

Sustainability Report 2017

The bank
with roots
reaching to
the future

Şekerbank 

Sustainability Report
Şekerbank
December 2017





The bank with roots reaching to the future

Şekerbank is founded on the purpose of sustainable development...

Its history dates back 64 years.

This long-standing history tells the stories of small savings and immense efforts made by hundreds of thousands of beet cooperative member farmers.

Şekerbank's founding mission is to preserve the fertility of the soil, efforts of our people, the environment and our common future.

It takes its strength from its past and proudly supports production, rural development and sustainable agriculture. Today, Şekerbank carries its "Community Banking" mission, which is embedded in its 64 years of history, into the future with the same level of commitment and sense of responsibility.



Table of Contents

About the Report	9
Message from Our Chairman of the Board	11
Şekerbank in Figures	12
Our Vision, Mission and Values	13
64 Years in Sustainable Development Banking	14
Our Sustainability Strategy	20
The Mission to Add Value to Turkey	21
Country Goals on the Journey of Sustainable Development	22
Our Contribution to the Country Goals	23
Our Focal Points on the Axis of Sustainable Development Goals	24
Our Perception of Sustainable Development Goals (SDGs) and	
Our Contribution to the Goals	26
Sustainable Agriculture	28
Energy Efficiency	34
People-Oriented Banking	40
Inclusive Growth	46
Sustainability Management Structure	52
Responsible Corporate Management	53
Risk Management and Internal Control	53
Ethical Principles	54
Stakeholder Engagement	56
Appendices	57
Stakeholder Analysis	57
Performance Tables	58
Memberships and Endorsed Initiatives	63
Awards	64
United Nations Global Compact (UNGC) Progress Statement	65
GRI Content Index	66



About the Report

GRI 102-45, GRI 102-46

With this Sustainability Report, we as Şekerbank T.A.Ş. hereby present our bank's environmental, social and economic impacts, our performance in these areas and the support we give to sustainable development to our shareholders.

This Sustainability Report, the third we have published, indicates our environmental, social and economic performance and banking activities between January 1, 2016 and December 31, 2017 and has been prepared in line with "comprehensive" level of the GRI Standards. In addition to these criteria, the GRI Financial Services Sector criteria have also been taken into consideration in our report.

Our report is also aligned with the requirements of the United Nations Global Compact Principles (UNGC) and complies with the guidelines of the United Nations Sustainable Development Goals (SDGs).

This report has been printed in a limited number to minimize environmental impact in line with our sustainability approach. Therefore, you can also access our report at www.sekerbank.com.tr/en/home-page.

You may also contact us for any questions and comments concerning our report at surdurulebilirlik@sekerbank.com.tr.

In the report, "Şekerbank T.A.Ş.", "Şekerbank", "Bank" and "our bank" all refer to Şekerbank T.A.Ş. unless specified otherwise. The data and information in the report covers the banking activities of Şekerbank T.A.Ş. in Turkey, which operates with 273 branches, 9 regional headquarters and the main headquarters in Istanbul.





Message from Our Chairman of the Board



Dear Stakeholders,

We are now going through a time when all values and norms are being redefined at a global scale. In order to thoroughly comprehend this process and prepare for the future, it is essential to make an accurate analysis of the transformation in the global economy and population structure in the past quarter-century.

While the global economic growth since the start of the 1990's has nearly multiplied by four, the world's population has increased by around 40%. In this fast-growth era, while the number of people joining the global economy as producers and consumers has risen rapidly, in nearly every country, income inequality has increased significantly. As a consequence of rapid growth in developing countries, hundreds of thousands of people moved from rural to urban areas, thereby resulting in a structural transformation where production has shifted to consumption, threatening the sustainability of natural resources. With agricultural

lands not increasing despite the rising demand for food as a result of the growing population, the issue of food security in the future is brought to the forefront. While according to World Bank data, 815 million people in the world suffer from undernourishment, the demand for food is foreseen to rise by at least 20% within the next 15 years.

While today we are faced with a world that is in a transitional stage seeking new balances it is both an obligation as well as a necessity that the financial system, which is the principal actor in global capitalism, to reposition itself.

It is therefore vital to embrace a sustainable understanding of finance that adds value to people, nature and social welfare considering the ever-growing awareness of international investors and to reverse the negative perception of the financial system, which grew after 2008 global crisis. However, one should also remember that it is only those organizations which adopt sustainable finance not merely as an approach, but rather as a mission integrated in to their mid-long term strategies, will win in the future.

On the other hand, the fact that focusing on sustainable finance has also become a matter of survival for the financial system. In fact, senior members of the global financial community

today suggest that the next financial crisis will be caused by global climate change.

In this context, the United Nations Sustainable Development Goals is the constitution that serves as a guideline for the change in the financial system.

With a founding mission of supporting sustainable agriculture and economic growth based on rural development, Şekerbank has developed its long-standing "Community Banking" approach, which it has maintained for 64 years, in line with the United Nations Sustainable Development Goals.

Having sustainable development banking as the common denominator of all of its operations, Şekerbank was the first bank in Turkey and in the world to launch "Family Farming Banking" in November 2014. In the scope of this program, which mainly aims to prevent rural-to-urban migration, a total of 5.6 billion TL loans were extended to over 87 thousand farmer households in three years.

Another first we achieved in Turkey is EKOkredi, which was recognized as the best practice in the category of financing energy efficiency during the Rio+20 UN Conference on Sustainable Development. Through EKOkredi, we have introduced over 100 thousand people to energy efficiency since 2009, thereby saving 28.6 billion kilowatt/hour of energy and

preventing a total of 6.1 million tons of CO₂ emission.

Having a pioneering role in inclusive finance due to its 64-years of rooted experience in broad-based banking, Şekerbank utilizes its microfinancing technique which is the only one of its kind in Turkey, to not only offer banking services to craftsmen and farmers, who have limited access, but also to support female entrepreneurs in rural areas that are involved in home-based production being integrated into the economy. It is my pleasure and honor to present to our stakeholders our 2017 Sustainability Report, which details all of our banking activities, each of which constitute a true success story for the development of our country, the continuation of production, the preservation of natural resources and the prosperity of our people.

We shall continue to carry on the values of Anatolian farmers, the very founders of our bank; for our country, people, love of nature and entrepreneurial spirit in line with the perspective of the UN Sustainable Development Goals into the future and will determinedly continue to uphold the role we have undertaken for 64 years now on Turkey's development journey.

Respectfully yours,

Dr. Hasan Basri GÖKTAN
Chairman of the Board of Directors

Şekerbank in Figures

In line with our responsible banking mission, we financed production based growth by continuing to support our farmers, merchants and SMEs all over Turkey in 2017. While our total loan volume in 2017 increased by 17% to 20.7 billion TL, we achieved the greatest growth with an increase of 24% in SME loans in line with our goal to finance production and

inclusive growth. While always standing beside the real sector and the producer, Şekerbank has achieved 32% growth thanks to its focused banking activities and its total assets reached 31.4 billion TL as of 31.12.2017.

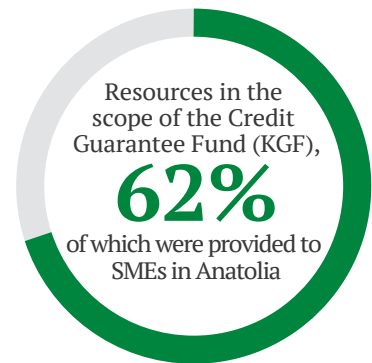
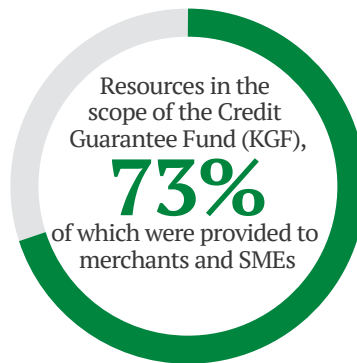
Our Financial Performance

TL Billion	2015	2016	2017
Total Assets	24.42	23.82	31.35
Total Loans	16.74	17.61	20.68
Total Deposits	14.87	16.14	19.73
Shareholders' Equity	2.52	2.53	2.71

In 2017...



A deep rooted network of branches,
40
of which have been in service at the same location for over 50 years



Shareholding Structure

35.44%

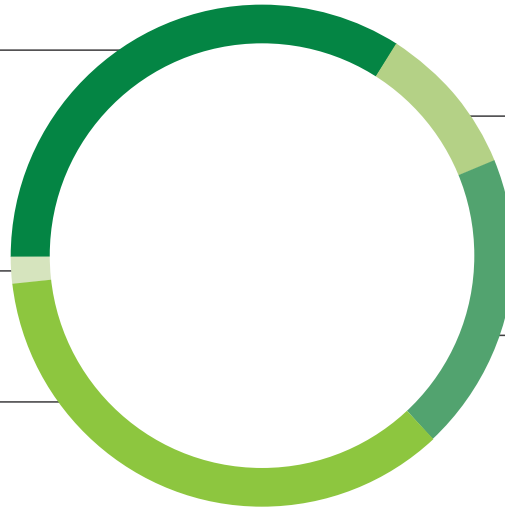
Şekerbank T.A.Ş.
Voluntary Pension Fund
(SEMVAK)

1.57%

Other

34.19%

Publicly Traded



9.43%

Şekerbank T.A.Ş.

