

Our Valued Contributions





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A. SUSTAINABILITY AND SOCIAL RESPONSIBILITY **ACTIVITIES**

1. VISION

Sustainability and social responsibility is an integral part of Albaraka Banking Group's philosophy and vision. Our approach to commercial activities does not only meet the needs of our organization, shareholders, employees and customers; at the same time we have a common vision in ensuring long-term economic growth and social development.

As Albaraka Turk, we strive to be at the forefront of developing the ability of societies to struggle significant challenges and accordingly we encourage production and development. Within the scope of our Sustainability and Social Responsibility Program, we prioritize the fields of education, health, environment and accessibility, and undertake social responsibility projects that will contribute to economic and global development that are sensitive to human and environment with the contributions of our employees.

In this context, our Bank supports the Sustainable Development Goals carried out by the United Nations Development Program. As Albaraka Türk, we will continue to work with our full power to create a solution to social issues and to add value to our values of our country and to beautify our world.



2. INDICATORS Working Areas and People We Reached

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Countries We Work



Cities We Work



3. EDUCATIONAL SUPPORT Bereket Foundation Education Scholarships



Monthly Scholarship for Undergraduate Students: TL 400 Monthly Scholarship for Doctoral Students: TL 1,200 Through the Bereket Foundation, we provided 1,840 undergraduate and 77 PHD students with a total of 1,917 students in January-June 2018.





Arduino Class

We created a science class which has software, robotic technology, coding and 3D design courses are given in a primary school.

128 students will be trained in the class with our support.

Hejaz Railway Project

We gave support to a school in Izmir in order to introduce the Hejaz Railway, which is the legacy of Abdülhamid Khan. With this project, school corridors were renovated and ground arrangements were made. Models and photographs were shown about the Hejaz Railway. With the project, we reached 850 students.





Affection Homes Project

We started the Dormitory Project for 55 secondary schoolaged students who have been neglected / abused by their families, protected by the state, have no shelter and have difficulty in adaptation. Dormitories are converted into flats in the schools where children are educated in order to benefit from basic education rights and rehabilitate them to society. The project is coordinated by the Ministry of Family, Labor and Social Services and the Ministry of National Education.





School Restoration in Syria

We reintroduced 1,215 students back to the educational life by restoring the school in the "Fırat Kalkanı" Region, which was damaged and unusable in the Syrian war. In this way, Syrian teachers, students' families and students regained their normal life cycle. While improving the physical conditions of the school, we supported the basic education and winter clothing needs of the students.



School Restoration in Syria

After Restoration, Syria AlBab Şehit İsa Hasun El Cebeli School, 2018





A Book A Seed Project

We gave 8,000 greening pencil and 8,500 books to 7,500 students in 11 schools. In addition to this, we aim to get students adopt the habit of reading books and raise environmental awareness.





Equipment Supports

We donated educational materials such as computers, printers, projectors, headsets, smart boards etc. in accordance with the needs of nine schools. Thus, we reached approximately 3,200 students. In addition, we also donated unused warehouses to schools in this context.





Interior walls of 2 village schools were renovated and renewed in Sanliurfa.

IRCO





Strong Memory Strong Future

We organized a 1-month training program on memory techniques and effective learning in 33 schools in 15 cities in the eastern and southeastern regions. Within the scope of the project, we reached about 10 thousand students.





Drop a Book Campaign

We collected books and stationery materials with the contributions and participation of our Bank's employees to a village school in Sanliurfa where 162 students are educated. We also carried out a library installation. In addition, school walls were painted by our volunteers



stationery to schools with your contributions.



Name of the School: Şanlıurfa Kızbeği İlk ve Ortaokulu

Needs:

Kindergarten, primary and high school level reading books Unused notebook, pencil, eraser, sharpener, dry paint, watercolor, crayon and play dough

Book and Stationery Supplies Drop Area: Headquarters B2 Floor Table Tennis Room



Deadline:

October 15, 2018

Drop a Book Project is carried out by Yunus Emre Ünlü and several volunteers from the Bank. We would like to state that we support the Drop a Book Project within the scope of our Bank's social responsibility activities. You can check the previous events from @birkitapdasenkoy Instagram page.





