave	80	
Number of female employees returning to work after the end of maternity/parental leave	80	
Ratio of female employees returning to work after the end of maternity/parental leave (%)	100%	
Turnover (%)	7%	
Voluntary Turnover	365	51
	416	
Involuntary Turnover	11	0
	11	



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## 12.4. Social Performance Indicators



Professional, personal development, technical trainings (excluding compulsory trainings)		2023
Total number of persons trained		4,522
Total training (hours)		198,968
Total trainings (person.hour)		44

### Sustainability Trainings

	2023	
	Physical Trainings	Digital Trainings
Total number of persons trained	4	180
Total training (hours)	27	8,349
Total trainings (person.hour)	6.75	46.3





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## 12.4. Social Performance Indicators



		2023						
	Total number of people trained on OHS	1,033						
	Total OHS trainings (hours)	20,062						
	Total OHS trainings (person.hour)	19.42						
	Number of accidents	<table><thead><tr><th>Employees</th><th>Subcontracted Employees</th></tr></thead><tbody><tr><td>0</td><td>0</td></tr><tr><td>0</td><td>0</td></tr></tbody></table>	Employees	Subcontracted Employees	0	0	0	0
Employees	Subcontracted Employees							
0	0							
0	0							
	Number of fatal accidents	<table><thead><tr><th>Employees</th><th>Subcontracted Employees</th></tr></thead><tbody><tr><td>0</td><td>0</td></tr><tr><td>0</td><td>0</td></tr></tbody></table>	Employees	Subcontracted Employees	0	0	0	0
Employees	Subcontracted Employees							
0	0							
0	0							
	Rate of days lost due to accidents	0						
	Lost time due to accidents	0						
	Accident frequency rate	0						
	Accident severity rate	0						
	Customer Data	2023						
	Rate of change in the number of customers	10%						
	Number of complaints per 1,000 customers	9.4						



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## 12.5. GRI Content Index

### GRI 1: Temel 202

Kuveyt Türk has reported in accordance with the GRI Standards for the period from January to December 2023.

GRI Standard	GRI Standard	Disclosure	Page Numbers and/or Explanations	Exclusions
<b>Kurumsal Profil, Kurumsal Yönetişim ve Etkin Risk Management</b>				
		2-1 Corporate profile	About the Report, .....s.3 Kuveyt Türk at a Glance, .....s.8 About Kuveyt Türk, .....s.10	-
		2-2 Organizations included in sustainability reporting	About the Report, .....s.3	-
		2-3 Reporting period, frequency, and contact information	About the Report, .....s.3	-
		2-4 Information restated compared to previous reports	No significant changes have occurred compared to the previous reporting period.	-
		2-5 External audit	No external audit has been conducted within the scope of the sustainability report.	-
		2-6 Activities, value chain, and other business relationships	Kuveyt Türk at a Glance, .....s.8 About Kuveyt Türk, .....s.10 Memberships, .....s.63	-
		2-7 Employees	Human Resources Approach, .....s.52 Social Performance Indicators, .....s.67	-
		2-8 Employees of subcontractor companies	Responsible Supply Chain, .....s.60	-
		2-9 Governance structure	Compliance with the Corporate Governance Principles, .....s.23	-
<b>GRI 2: General Disclosures 2021</b>				
		2-10 Process for Determining the Competencies and Qualifications of the Highest Governance Body's Members	-	Kuveyt Türk does not publicly share this information in accordance with the institution's confidentiality policies.
		2-11 Chair of the highest governance body	Messages from Senior Management, .....s.4	-
		2-12 Role of the highest governance body in managing the impacts arising from the organization's activities	Messages from Senior Management, .....s.4 Corporate Governance Approach, .....s.16 Sustainability Governance Structure, .....s.30	-
		2-13 Accountability for managing impacts arising from activities	Messages from Senior Management, .....s.4 Corporate Governance Approach, .....s.16 Sustainability Governance Structure, .....s.30	-
		2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure, .....s.30	-
		2-15 Processes for preventing conflicts of interest	Ethics and Transparency, .....s.24 Policies, .....s.27	-
		2-16 Process for reporting critical issues to the highest governance body	During the reporting period, no critical issues were raised with Kuveyt Türk.	-
		2-17 Competencies of the highest governance body	Corporate Governance Approach, .....s.16	Confidentiality Restrictions
		2-18 Evaluation of the performance of the highest governance body	-	Kuveyt Türk does not publicly share this information in accordance with the institution's confidentiality policies.