19.37%

Samruk-Kazyna,
the National Welfare Fund
of Kazakhstan

Our Vision, Mission and Values

Our Vision

To become the “leading bank in financing small enterprises” among Turkey’s top ten private banks in terms of asset size.

Our Mission

With a Community Banking understanding from village to city, we are a modern bank that considers both local features and needs, introduces banking services to those who do not have any bank accounts and grows by creating value together with its satisfied customers, employees and partners, while gaining strength from its deep rooted past.

Our Values

Open Communication

We respect different perspectives and we are open to any suggestions from our colleagues and customers. Striving to create added value for our bank and our colleagues, we share all kinds of ideas and knowledge across the organization in a timely manner by keeping all communication channels open.

Continuous Development

We aspire and strive to acquire new thoughts, knowledge, and skills with

an interrogative viewpoint; we are willing to work together and assume responsibility for the continuous development of ourselves and others.

Customer Orientation and Acting Locally

We take heed of meeting the expectations and needs of all our customers and ensuring customer satisfaction by presenting products and services fast and graciously, while also taking local features into consideration.

Result Orientation

We focus on achieving the desired results/goals,

proactively by solving emerging problems without delay, closely monitoring our operations, and fulfilling our duties in a manner to increase profitability and efficiency.

Corporate Loyalty

We believe in the value of contributing to the performance of our corporation and being loyal to our corporation by working in a respectful, fair, self-sacrificing, sharing and participative manner with solidarity within our own team and with our other colleagues.

64 Years in Sustainable Development Banking

The 1950s

Şekerbank was founded in Eskişehir on October 12, 1953 under the name Pancar Kooperatifleri Bankası A.Ş. with the small savings of thousands of sugar beet farmers in Anatolia to support rural developments and agriculture based industry.

In 1956, the Main Headquarters was moved to Ankara and the name was changed to Şekerbank Türk Anonim Şirketi by a Council of Ministers ruling.



The 1960s

Şekerbank undertook one of the first social responsibility activities in the sector by building schools in five villages that didn't have any, making it the first bank to embark upon building schools.



The 1980s

Şekerbank began publishing books to protect our cultural heritage under the title Culture Series.

The Şeker Çocuk magazine, which has been accessed by every corner of Turkey for 34 years, began publication.

The Şekerbank Sports Club was established.

Şekerbank opened one of Turkey's first art galleries founded by a bank, the Ömer Sunar Art Gallery, in Ankara.

The 1970s

Şekerbank began a transition from cooperative banking to a structure that provides all banking products and services to cover every link of the value chain in production.

The 100% Şekerbank affiliate Şekerbank T.A.Ş. was founded in Cologne in 1973.



The 1990s

Şekerbank was restructured by privatization and entered an era of rapid growth.

One of the pioneering steps taken in corporate management was the offering of 15% of Şekerbank shares to the public.

Şekerbank International Banking Unit Ltd. was founded in 1994, in Nicosia, Cyprus.

In 1996, a Şekerbank affiliate and a bank with the status of private capital in local commercial bank form, Şekerbank (Cyprus) Ltd. was founded.

Şeker Yatırım was founded in 1996 and Şeker Leasing was founded in 1997.

2000

The majority shares of the bank were acquired by Şekerbank T.A.Ş. Personeli Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı so the owners of Şekerbank became its employees and retirees.

Şeker Faktoring began operating to provide domestic and foreign factoring services.

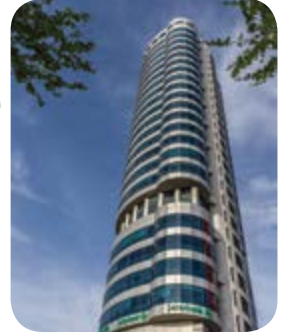


2002

Şekerbank made its greatest advance during the financial crisis period and accelerated its transformation to become a customer-focused and multichannel bank to better serve its founding mission.

2003

In its 50th anniversary, Şekerbank became one of the cornerstones of the Turkish banking sector with its widespread network of branches and its deep rooted experience in local banking.



2004

Şekerbank started to be accepted as a key bank reaching out to locals with its expertise in agriculture, business and SME banking by international finance institutions and gained an important advantage by moving its Main Headquarters to Istanbul.

64 Years in Sustainable Development Banking

2006

As a first in Turkey, Şekerbank began implementing the microfinance loan model to achieve inclusive finance and developed special loan processes especially geared to tradesmen, farmers and women, who had not been included in the economy before.



2007

By supporting production in the areas of its focus and sustainable development, Şekerbank was listed as "Turkey's Fastest Growing Bank" according to a survey conducted by The Banker Magazine.

Şekerbank, a bank that was growing and beginning to stand out in the sector with its potential, acquired a foreign shareholder from Kazakhstan.

2008

Şekerbank became the first bank in Turkey to receive a corporate governance rating.

2009

Şekerbank developed EKO kredi, Turkey's first energy efficiency financing product.



Şekerbank achieved a first in the field of sustainability by implementing the Social and Environmental Management System (SEMS) in its application processes under the guidance of IFC.

With the Project developed in the scope of EKO kredi by Şekerbank and İZODER, Turkey's leading nongovernmental organization on insulation, Şekerbank began providing insulation consultation services in its branches and conducted promotional work throughout the country to raise awareness about energy efficiency.

Şekerbank began supporting the "Earth Hour" event conducted by the WWF-Turkey (World Wildlife Fund) which is one of the largest environmental events organized in the world.



2010

The "Bütün Çocuklar Mutlu Olmalı!" (All Children Must Be Happy) campaign was brought to life through the Şeker Çocuk magazine and ADEV (Research Support Education Foundation).

Şekerbank became one of the first 5 banks in Turkey to voluntarily participate in the CDP (Carbon Disclosure Project) 2010 report.

Şeker Finans, which offers long term housing and individual financing loan options serving both individual customers as well as merchants and farmers, was founded.

Samruk-Kazyna, the National Welfare Fund of Kazakhstan became a shareholder of Şekerbank.

The International Finance Corporation (IFC), a World Bank Group company, invested in Şekerbank shares based on the bank's expertise and extensive knowledge of SMEs and the confidence provided by its stable management.



2011

Şekerbank launched Açıkekran New Media Arts to increase access to culture and the arts and began introducing modern art to the public through its branches.

Şekerbank issued the first Asset Guaranteed Security (VTMK) backed by SME loans in Turkey and in the world.

Şekerbank was listed with 11 other banks from Turkey that made it on the “World’s Most Valuable 500 Banks” announced annually by Brand Finance.

Şekerbank began supporting the “The Colour I Touch” Project run by the Istanbul Modern Art Museum with the goal of helping visually impaired children and young people being introduced to various fields of art.



2012

Şekerbank was at the Rio+20 United Nations Sustainable Development Summit as the sole representative of the Turkish finance sector and presented its EKOkredi Project, which was chosen as one of the best country cases of sustainable development and green economy.



2013

Consumers are encouraged to shop from local merchants through the “An Open Door to Small Businesses” platform brought to life by Şekerbank.

Şekerbank signed the Energy Efficiency in Buildings Initiative organized by the World Business Council for Sustainable Development (WBCSD) and Business Council for Sustainable Development in Turkey (BCSD Turkey).

Şekerbank provided an insight into Turkey’s sustainable development journey with its own 60 year history through “Bizim Hikâyemiz Türkiye’nin Hikâyesi” (Our Story is Turkey’s Story) prepared for the Bank’s 60th anniversary of its foundation.

Şekerbank started the project “Meetings with Anatolia’s Producers”, which included special courses and products each prepared specifically to the dynamics of each province to encourage branding amongst companies in Anatolia.

Şekerbank published its first Sustainability Report complied with GRI (Global Reporting Initiative) - GRI A level.



64 Years in Sustainable Development Banking



2014

Şekerbank started “Family Farming Banking” to reinforce its support in sustainable farming and to prevent migration from the village to city.

For its 60th year anniversary, Şekerbank organized the “Sustainable Development Financing Conference” with the participation of Nobel Prize winner Robert J. Shiller.

Şekerbank received the “ETİKA 2014 Turkey’s Most Ethical Company” award presented by the Ethical Values Center Foundation (EDMER) to exemplary companies and managers.

Şekerbank became the first bank to deserve the “Ahi Community Service Award” with its efforts for merchants.