PAKISTA KATARAK

Dear MELİKSAH UTKU.

As Albaraka Turk, we have donated on your behalf to the eye health treatments of Doctors Worldwide and the cataract patients living in different parts of the world have gained the colors of the earth.

We thank you for your contribution to the spread of goodness and health on earth, and congratulate your birthday with our sincere wishes.

Happy birth, hope to the earth.

ERYUZU OKTORI AP

alBaraka

4. HEALTH SUPPORTS Eye Diseases Treatment Program

According to World Health Organization (WHO) data; there are 100 million cataracts and 285 million visual impairment patients in the world. 80% of them are preventable or curable.

Under the therapeutic health services carried out by Doctors Worldwide, 600 cataract patients operated in Pakistan and Cameroon with the support of our Bank.

These operations were carried out on behalf of our employees and they were notified by e-mail on their birthdays.

5. GREEN SUPPORTS Sapling Planting Event

We underplanted 10,000 saplings in 21 - 26 March Forest Week with the cooperation of Environmental Organizations Solidarity Association in Hatay, Kahramanmaras, Ankara, Konya and Gaziantep with the participation of our employees from branches and regional directorates.





Plastic Covers Turn Into Wheelchairs!

We contribute to the environment and accessibility with plastic cover collection boxes which we have located on B1 and 15th floors of our HQ.



Carbon Disclosure Project



Within the Scope of the Project;

- Paper Consumption Calculations
- Fuel Consumption Information
- Aircraft Operating Shaft
- Annual Reports of our Bank
- Annual Financial Statements
- Investor Presentations
- ABG Annual Reports

- Corporate Risk Management Reports
- Project Finance and Corporate Finance
- Portfolio Information
- Generator Fuel Information (diesel / lt)
- Electricity Consumption (kwh) Information
- Air Conditioning Gas Usage Data (Kg)
- Heating Data (Fueloil, Coal, etc.)

detailed analyzes were carried out in the fields mentioned above. As a result of the studies carried out, our Bank has obtained C degree for the second time.

Zero Waste Project

Within the scope of the Zero Waste Project initiated by the Ministry of Environment and Urbanization, the works carried out in our Bank are as follows:

- Copiers were reprogrammed to prevent paper waste. In order to make more efficient use of resources, arrangements have been made for water, energy and vehicle use at the head office, regional directorates and branches.
- Recycling bins are positioned where necessary to recover waste.
- Periodic maintenance of some equipment for re-use; Artesian water and gray water are used instead of mains water in the toilets, sinks, pool and garden irrigation and cleaning works of the Head Office building.
- In procurement processes, purchases are made considering environmental awareness.





6. ACCESSIBILITY Kitchen Class

We supported to establish a kitchen class for mentally and physically handicapped students in a school that provides education in vocational training as well as academic training. With this project, approximately 10 students will benefit per year. When the students graduate, they will have the opportunity to work in the field they are educated, and will contribute to the employment.







Braille Printing Machine For Blind Students

We donated the Braille printing machine for education of the Quran and religious information to the blind students.

In this way, visually impaired students will be able to access Braille documentation (Quran, ilmihal, tecvit, etc.) more easily.

Yuvarla Integration:

Yuvarla is a social initiative that allows customers to make donations to the selected non-governmental organization by rounding up the penny in credit card purchases.

The integration of Yuvarla with Albaraka Turk's credit and debit cards have been completed and started to rounding up the pennies for the goodness.



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1. STRATEGIC AREAS OF SUSTAINABILITY

1.1 MANAGEMENT

Within the scope of the Capital Markets Board's Corporate Governance Communiqué, full compliance with the mandatory principles of Corporate Governance Principles is achieved and efforts are being carried out to ensure compliance with the principles that are not yet mandatory. Within the framework of Borsa İstanbul (BIST) Sustainability Index Methodology, compliance with the issues regarding management is monitored and actions are taken to take the necessary actions.

1.2 ENVIRONMENT

Within the scope of ABG's Social Responsibility Program and within the framework of BIST Sustainability Index methodology; The Bank's Environmental Policy is established. It is ensured that necessary actions are taken, managed and reported to the public in relation to the environmental issues determined by the policy.