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GRI Standard	Disclosure	Page Numbers and/or Explanations	Exclusions
GRI 2: Genel Bildirimler 2021	2-19 Remuneration policies	Policies, .....s.27 Human Resources Approach, .....s.52 Equality and Inclusiveness, .....s.53	-
	2-20 Process for determining remuneration	Human Resources Approach, .....s.52 Equality and Inclusiveness, .....s.53	-
	2-21 Annual total compensation ratio	-	Confidentiality Restrictions Kuveyt Türk does not publicly share this information in accordance with the institution's confidentiality policies.
	2-22 Statement on sustainable development strategy	Sustainability Approach, .....s.29	-
	2-23 Policy commitments	Policies, .....s.27	-
	2-24 Implementation of policy commitments	Policies, .....s.27	-
	2-25 Processes to improve adverse impacts	Corporate Governance Approach, .....s.16 Sustainability Governance Structure, .....s.30	-
	2-26 Mechanisms for receiving suggestions and addressing concerns about ethical and legal issues	Compliance with the Corporate Governance Principles, .....s.18 Ethics and Transparency, .....s.20	-
	2-27 Compliance with legal regulations	Compliance with the Corporate Governance Principles, .....s.23	-
	2-28 Corporate memberships	Memberships, .....s.63	-
	2-29 Stakeholder engagement	Table on Stakeholder Communication Methods, .....s.64	-
<b>Material Topics</b>			
GRI 3: Material Topics 2021	3-Process for determining material topics	Material Topics and Contribution to SDGs, .....s.32	-
	3-2 List of material topics	Material Topics and Contribution to SDGs, .....s.32	-
	3-3 Management of material topics	Material Topics and Contribution to SDGs, .....s.32	-
Cybersecurity and Data Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Information Security, .....s.27	-
<b>Business Ethics, Compliance with Participation Banking Principles and Procedures</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with the Corporate Governance Principles, .....s.23 Ethics and Transparency, .....s.24	-
<b>Employee Satisfaction and Loyalty</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Resources Approach, .....s.52 Employee Loyalty, .....s.54	-
GRI 404: Training and Education 2016	404-1 Average annual hours of training per employee	Social Performance Indicators, .....s.67	
	404-2 Talent management and lifelong learning programs that support employee development	Contribution to Talent Development, .....s.55	
GRI 401: Employment 2016	401-1 New hires and employee turnover rate	Social Performance Indicators, .....s.67	
	401-3 Parental leave	Equality and Inclusiveness, .....s.53 Social Performance Indicators, .....s.67	

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People-Centered Corporate Culture			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Resources Approach, .....s.52 Employee Loyalty, .....s.54 Contribution to Talent Development, .....s.55 Occupational Health and Safety Approach, .....s.56	-
Customer Experience and Satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Satisfaction Approach, .....s.61	-
Innovative Digital Banking Solutions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainable Participation Finance Activities, .....s.41 Digital Transformation and Innovation, .....s.47	-
Strategic Risk Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Risk Management, .....s.25 Sustainability Governance Structure, .....s.30	-
Sustainable Investment and Financial Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainable Participation Finance Activities, .....s.41	-
Responsible Supply Chain Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain, .....s.60	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers identified using environmental criteria 308-2 Negative environmental impacts in the supply chain and the actions taken	Responsible Supply Chain, .....s.60	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers identified using social criteria 414-2 Negative social impacts in the supply chain and the actions taken	Responsible Supply Chain, .....s.60	-
Sustainable Products and Services			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainable Participation Finance Activities, .....s.41 Digital Transformation and Innovation, .....s.47	-
Protection of Natural Capital			
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Sustainability, .....s.36	-
Contribution to Social Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Social Responsibility Approach, .....s.58	-
Effective Stakeholder Communication			
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Social Responsibility Approach, .....s.58 Table on Stakeholder Communication Methods, .....s.64	-
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Corporate Social Responsibility Approach, .....s.58 Responsible Supply Chain, .....s.60	-
Financial Inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainable Participation Finance Activities, .....s.41 Barrier-Free (Accessible) Banking, .....s.50	-
Combating Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Combating Climate Change, .....s.36	-

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GRI Standard	Disclosure	Page Numbers and/or Explanations	Exclusions
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency, .....s.38 Environmental Performance Indicators, .....s.65	-
	302-3 Energy intensity	Energy Efficiency, .....s.38 Environmental Performance Indicators, .....s.65	-
	302-4 Reduction of energy consumption	Combating Climate Change, .....s.36 Energy Efficiency, .....s.38	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	Combating Climate Change, .....s.36 Environmental Performance Indicators, .....s.65	-
	305-2 Indirect energy (Scope 2) greenhouse gas emissions	Combating Climate Change, .....s.36 Environmental Performance Indicators, .....s.65	-
	305-5 Reduction of greenhouse gas emissions	Sustainability Goals, .....s.34 Combating Climate Change, .....s.36	-
GRI 303: Water and Effluents 2018	303-5 Water consumption	Water Management, .....s.39 Environmental Performance Indicators, .....s.65	-
	306-1 Waste generation and significant impacts related to waste	Waste Management, .....s.39	-
	306-2 Management of significant waste-related impacts	Waste Management, .....s.39	-
GRI 306: Waste 2020	306-3 Waste generated	Waste Management, .....s.39 Environmental Performance Indicators, .....s.65	-
	306-4 Waste disposed	Waste Management, .....s.39 Environmental Performance Indicators, .....s.65	-

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## 13. CONTACT INFORMATION

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Call Center : 444 0 123 / 0850 251 0 123

For your comments and suggestions on the report:

[surdurulebilirlik@kuveytturk.com.tr](mailto:surdurulebilirlik@kuveytturk.com.tr)

### BRANCH INFORMATION

Kuveyt Türk has a network of 444 branches in Türkiye, and with the addition of the Bahrain Branch, the total number of branches reaches 445.

Detailed information about branches can be accessed through the following link on the Bank's official website.

<https://www.kuveytturk.com.tr/en/branches-and-atms>

[www.kuveytturk.com.tr/en](http://www.kuveytturk.com.tr/en)



Reporting Consultant:



**KUVEYT TÜRK**  
**2023**  
**SUSTAINABILITY**  
**REPORT**