2015

In the scope of “Family Farming Banking”, Şekerbank began supporting the “Empowering Women Entrepreneurs in Agriculture Program” initiated by the Ministry of Food, Agriculture and Livestock to encourage the spread of women’s enterprises.

Şekerbank started its “Young Producers Project” to introduce university students to the banking sector.

In order to support sustainable development, Şekerbank increased its real sector collaborations



by establishing a cooperation with Filli Boya to encourage energy efficiency and Baymak to encourage solar energy production.

Şekerbank became the first bank to join EBRD’s Financing of Energy Efficiency in Turkish Homes Program (TuREEFF) and provided the first loan in the program to an energy efficiency building transformation.

Şekerbank signed the UN Global Compact.

Şekerbank published its second Sustainability Report prepared in

accordance with the GRI’s G4 Sustainability Reporting Guideline.

Şekerbank received the “ETİKA 2015 Turkish Ethics Award”.

Şekerbank became one of 65 companies in the world to sign the Business World’s Leadership Criteria on Carbon Price by attending the United Nations Climate Change Conference (COP21).



2016

Şekerbank voluntarily participated in the CDP Water Program and was listed among the Leaders of Turkey.

Şekerbank received the “Best Syndication Loan Supporting Energy Efficiency” award by the world’s leading finance journals, EMEA Finance.

Şekerbank signed the United Nations Environmental Program Finance Initiative (UNEP FI).

Şekerbank signed the Women’s Empowerment Principles (WEPs).



The fourth Sustainable Finance Forum organized with the cooperation of the Business World and Sustainable Development Foundation (SKD Turkey), the United Nations Environmental Program Finance Initiative (UNEP FI) and Global Compact Turkey, took place at Borsa Istanbul with Şekerbank’s support on the theme of “Inclusive Finance for Inclusive Growth”.



2017

Şekerbank was one of the four banks that attended the COP23 Climate Change Conference as a speaker by invitation of the Ministry of Environment and Urbanization.

Şekerbank received the “ETİKA 2017 Turkish Ethics Award”.

Şekerbank signed the Declaration on Sustainable Finance – a statement of commitment to consider environmental and social impacts in project finance – together with six leading banks in Turkey.



The fifth Sustainable Finance Forum organized under the cooperation of the Business World and Sustainable Development Foundation (SKD Turkey), the United Nations Environmental Program Finance Initiative (UNEP FI) and Global Compact Turkey took place with the support and cooperation of Şekerbank.

Şeker Proje Geliştirme ve Gayrimenkul Yatırım A.Ş. was founded for the transformation into a real estate investment partnership.

By the end of 2017, the number of farmers Şekerbank provided support to so far in the scope of “Family Farm Banking” reached to 87 thousand.

While continuing to support production in line with its mission of “Community Banking”, Şekerbank provided 73% of loans in the scope of the Credit Guarantee Fund (KGF) guarantee to SMEs.

Our Sustainability Strategy

The tradition of responsible banking derived from its deep roots is the driving force of all of Şekerbank's activities as it was founded on October 12, 1953 to support economic development based on rural improvement by providing finance for production and agricultural industry whilst continuing to carry out this mission.

For 64 years now, Şekerbank has developed its sustainable development mission, which is defined as "Community Banking", within the framework of the United Nations Sustainability Goals that were embraced for a better and more livable future and grouped its operations according to these goals to further contribute to Turkey's development in 2015.

The strategy shaped in four main fields including sustainable farming, people-oriented banking, energy efficiency and inclusive growth, is enforced at the level of the Şekerbank T.A.Ş. Board of Directors and comprises the main axis of the Bank's operations.

Considering strong knowledge based on a solid history in finance to be an important competitive advantage in terms of environmental sustainability and socially inclusive growth, Şekerbank

determines its own goals by aligning its business procedures exactly with the "United Nations Sustainability Goals".

With the goal of carrying the heritage of responsible banking from its founders into the future, Şekerbank presents an exemplary banking model for social development, preserving nature and improving welfare; and knowing that banking is not just numbers, Şekerbank continues to increase the social and environmental benefits provided through its activities.



The Mission to Add Value to Turkey

While trying to keep up with the technological trends and rapidly changing economic balances in the world, Turkey is also shaping its strategic goals with a sustainable growth and development approach by taking the necessary measures against the threat of climate change and global economic risks. Our country has shown it is striving for sustainable development and growth in many areas through its 5 year main development plans to annual plans, from mid term plans to more short term policies in specific areas; and included these headings in these development plans in the determination of achieving relevant goals on a global scale. In this context, there are significant tangible outputs like the National Environment Strategy and Action Plan and the Project to Integrate Sustainable Development with Sector Policies.

By also participating in international efforts undertaken within the scope of sustainable development, Turkey has been a part of many steps taken on a global scale such as the Sustainable Development Goals (SDGs) prepared by the United Nations to ensure that economic and social welfare is provided equally throughout the whole world and to minimize damage to the environment during

this process and in light of these initiatives takes special care to make sure its own goals are in harmony with the global goals in the framework of sustainable development.

Şekerbank, founded with the objective of adding value to the community, the country and nature, determines the steps to be taken for the future and the goals to be set and shapes its strategy in the scope of these goals which serve as a guideline for our country; and aims to carry this role it has undertaken in Turkey's development journey for the past 64 years into the future by presenting a global model example for sustainable development banking.

From production based balanced growth to ensuring employment, from increasing a qualified work force to creating a self-sustaining economy, in light of the many goals included in all of the guidelines that base their focus on equal, fast and sustainable development, as Şekerbank, we continue to grow by contributing to the country's sustainable development, the environment, our people and our prosperity.



Country Goals on the Journey of Sustainable Development

Agricultural

While the demand for water rises every year, water resources are decreasing as a result of climate change which significantly affects sustainability in agriculture. By conducting efforts to increase irrigation efficiency with policies that support agricultural production and security of supply it is aimed that vegetable and animal products will be transformed into sufficient and reliable nourishment.

Economic Growth

The goal is to increase the level of income in rural areas, support small to medium scale businesses to ensure integration of agricultural production and agriculture based industry*, to help SMEs become brands and institutionalize, to support the development of new business models and help enabling easier access to international export markets**.

Energy Efficiency

The goal is to increase the share of renewable energy in the supply of electrical energy, search for new sources and increase the impact of the energy efficiency sector.***

Employment

The goal is to support sustainable projects that increase the employment of women and young people in rural areas.*
The objective is to increase the participation of women in the workforce to 41% by 2023.****

(*) Ministry of Food, Agriculture and Livestock Strategic Plan (2013-2017)

(**) Medium Term Program (2018-2020)

(***) Ministry of Energy and Natural Resources Strategic Plan (2015-2019)

(****) National Employment Strategy Action Plans (2017-2019)

Our Contribution to the Country Goals

Agricultural Productivity

We have been supporting the agricultural sector since our establishment 64 years ago.

Agricultural loans represent 11% of the total loans portfolio.

We provide services to 350 thousand customers who are farmers throughout Turkey.

We reached 50 thousand farming families in the scope of “Family Farming Banking” and provided 1.7 billion TL in new financing.

Economic Growth

We achieved the highest growth rate of 24% in SME loans, which is where our strategic focus is on.

We extended 62% of the resources provided through the Credit Guarantee Fund (KGF) to SMEs in Anatolia.

We extended 81% of our agricultural loans within the scope of “Family Farming Banking” to “sustainable agriculture”.

We allocated 39% of the resources we acquired from foreign financing institutions to SMEs.

Energy Efficiency

We provided savings of 14 million m³ in natural gas and prevented 400 thousand tons of CO₂e emissions through the energy efficiency investments of our customers financed with EKO kredi.

We saved 1,700 tons of CO₂e in Scope 1+2 greenhouse gas with operational efficiency.

We saved 2,626 m³ in water through renovations of our branches.

Employment

By hiring 645 employees in 2017, 45% of which were new college graduates, we contributed to helping young people participate in the work force.

By providing 65,663 man/hours of training in 2017, we contributed to the self-improvement of our employees.

We provided over 204 million TL in financing to around 4,000 women entrepreneurs in 2017.

45% of our new employees were hired amongst women candidates throughout Turkey, including in branches in rural areas.

Based on the results of our 2017 operations.



“By maintaining the tradition of responsible banking we have undertaken from our foundation we continue to finance Turkey’s inclusive growth and contribute to our country’s development goals.”

Our Focal Points on the Axis of Sustainable Development Goals

GRI 102-47

While evaluating the performance of our bank in sustainable development within the framework of our responsible banking tradition that stems from our foundation, we assess our activities under; subjects, customer

groups and the social/ environmental impact they create. In 2015, we paired up the Sustainable Development Goals and our sustainability strategy, since they have a common ground and aligned our strategy under four Sustainable Development Goals. We pursue to shape our responsible banking

approach by integrating our strategy built under the **Sustainable Agriculture, Energy Efficiency, Inclusive Growth and People-Oriented Banking** focus areas into our work processes in line with both global goals and our country's development goals.