1.3 HUMAN RIGHTS

Albaraka Türk strives to operate in accordance with the principles of the United Nations Universal Declaration of Human Rights. Therefore; it acts in support of the fundamental rights of people such as life, nutrition, housing, travel and work. In its approach to its employees, it does not discriminate against language, race, color, gender, political thought, belief, religion, sect, age, physical disability and similar reasons and tries to spread this understanding to society. The sense of justice remains at the forefront of its activities. Not employing unregistered workers and employing workers within the framework of legal regulations

are its fundamental irrevocable rules.

In its branches in other countries, it gives priority to employ people from the population of that country. It proposes a financial model that does not restrict people's enjoyment of fundamental rights.

1.4 ANTI-BRIBERY AND ANTI-CORRUPTION

It establishes a Anti-Bribery and Anti-Corruption policy within the framework of the Banking Regulation and Supervision Agency, the Capital Markets Board and the relevant legislation.

1.5 EMERGENCY AND CONTINGENCY MANAGEMENT

Emergency scenarios are prepared, physical security scenarios are updated, emergency teams are determined and emergency trainings are organized, emergency drills are planned and implemented before the moment of any emergency situation that may occur. It is ensured that relevant correspondence, reporting, necessary information and emergency and contingency activities are coordinated and necessary actions are taken in this regard.

1.6 OCCUPATIONAL HEALTH AND SAFETY

According to the relevant legislation, actions such as reporting on health and safety studies (trainings, business continuity activities, awards to be received from health institutions, in-bank health campaigns etc.) to be shared with the public, and identifying a senior manager responsible for health and safety issues are taken within the framework of the Sustainable Banking Program.

1.7 BUSINESS CONTINUITY MANAGEMENT

In order to protect its own reputation and assets and stakeholders' assets against extraordinary situations, a business continuity management system is established and continuously improved in line with needs under the leadership of Albaraka Türk's top management in accordance with international ISO 22301 business continuity management system standard, bank strategic targets, BRSA regulations and communiqués.

The adequacy and effectiveness of the system, strategies, plans and organizational structure of business continuity management are reviewed and improved through training, testing, internal and external audit activities.

1.8 BANKING ACTIVITIES

Within the framework of Turkey Banks Association Sustainability Guidelines for Banking Sector and Albaraka Turk Credit Policy; management of environmental and social risk related to credit facilities are carried out. Product improvements are made in line with the sustainable banking target by taking into account the sustainability parameters in other banking products and services. In the entire funding strategy, "Environmental, Social and Governance (ESG)" elements are included in the credit processes and the best practices are taken into consideration and necessary actions are taken.

2. PRINCIPLES OF SUSTAINABILITY AND SOCIAL RESPONSIBILITY

• Sustainability and Social Responsibility activities are conducted with individuals, institutions or non-governmental organizations operating in the areas of education, health, unhindered life, environment, culture, etc.

• Determining the persons, institutions or non-governmental organizations to be cooperated in Sustainability and Social Responsibility activities; interest-free finance and participation banking principles, Albaraka Türk's vision, mission and ethical principles are taken into consideration.

• Within the scope of sustainability activities, Carbon Disclosure Project (CDP), BIST Sustainability Index and LEED Green Building Certification studies are carried out.

• Studies are conducted in the areas of Management, Environment, Human Rights, Anti-Bribery and Anti-Corruption, Emergency and Unexpected Situation Management, Occupational Health and Safety, Business Continuity Management and Banking Activities, which are identified as sustainability strategy areas.

• The social responsibility activities of the club which was established by the Bank's employees are supported.

In cash and non-cash loans extended by the Bank; projects that will contribute to the access of the whole society to qualified education and to benefit from quality health services and create new employment are prioritized.

• By following the best practices in the field of Sustainability and Social Responsibility in the world, it is ensured that Social Responsibility projects, which are in line with the Bank's core values and ethical principles, will contribute to economic development are implemented.