By addressing our performance under these headings within the framework of SDGs and our contribution to our country's development we solidify the role that our bank has undertaken within our country's sustainable development journey.

While Determining Our Focal Points: The Sustainability Survey

GRI 102-42,
GRI 102-44

We have conducted both national and international sector analysis to correctly observe the fields in which our added value

could be distinguished the most as a part of the finance sector when determining our focus areas that we are effective in. While conducting these analyses we as much as possible tried to examine companies that have similar characteristics with our bank's mission, vision and future goals. In addition to our sector analysis, we benefited from the guidance of international establishments that have expertise in sustainability.

After determining our focus areas, we aimed to assess the priority of these areas and related subheadings for our bank. In this scope, we conducted interviews with different departments and managers from various levels to hear from our internal stakeholders and organized a workshop with participation of the Board of Directors to receive the opinions of our senior management on our focus areas. We also conducted a

"Sustainability Survey" in our bank with a participation rate of 83% to obtain the detailed views of our internal stakeholders.

As a result of all of our efforts and under the guidance of the SDGs we were able to determine the 4 focus areas most compatible with our bank and were able to establish our areas of priority within the framework of these topics.



Sustainable Agriculture

Agriculture, in which technological applications are used to provide the needs of family owned farms and future generations by supporting agricultural production and rural development that natural resources and human health are protected.



Energy Efficiency

To make sustainable and modern energy accessible to everyone and reduce the amount of energy consumed per unit of service or amount of product without compromising the quality of the production or service.



Inclusive Growth

Provide access to broad based financing from urban to rural and general economic growth in which the entire community benefits from and where the economic rights of the people in a community are protected equally.



People-Oriented Banking

In addition to providing customers with services that meet their needs and creating value for them by ensuring a broad based economic welfare environment; creating a fair working environment in which employees are treated equally and have the same opportunities.

Our Perception of Sustainable Development Goals (SDGs) and Our Contribution to the Goals

The “United Nations Sustainable Development Goals” accepted in 2015 is a guideline for companies, governments and nongovernmental organizations. The finance sector plays a critical role in these goals which are regarded as a roadmap to a more prosperous, inclusive, sustainable and flexible world. Financial institutions are developing new methods and ways for compliance with these goals that include many topics from clean energy to befitting employment, from gender equality to partnerships to fulfilling the goals.

As Şekerbank we shape our strategy in line with the United Nations “Sustainable Development Goals”; and we are carrying out our business plans that we have aligned with global goals as well as our country’s goals and our tradition of responsible banking we have been practicing for 64 years and will continue into the future. Thus we plan to serve both national and international development goals.

We prioritize the number of people we reach rather than volumes with our people and community oriented banking approach and we serve as companions to our merchants, micro businesses and SMEs on their journey.

We have been supporting family-owned farms and sustainable farming for generations to make sure that rural living and agricultural production continues.

With awareness that culture and environment are inseparable parts of collective development, we take a leading role in financing energy efficiency and work to keep local culture alive.

By supporting women’s entrepreneurship in rural areas, we are helping our women farmers become business owners and making it easier for the producing women of Anatolia to access financial resources.

We encourage our loan customers to invest in energy efficiency by measuring the environmental and social impact of the projects we finance.

To go beyond financing loans, we create social platforms including the real sector, the public and NGOs to create value for our customers.

As Turkey’s first bank to achieve a corporate governance score, we are maintaining our leadership role also in this field. In a nutshell, we place sustainable development at the center of our operations

with the responsible banking culture that comes from our roots.

Within this context, by taking as our reference the SDGs that best correspond to the 4 focus areas we base our sustainability strategy on and that we feel will be the best guide to our desire to create a measurable difference in a sustainable future, we are carrying our “Community Banking” mission inherited from our founders into the future.

Sustainable Agriculture



Energy Efficiency



Inclusive Growth



People Oriented Banking





Sustainable Agriculture

Impacted SDGs and Targets



2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality



5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Current Status in Turkey

According to Turkish Statistics Institute (TÜİK) data as of 2017, the total agricultural planted area in Turkey is 23 million 384 thousand hectares and the **total farming area** is specified as **38 million, 2 thousand hectares** together including pastures and meadows.

According to this data, it has been calculated that **farming land has decreased by about 4%** in the last 10 years. According to the World Bank's data, there are 87 countries in the world that are smaller than the amount of farming land that Turkey has lost.

In Turkey, where 49.8% of the population is women, **the rate of employed women reached to 30% in 2017**. The second highest share of this ratio at **28.3%** is composed of women employed **in the agricultural sector**.

Relevant National Plans and Strategies

- 10th Development Plan
 - Medium Term Program (2018-2020)
 - Annual Programs (2016-2017)
 - Ministry of Food, Agriculture and Livestock Strategic Plan (2013-2017)
 - Rural Development Action Plan (2015-2018)
 - National Employment Strategy Action Plan (2017-2019)
-



64 Years of Experience in Financing Sustainable Agriculture

Rural Development is defined as reinforcing rural economy and employment, improving human resources and decreasing poverty to improve the working and living conditions of the rural community where they are located¹. Although non agricultural economic activities are aimed to be developed in addition to agricultural activities in our country's rural areas, the importance of agriculture and having a competitive edge in agriculture is always emphasized.

Şekerbank was founded to support economic development based on agricultural production and rural development. We embrace the economic growth shaped on the dynamics of production in line with our bank's "Community Banking" mission as



our main goal and we create partnerships by providing products and services that support rural development, reinforce the role of women entrepreneurs in agriculture and encourage

sustainable agriculture. While providing the financing needs of our customers for efficiency in agricultural production we also provide support for the plans and strategies our country has made in this context and within the Sustainable Development Goals 2, 5 and 17.

Rural Consistency: "Family Farming Banking"

As a bank that has been serving farming families all over Turkey for three generations, we are aware of the importance of farming families for sustainable agriculture.

In this context, and with 2014 being announced as "International Family Farming Year" by the United Nations (UN) in line with the World Food and Agriculture Organization's (FAO) recommendations, we started a project that was the first of its kind in the world in November 2014 called "Family Farming Banking" with which we aimed to prevent farmers abandoning their land for economic reasons, migration from rural areas to the city and the loss of land being divided due to inheritance.



¹The 10th Development Plan (2014-2018), 1.3.44 Rural Development, p. 156, paragraph 1017.

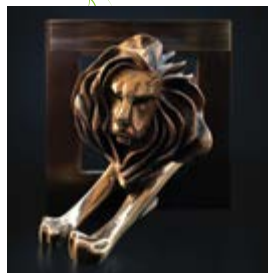


Family Farming Banking

We bring hope to the future by creating projects that are a first of their kind in Turkey to ensure sustainable production continues and to preventing farmers leaving their land and villages to move to the city. Through “Family Farming Banking”, with which we have provided **5.6 billion TL** in financing to **over 87 thousand** farming families in three years, we support agricultural and rural development and continue to carry out our mission that comes from our roots of financing production.

The awareness that comes with “Family Farming Banking”

We have created significant awareness on the importance of resilience in sustainable production among both our target audience in cities and farmers with the creative communication efforts we prepare for “Family Farming



Banking”, in line with the importance we place on the small producers who are the backbone of rural development. We won a total of 25 national and international awards for advertisements prepared in the scope of

this project. Our bank won the “Best Customer Focus” and “Best New Product/Service” at the Best Business Awards organized by Awards Intelligence with its “Family Farming Banking” project in addition to being awarded in the category of “Financial Services and Investment Relations” of the 15th “Golden Compass Turkey Public Relations Award Competition” organized by the Turkish Public Relations Association (TÜHİD).

Products for Financing Sustainable Agriculture

We offer the Field Expansion Loan under the “Family Farming Banking” project to our farmers in the scope of our efforts to keep family farming alive by expanding farming lands and gaining back the lands that are idle due to inheritance or migration for farming. Thus we are contributing to one of Turkey’s policies mentioned in the 10th Development Plan, which is “achieving integration in farming operations of land parcels dispersed in many pieces and preventing the partitioning of lands²” and in the meantime directly serving the third sub target of UN’s SDG-2 goal of “providing access to land that is the basic need of families doing farming and increasing their income”. This action solidifies our determination to contribute to the goals by the solutions we provide to fulfill the needs of our stakeholders.

²The 10th Development Plan (2014-2018), “Innovative Production, Consistent Growth”, Agriculture and Food, p.114.

As Şekerbank we believe that in order to ensure that farmers continue to work their lands, agricultural machinery need to be modernized and therefore we offer our farmers “Agricultural Equipment Loans” under Family Farming Banking. While helping to modernize the farmers’ way of working, we also help them to increase their productivity. Thus we are contributing to the goal of high added value production³ by increasing the technology based capacity in production especially in

the agricultural sector as mentioned in the 2018-2020 Medium Term Program.

Energy Efficient Agriculture

We believe that achieving energy efficiency in agriculture will have a great impact on our country’s efficiency in total production and reducing the impacts of climate change. Therefore, we aim to support our farmers to produce more efficiently by reduction of their energy consumption



Şekerbank 

aile
ÇİFTÇİLİĞİ

Çiftçilerimiz emek ve enerji tasarrufu sağlasın diye...

60 aya varan vade,
hasat zamanı ödeme imkânı ile
“Tarımsal EKO kredi”
Şekerbank’tan!

through Agricultural EKO kredi, offered under our EKO kredi product which finances energy efficiency. Thanks to the “Modern Irrigation Equipment Loan” we developed in this scope, we enable our farmer stakeholders to use less water in a more efficient way and therefore decrease their cost of production due to the savings on labor and energy for a better yield. Thus we support the popularization of modern irrigation systems that has been determined as one of the policies in the 10th

Development Plan and the 2018-2020 Medium Term Program.

³ 2018-2020 Medium Term Development Plan, III. High Added Value Production, p.50

Local Banking Competence

While continuing to provide financial support to our farmers with our products, we also present solutions to increase agricultural efficiency and provide information about our products that deliver solutions to sustainable farming through the visits we made to farmers at the field or at village coffeehouses by our over 250 agricultural banking

customer representatives, most of whom are also agricultural engineers, experts in local banking and very familiar with their areas of origin. We visited over 700 villages and supported farmers on achieving more efficient farming in 2017. With this service, not only are we raising awareness on sustainable farming in Anatolia, we are also contributing to the goal of providing guidance to farmers in terms of information

that is specified under the heading of “Raising the standard of living and achieving rural development” in goal 14 of the Strategic Plan⁴ prepared for 2013-2017 by the Ministry of Food, Agriculture and Livestock. Thus, we are also supporting the country goals in this area just as we are doing with all of our other services on sustainable farming.



⁴ Ministry of Food, Agriculture and Livestock, 2013-2017 Strategic Plan, Strategic Goal 14: Raising the standard of living and achieving rural development, p.67.



Energy Efficiency

Impacted SDGs and Targets



7.2. By 2030, increase substantially the share of renewable energy in the global energy distribution

7.3. By 2030, double the global rate of improvement in energy efficiency



17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Current Status in Turkey

In 2017 37% of our **electricity production** was obtained from natural gas, 33% from coal, 20% from hydraulic energy, 6% from wind energy, 2% from geothermal energy and 2% from other sources.

At the same time our country's **natural gas import has increased over 10% compared to the previous year.**

The aim is **to reduce** Turkey's **energy intensity** by at least **20%** compared to 2011 by 2023 through energy efficiency efforts.

Relevant National Plans and Strategies

- 10th Development Plan
 - Medium Term Program (2018-2020)
 - Annual Programs (2016 -2017)
 - Ministry of Food, Agriculture and Livestock Strategic Plan (2013 -2017)
 - Ministry of Energy and Natural Resources Strategic Plan (2015-2019)
 - Renewable Energy Action Plan (2014-2019)
 - Turkey's Climate Change Strategy (2010-2023)
-



We are Financing Turkey's Energy Efficiency



Considering that resources are rapidly being depleted, increasing energy efficiency to secure energy is one of the most important issues that Turkey needs to address. In the meantime, the fact that Turkey's demand for energy is increasing and only 26% of the existing demand is being fulfilled by local sources⁵ has made energy efficiency efforts essential. Therefore we see that the importance of energy efficiency and renewable energy is being underlined in all of our country's development plans, strategies and short term energy focused plans.

We as Şekerbank are supporting the efforts of our country in this scope with steps to raise awareness in the community on energy

efficiency and climate change with the products and services we have developed in Turkey as a first and by participating in the planning process of the country's strategic documents and plans.

Not only have we signed the UN Global Compact's Business Leadership Criteria on Carbon Pricing and the United Nations Environmental Program Finance Initiative (UNEP FI) but we are also attaining effective results with the projects we have brought to life in line with our mission and goals.

We participated in the preparation process for the National Energy Efficiency Plan published in 2017, in which the points of action were determined to achieve energy efficiency in the Building and Services, Industry and Technology, Energy, Transportation and Agriculture sectors and other parallel subjects for 2017-2023, by providing ideas to encourage energy efficiency and recommending that certain indirect taxes not be collected from loans extended in the scope of energy efficiency. We were also invited to the workshops where issues like preserving the environment and natural resources and energy efficiency in the scope of the 11th

Development Plan were discussed.

EKO kredi for Energy Efficiency Investments

With EKO kredi, which we developed in 2009 within the scope of financing energy efficiency, we not only aim to support all investments in energy savings, but also to create public awareness on the importance of energy efficiency and thus protect the environment and our common future. In this context, we support all kinds of projects which increase energy efficiency such as insulation, solar and wind energy systems, waste treatment and management, natural gas conversion, A class electrical devices, efficient heating and cooling

systems, efficient lighting systems and modern irrigation equipment. We are proud to be the first bank in Turkey to develop a project in this field and to represent our country at the Rio+20 United Nations Sustainable Development Summit as an example of



one of the best practices. We have won many national and international awards with EKO kredi, which we developed to support the sustainability of natural resources. In 2017, with our "EKO kredi" project we won the "Best New Product/Service" award at the Best Business Awards, one of England's most prestigious awards.



⁵ http://www.mfa.gov.tr/turkiye_nin-enerji-stratejisi.tr.mfa

Impacts of EKO kredi

To date we have introduced over 100 thousand people, among whom many are merchants and farmers, to energy efficiency with EKO kredi. With investments made to support the energy efficiency of 92,426 individual customers and 8,134 SME customers in the scope of EKO kredi, not only did we prevent the waste of 28.6 billion kilowatts/hour of energy but we also prevented a total of 6.1 million tons of CO₂ emissions. Also with

EKO kredi, we ensured the insulation of over 145 thousand homes thus preventing the waste of 135 million cubic meters of natural gas.

In the meantime, we are introducing SMEs to energy efficiency with EKO kredi to give our support to an important field in the sustainable development journey of our country. As specified in the SME Strategy and Action Plan, one of our goals has been “Increasing the ability of SMEs to comply with national and international legislation for sustainable development and growth”⁶.

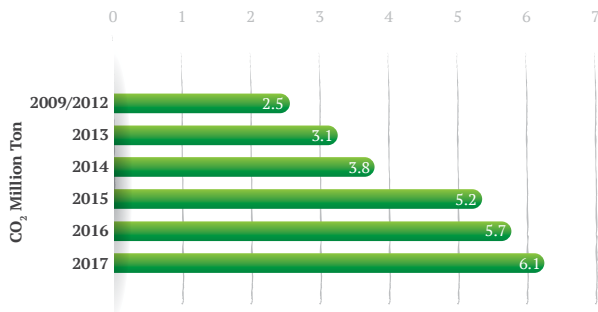
One of the actions and projects that is planned to be implemented in this scope is to raise awareness on energy efficiency among SMEs to stimulate its practice.

International Resources and Cooperation

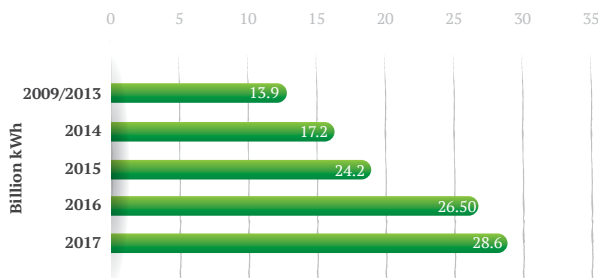
We believe that establishing cooperation with international organizations as well as the real sector concerning energy efficiency will increase our impact and awareness in energy efficiency.

We enable our customers to access international resources to meet their demands and needs through the productive

partnerships we have built with international development banks and funds. As a bank that has extended about 20% of the foreign resources it has acquired specified on its financial statements to finance energy efficiency and renewable energy investments through its international recognition in financing sustainable development, we cooperate with the European Bank for Reconstruction and Development (EBRD). Within the framework of this cooperation we became the first bank to participate in the Turkish Residential Energy Efficiency Financing Facility (TuREEFF) and continue to support this program. Within the scope of this program, we provide loans to demolish



The Carbon Emissions Prevented with EKO kredi



The Energy Savings Achieved with EKO kredi

⁶ Cumulative results from 2009 to the present

⁶ 2015-2018 SME Strategy and Action Plan, KSEP, p. 6.





residential buildings under risk and rebuild them according to the requirements of energy efficiency guidelines. We are serving our global goal by reducing carbon emissions, minimizing energy loss and partnering in the development of green and energy efficient commercial and residential buildings through our projects developed under the guidance of construction companies and sector consultants we have established partnerships with during this process.