• In order to maintain the values of our culture and contribute to the achievement of the United Nations Global Goals, the Bank conducts studies on the priorities of the Bank.

3. PRINCIPLES OF GRANTS AND AIDS

• In determining the person, institution or non-governmental organizations to which all grants and aids will be made by the decision of the Bank's Executive Management; interest-free finance and participation banking principles, Albaraka Türk's vision, mission and ethical principles and annual budget appropriations are taken into consideration.

• As Albaraka Türk Participation Bank, with the awareness of social responsibility, in kind and cash donations and grants are provided to the persons, institutions or NGOs operating in the fields of health, education, culture, unhindered life etc. within the framework specified in the Banking Law No. 5411.

• The legal regulations to which the Bank is subject are taken into consideration when making donations and grants.

• Pursuant to Article 59 of the Banking Law No. 5411, "The amount of grants to be extended by banks and institutions subject to consolidated supervision in a fiscal year shall not exceed four per thousand of the bank's own funds. However, minimum half of the grants and aids shall be composed of grants and aids that may be considered as expenditure or deductible costs in the calculation of the corporate tax base. The principles and procedures applicable to the implementation of this provision shall be set by the Board."

• Article 1.3.10 of the CMB's Corporate Governance Communiqué numbered II-17.1. "A policy regarding donations and contributions shall be formed and submitted to the approval of the general assembly. Information regarding the amounts and beneficiaries of all donations and contributions made within the term in line with the policy approved by the general assembly and the amendments in the policy shall be provided to the shareholders through a separate item at the general assembly meeting."

• The shareholders are provided with detailed information at the Ordinary General Assembly of the relevant year about the donations and aids made. The compliance and effectiveness of the Bank's practices and activities related to donations and grants with the relevant legislation and the provisions of this Policy; Internal audits are also subject to regular audits and evaluations.

4. COMMITTEES

4.1 SUSTAINABILITY AND SOCIAL RESPONSIBILITY COMMITTEE

4.1.1 Duties of the Committee

• Prioritizes the consideration of economic, environmental and social factors in the Bank's activities and decision mechanisms in addition to corporate governance principles in order to ensure the internalization of Corporate Sustainability awareness within the organization, to introduce the objective of sustainable banking in a concrete manner and to establish long-term values.

• Prioritizes environmental awareness at all levels of the Bank; establishes the necessary ethical rules and ensures the effective management of risks associated with all these factors.

• Directs the Sustainability, Social Responsibility and Communication Executive Committee to implement the Sustainability and Social Responsibility projects that can explain the corporate identity and understanding in line with the Bank's vision and mission to the whole society, stakeholders and business partners.

• Follows the best practices in the world in the field of sustainability and Social Responsibility and ensures the implementation of projects that correspond to bank's core values and ethical principles.

- Evaluates the impacts of bank activities on society.
- Supervises the impacts of the Bank's activities on society and measures taken within this scope.
- Discusses the issues reported by the Sustainability, Social Responsibility and Communication Executive Committee and makes the necessary decisions to conclude them.
- Works in coordination with the relevant committee of ABG in the field of Sustainability and Social Responsibility.

4.2 SUSTAINABILITY, SOCIAL RESPONSIBILITY AND COMMUNICATION EXECUTIVE COMMITTEE

4.2.1 Duties of the Committee

• Implements the Sustainability and Social Responsibility projects that can explain the corporate identity and understanding in line with the Bank's vision and mission to the whole society, our stakeholders and business partners.

• Monitors the implementation of the decisions taken by the Sustainability and Social Responsibility Committee.

• Evaluates the requests from the Strategic Planning Department and makes decisions regarding the timing, medium and budget of the Sustainability and Social Responsibility projects to be prepared on behalf of the Bank.

• Makes the pre-assessment of the Sustainability and Social Responsibility projects proposed by the Strategic Planning Department at certain periods of the year, puts them on the agenda of the Sustainability and Social Responsibility Committee and follows the projects implemented.

• Gives the approval of budget, concept, production and business partners regarding the Sustainability and Social Responsibility activities to be carried out regarding the specified issues.

• Approves Sustainability and Social Responsibility reports to be prepared annually and periodically.



Note			