We continue to cooperate with leading companies in the sector in the scope of EKOkredi. In 2016 and 2017, we cooperated with the Polisan, DYO and Marshall brands to continue raising awareness on this subject.



The best environmentally friendly syndication award

With “Turkey’s first 5 year syndication loan” we acquired for the financing of energy efficiency, we won the “Best Environmentally Friendly Syndication Loan” award in 2016 from EMEA Finance, one of the world’s leading finance journals. We were deemed worthy of this award for the direct financing we provide to energy efficiency projects for SMEs and our effective contribution to protect the environment. Our bank acquired the loan in 4 different increments comprised of TL, Euro and Dollars in different terms of up to 5 years under the leadership of the Dutch Development Bank (FMO) and the Korean Development Bank (KDB) with the participation of leading Asian and European institutions; and used this loan, which has the feature of being Turkey’s first 5 year syndication loan, for the financing of SMEs, foreign trade and energy efficiency investments.

Environmental and Social Impact Management in Loan Process

We place particular importance on measuring the social and environmental impacts of the loans we provide and we are continuously developing our Social and Environmental Management System (SEMS) which we have been practicing upon the knowledge of one of our bank’s shareholder and a World Bank Group establishment, the International Finance Cooperation (IFC) since 2009, as an integrated part of our business processes. With our experience of

being one of the first banks in Turkey to implement SEMS we review the social and environmental impact and possible risks of the projects related to the financial support we provide to tradesmen, commercial and corporate customers, except for individual customers, based on our Social and Environmental Management System. We conduct the SEMS in coordination with our customers and significantly contribute to the enhancement of their activities by raising awareness and providing feedback on the improvement of negative issues and to ensure sustainability of the positive measures; and by following up on the actions that need to be taken.



The Declaration of Sustainable Finance

In line with the leadership role we have undertaken in sustainable development, we signed the Declaration on Sustainable Finance – a statement of commitment to consider environmental and social impacts in project finance – together with six leading banks in Turkey.

How Do We Manage Our Environmental Impact?

Carbon and Water Footprint

In addition to financing energy efficiency to support efforts to raise awareness on this issue, since 2010, we have been working regularly to reduce our own carbon footprints in the scope of the CDP Climate Change Program and by reporting the carbon emission we measure to international investors we fulfill our responsibility in line with our responsible banking approach. We are constantly improving our energy management system to ensure the accuracy and reliability of our carbon footprint, infrastructure of data collection systems and our data by working together with expert consultants. We determine our strategies according to the results and continue awareness activities among our employees.

In line with the improvement we have made, we have set a target of reducing our emissions by 5% by the year 2020 based on our 2016 results. In this context, since we completed our move to

our new headquarters building to a great extent in 2016, by the end of 2017, we had already achieved a 10% reduction of Scope 1 and Scope 2 emissions. In order to keep this achievement ongoing to reinforce the continuity of our emission database infrastructure improvements and keep energy efficiency projects running, we follow the studies conducted by CDP on the “Science Based Target” methodology in order to develop more comprehensive goals in 2020.

We received the “CDP 2016 Turkey Water Leadership” award for the work we have done on responsible water use. Our score in the “CDP Water Program”, which we participated in voluntarily, reached the level of Leader (A-) based due to the improvements we made in the buildings we operate in and our efforts on efficient water use in agriculture.

The activities we have conducted to mitigate our environmental impact

- By being amongst the companies who have signed the Energy Efficiency in Buildings (BEV) by the World Business Council for Sustainable Development (WBCSD) and Business Council for Sustainable Development in Turkey (BCSD Turkey), we assumed a leading role and committed especially to reducing the carbon emissions in corporate buildings and fulfilling the general responsibilities of sustainability. We review our efforts on this subject every year and share our best practices with our stakeholders.
- To ensure the effective and efficient use of energy and energy sources in the buildings we own, we secured an Energy Identification Certificate that classifies the energy consumption levels.
- We became a supporter of the “Atıklar Ağaç Olsun” campaign conducted by the Electric and Electronic Recycling and Waste Management Association (ELDAY) where we recycled all of the electronic waste generated in our bank and contributed to the planting of 5 thousand saplings, 3 thousand of which belonged to the bank, in the reforestation area in 2017 by using the e-waste system.
- With the special lighting system installed in our Main Headquarters building we have been automatically switching off the lights during lunch breaks since 2016. We save 117 kWh of energy on a daily basis in this scope.
- In 2017, we reorganized the service bus routes and achieved a fuel savings of 21% per km.
- Being aware of the risks related to water, we organized training for our employees to decrease water consumption. In 2017, we trained over 2000 employees through e-training on CDP Climate Change and Water Programs.
- In the scope of renewal efforts at our branches, in 2017, we reduced 2,626 m³ of our water consumption by installing smart faucets and toilet tank systems.



People-Oriented Banking

Impacted SDGs and Targets	Current Status in Turkey	Relevant National Plans and Strategies
 <p>5.1. End all forms of discrimination against all women and girls everywhere</p> <p>5.5. Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life</p>	<p>According to Turkish Statistics Institute (TÜİK) data, the female employment rate in Turkey reached to 30% by 2017. The highest share of this figure constitutes women with high school level and lower education, at 52%.</p>	<ul style="list-style-type: none"> • 10th Development Plan • Medium Term Programs (2018-2020) • Annual Programs (2016 -2017)
 <p>8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>	<p>The low profile of female participation in the work force compared to high-income economies, and the high level of informal employment in the agricultural industry, where female employment highly occurs, indicates that the structural problems of the work force market is expanding by supporting each other.⁷</p>	<ul style="list-style-type: none"> • Female Employment Action Plan (2016-2018) • National Employment Strategy (2014-2023) • National Employment Strategy Action Plans (2017-2019)
 <p>17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<p>According to the World Bank’s Entrepreneurship Survey, while the rate of companies where female directors constitute the majority is 0.3%, in Turkey, only 5.4% of companies have female senior executives, and only 21.9% of full-time employees are women.⁸</p>	

⁷ National Employment Strategy 2017-2019 Action Plans (2014-2023), p. 11, paragraph 29.

⁸ Doğruluk Payı, 2018’de Female Statistics, <https://www.dogrulukpayi.com/bulten/2018-de-kadin-istatistikleri>.



Diversity, Equality and Inclusion

In order for Turkey to achieve its goal of being among the top 10 economies of the world, which is one of Turkey's 2023 targets, it is essential to increase the existing rate of 33.6% female participation in the work force to a much higher level. As also set forth in the latest Development Plan and Medium Term Program, Turkey's goal is to use the labor market more effectively, and within this context, to increase the employment of those groups requiring special policies, especially women.



In the 10th Development Plan⁹ in particular, the goal is to increase the female work force participation rate to 35% in 2018, which was 29.5% in 2012, and it was announced that opportunities for qualified employment would continue to be developed.

Within this context, we continue to support women entrepreneurs through our range of products and services within the scope of gender equality and women's participation in the work force, one of the most important principles we advocate as Şekerbank.

We Ensure Women's Access to Financial Resources

In line with our individual and community-oriented banking approach, we reach out to women artisans and farmers who have not yet been introduced to banking services or have limited access to financial resources, thanks to our well-established network of branches, 70 per cent of which are outside the three major cities, and most of which have been operating at the same location for almost half a century. We provide service to about 30 thousand clients who are female business owners and artisans. We offer products and services to approximately 8 thousand female clients who are the holders of Üreten Kart (the Producer Card), which is a merging of credit card and debit card and is a first in Turkey and Europe.

We also introduce certain practices in Turkey, such as enabling women to manage their own budgets for the first time. We have developed Bütçem Benim Bonus Kart (My Budget Bonus Card) for our female clients who are careful with their budgets so that they can set their monthly spending limits,



and save money by investing. Through Bütçem Benim Bonus Kart (My Budget Bonus Card), women can keep their expenditures under control, knowing that the amounts they spent before receiving their bank statements thanks to monthly payment limits they have predefined based on their budgets. We offer women the opportunity to regularly save each month, with a gold purchase order of 50 TL and

üreten kadın
- büyüyen anadolu -



above, which they can issue through their Bütçem Benim Bonus Cards.

Support for Women Entrepreneurship in Agriculture

We acknowledge that strengthening the role of women in the agricultural sector, where female employment is very high in Turkey, is of great importance in terms of both rural development, and agricultural efficiency. Accordingly, within the scope of the "Program for Strengthening Women's Entrepreneurship in Agriculture", initiated by the Ministry of Food, Agriculture and Livestock, and supported by our bank for the last three years, we provided a total support of 155 thousand TL for 44 projects in 2017. Through the program, we are both extending access to finance by supporting female farmers, and also contributing in solid terms to Gender Equality, the 5th SDG of the United Nations.

⁹ 10. Development Plan (2014-2018), 1.1.11. Employment and Work Life, p. 51., paragraph 316

Equal Employment Opportunities for Women

We are also in compliance with the high rate of female employees in the banking sector considering the percentage of female managers at our bank. 49% of our employees are females, and the ratio of female employees who are directors or have more senior titles is 44%. Taking into account the absence of female executives at our Board of Directors, we adopted a goal to rectify the situation by appointing a female to the Board of Directors at the member elections and increasing this number in the future. We therefore appointed a Corporate Governance Committee in 2017 to ensure equal opportunities by establishing a database of female candidates to be elected to the Board of Directors.

Endorsement of Global Initiatives

In 2016, we signed the Principles of the United Nations Global Compact, and the WEPs (Women's Empowerment Principles) created in partnership with the United Nations Gender Equality and

Women's Empowerment Unit, in order to further nourish our efforts and to introduce new aspects towards gender equality at our bank. We are one of the few banks in Turkey that has signed the WEPs, which is one of the most important global initiatives of the private sector aimed at strengthening women's positions so that they can take part in all sectors, and at all levels of the economy. Having signed the initiative with our General Manager's support, we have joined the list of leaders in the business world that are pioneering efforts on Women's Empowerment.

Barrier-Free Banking

In line with our responsible banking approach, we implemented a "Barrier-Free Banking" project in order to enable our clients with special needs to access our products and services more easily. Within the scope of the project, we offer both our existing clients with special needs, and clients who wish to work with us, priority and free use of several services



provided by our bank. For the implementation of the service, we first provide e-training on sign language for our employees so that they can provide direct services to our clients with special needs, and we also make arrangements at our branches and ATMs to allow our clients with special needs to receive services without effort.

Our Employees, Our Most Important Assets

principles of equality and diversity where they can improve themselves in every area. We ensure that our employees will not be discriminated against based on their ages, nationalities, religions, or disability during the course of their employment at Şekerbank, and we guarantee the rights of our employees through our human resources policies. Moreover, we believe that our employees can improve us and we receive all of our employees' opinions about our bank through our satisfaction surveys, and through open communication channels.



In line with our people-oriented banking mission, we continue to work with the principle of creating value, for our clients and our employees. We also provide the awareness of all our employees with this principle to increase the quality of the work we do.

Accordingly, we offer the 3,591 employees at our bank a safe work environment under our

As Şekerbank, we operate with the guidance of the principle of equal opportunities, and evaluate our employees with a fair management and remuneration policy. We determine the remuneration of our employees taking into account criteria such as internal balance within the bank, market conditions, strategic targets, individual performance, responsibilities undertaken, and the principles set

forth within the Human Resources Policy and Bonus Regulations of our bank. We carefully evaluate the goal management and sales performance measurements of business units and branches through our Şeker Kazan System (ScoreCard). In addition, we adopt a fair and transparent approach for all our employees by using a “Competency Based Performance Evaluation System” and “Performance Measurement Performance System”.

In addition to giving the utmost importance to our existing employees, we also care about our future employees.

We therefore act in accordance with the principle of gender equality and equal opportunities during our recruitment processes, and offer creative platforms whereby new university graduates can demonstrate their potential both through the career day activities, and the special projects we have designed for young graduates of agricultural engineering faculties.

Training Courses Offering Equal Opportunities

Within the scope of our training programs established with the principle of “right training for the right person at the right time”, we offer opportunities for our bank employees to improve themselves, and we aim to enhance their performance. Through the program, we offer training courses via the Career School, which is designed specifically for the business units of our employees, which will contribute to their technical knowledge on banking, as well as their personal development.

The Career School also plays an important role in the operations of the Bank. Both the experienced employees and new recruits as well as the employees who have been transferred to another position within the Bank participate in the programs of the Career School. Holding a Career School certificate is also one of the main criteria for employee promotions.

In addition to the Career

	2016	2017
Number of Programs Offered at the Career School	402	627
Number of Attendees at the Şeker Academy	17,393	34,226
Number of Employees Attended Courses	7,041	8,378
Training Hours for Employees	56,637	65,663

School, we enable our employees to enhance their potential through additional training courses such as elective training, distance learning, training courses outside of the bank, and on the job transfer of experience.

In accordance with the prevailing conditions of the developing and changing world, we embrace digitalization not only in client related processes, but also in faster and more accessible training courses we offer to our employees. Within the scope of Şeker Academy, which has been in operation since 2005, we provide e-training and video training courses for our employees. Through Şeker Academy, our employees can access many training courses at the same time, electronically through their offices, homes or even mobile devices, on a 24/7 basis, without the need to travel and be away from work.

Occupational Health and Safety

Providing our employees with a safe and healthy work environment is one of the most important priorities of our bank. Within this scope, issues related to Occupational Health and Safety (OHS) are carried out in accordance with the Occupational Health and Safety instruction offered at our bank, we

define the responsibilities among occupational safety specialists, workplace physicians and departments in line with the OHS instruction. Within the scope of the instruction and the Occupational Health and Safety Law No. 6331, the Head of the Logistics Group is appointed with the highest responsibility for occupational health and safety activities, and the responsibilities regarding the OHS are managed by the Logistics Department.

We raise our employees’ awareness by providing occupational health and safety trainings at all branches, regional directorates and headquarters, which has been obligatory since 2014. In 2017, 2320 hours of OHS training was given to 290 employees.

Employees’ Rights GRI 102-41

We offer many financial and social benefits for our employees in order to provide them with better working conditions. We respect the collective bargaining and union rights of all of our employees, and support the relevant communication efforts within the bank. In this context, 37% of our employees are covered by union and collective bargaining agreements as of 2017.

Through our flexible maternity leave practices, in order to ensure the continuity of our employees and particularly the regular attendance of female employees, we support them in establishing a balance of family and work life. Accordingly, 91% of female employees who took maternity leave in 2016 continued working with the Bank, while 96% of the female employees who took maternity leave in 2017 continued working with the Bank.

In addition to the above, we offer private health and life insurance to our employees, along with social benefits such as compensation for moving, marriage benefits, maternity benefits, and a clothing stipend depending on their positions and when required.

Open Communication

We respect the different perspectives of our employees, and have a high opinion of their contributions to our bank. We therefore take into account all kinds of suggestions and complaints received from our employees, and also make sure that our employees can issue sound notifications. Under the guidance of the principle of “Open Communication”, one of our bank’s core values, we offer all kinds of internal communication channels to help our employees

submit their complaints and suggestions.

Through our bank’s online platform “Bir Önerim Var” (I Have a Suggestion), which is one of the internal communication channels, we have been compiling suggestions from our employees for 7 years now particularly on process and operation developing and improving. In this context, we evaluate each suggestion, and each month we choose a “Suggestion of the Month”, and reward our coworker who has submitted that proposal. Accordingly, we received 1,145 economic, 43 environmental, and 89 social suggestions in 2017, and we implemented 58 of these suggestions after evaluation.

We respect the opinions of our employees and care about their satisfaction. We therefore regularly conduct employee satisfaction surveys. Most recently, we are pleased to discover a 70% employee loyalty rate in our employee satisfaction survey conducted in 2017 with a participation rate of 85%, and we aim to increase this rate even further in the upcoming periods.

Support for Education and Social Development

Thanks to our people-

oriented banking approach, on the one hand as we stand by our SMEs, artisans, and small scale entrepreneurs and women, on the other hand, we carry out various projects to ensure the spread of high quality education particularly in rural areas, and to ensure that everyone has equal access to cultural and artistic activities.

Support for the Education of Children for 34 Years

We reach out to hundreds of thousands of children thanks to the Şeker Çocuk magazine we have developed with the purpose of supporting the education of children at village schools with limited access to opportunities in Turkey, which we have been publishing for free for 34 years now. We distribute the Şeker Çocuk magazine, aiming to support the primary education curriculum of elementary school children, to our branches throughout Turkey, to every corner of Anatolia through village schools, and also to child care institutions under the Child Protection Agency, and hospitals to reach as many children as we can. Furthermore, we have published our magazine in the Braille alphabet (the tactile writing system for the visually impaired) since 2010, and thus

ensure visually-impaired children can also enjoy our magazine as well.

Through our project “Bütün Çocuklar Mutlu Olmalı!” (All Children Should Be Happy!), which we have been conducting with the Research Support Education Foundation (ADEV) with various intervals since 2010, we collect books, school supplies, and toys that are new, or kept new, and deliver them to children in need in Anatolia.

Collaboration to Help Increase Access to the Arts

We are continuing to support, the “Dokunduğum Renk Projesi” (“The Color I Touch” Project) organized by the Istanbul Museum of Modern Art, aiming to introduce various forms of art to visually impaired children and youngsters in an interactive manner through the use of collective activities for almost 7 years now. We have been able to reach out to almost 3,000 visually impaired children, youngsters, and adults by now with the help of this project, which aims to increase access to visually impaired individuals to arts and culture, and thus enhance their quality of life, and help them to develop their creativity through art.



Inclusive Growth

Impacted SDGs and Targets

Current Situation in Turkey

Relevant National Plans and Strategies

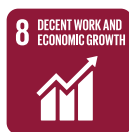


2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and

inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment



5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-

sized enterprises, including through access to financial services

8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all



17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

In the years 2016-2017 the number of **people migrating** to another region through internal migration in Turkey was **recorded as 2,256,083**.

The ratio of migrants from regions other than Istanbul is 81%¹⁰.

SMEs in Turkey constitutes 99.8% of the total number of enterprises.¹¹

In addition, in Turkey between September 2016 and September 2017 there was an increase of 101 thousand SMEs.¹²

According to data from Startup.watch, which conducted a research on the entrepreneurial ecosystem in Turkey, **the ratio of women entrepreneurs** in Turkey in 2017 was 15% and the amount of **investment received by women entrepreneurs** is \$6.6 million.

- 10th Development Plan
- Medium Term Program (2018-2020)
- Annual Programs (2016 -2017)
- National Employment Strategy (2014-2023)
- National Employment Strategy Action Plans (2017-2019)
- Ministry of Science, Industry and Technology, Turkish Industry Strategy Document (2015-2018)
- SME Strategy Document

¹⁰TÜİK, Migration to and Migration from Regions according to Statistical Regions, 2008-2017

¹¹ TÜİK, Small and Medium Sized Enterprise Statistics, 2016, <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=21540>

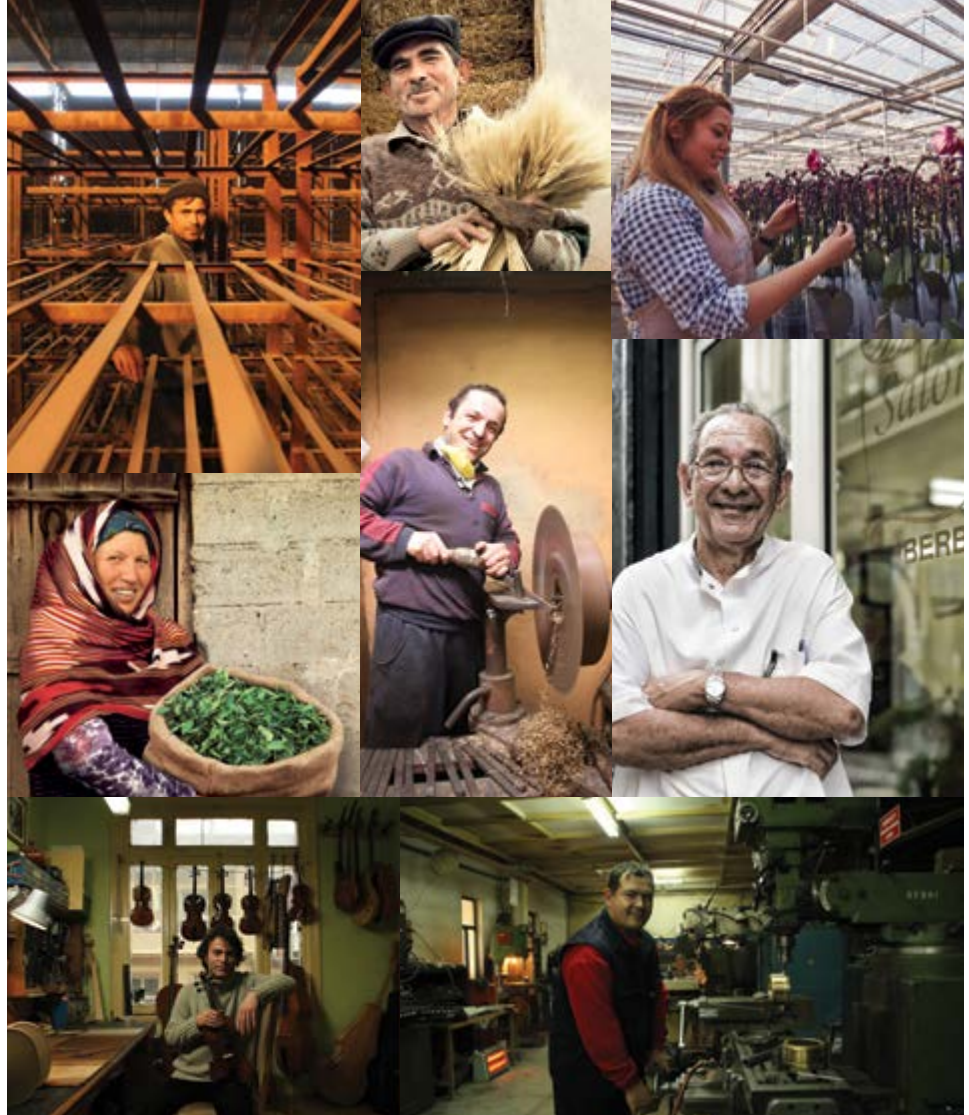
¹² TEPAV, Employment Monitoring Journal, Issue 67, p.1.



Financing of Production Oriented Growth

It is of particular importance for Şekerbank to support social development, the development of SMEs, tradesmen, and farmers whom consist of the main producers in our country. This is our priority when establishing all of our banking resolutions, products and services. We support the country goals¹⁵ and the United Nations Sustainable Development Goals aiming at diversifying the rural economy with different activities such as trade, small-scale production and the food industry, in addition to agriculture by providing local development with services and activities that we pioneer under inclusive growth, which is among our four focus themes.

As a bank that allocates 95% of its credit portfolio to the producer segment, namely to its corporate, commercial customers, farmers, tradesmen, businesses and SMEs; we define inclusive growth as a global fight against poverty, unemployment and inequality which arise when low-income



segments are not able to access financing and hence are unable to sufficiently participate in the economy.

When all segments of the society do not have equal access to basic services, resources and opportunities and when

some of the segments are deprived of such opportunities and services, this not only prevent the development of inclusive growth worldwide but also causes obstacles for the achievement of Turkey's development goals. We acknowledge that only if the increase

in financial and social welfare, which creates equal opportunities for all segments of the population, is evenly distributed then we can confirm that we have reached our goal of achieving inclusive growth.

¹⁵ 10th Development Plan (2014-2018), 1.3.44 Rural Development, p. 156, paragraph 1017.

Half of Loans Go to SMEs



SMEs, which realized 55.1% of Turkey's exportation and constituted 73.5% of employment in 2015, are very important to the country's economy¹⁴. In the SME Strategy and Action Plan, it is indicated that SMEs with high competitiveness have a significant role in achieving inclusive development goals. In addition, based on their major contribution to the creation of added value especially in the manufacturing industry, small-scale enterprises play an important role in Turkey's industrial strategy and this is emphasized in the strategy documents¹⁵ established in this framework with the aim to improve opportunities for SMEs to access finance.

In this context, as Şekerbank, we continued to finance SMEs and local investments in 2017 especially in Anatolia, which are mainly exports goods and services business, to support the economic growth to be driven by investments and production. In 2017, we achieved an increase of approximately 30% in our medium-sized enterprise loans.

In line with our Community Banking mission, we continue to support our SMEs which constitute half of our total loan portfolio in regards to their needs. We provide free foreign trade advisory services to SMEs starting exportation activities for the first time and at every stage of the documentation process, which is a first for Turkey.

We also continued to offer a variety of sector

products tailored to the needs of merchants and small businesses. We have developed the "Dükkâna Can Veren Paket" (Reviving



Retail Package), which is a package for merchants and small businesses who deal with wholesale and retail with seasonal cash flows. The package, which offers up to four months grace periods of financing according to the appropriate periods for cash flow in up to 36 months, provides special advantageous commission rates for POS products and exemption from POS rent charges during low cash flow periods.

Micro-financing for the Non-banking Sector

Thanks to our well established, extensive network of branches, 70% of which are located across the Anatolian region and most of which have served customers in the same location for half a century, we reach out to tradesmen and farmers who have never met with banking services or have limited access to financial resources.

In line with our mission of "Community Banking", we have been using Turkey's first microfinance lending model since 2006 for which the second phase began in 2015. We continue to contribute to the financing of production in rural areas by further expanding our project with the consultancy of International Projekt Consult GmbH (IPC), a



¹⁴ TÜİK, Small and Medium Sized Enterprise Statistics, 2016, <http://www.tuik.gov.tr/PreHaberBultenleri.do?id=21540>

¹⁵ Turkish Industry Strategy Document (2015-2018), Ministry of Science, Industry and Technology, p. 34.

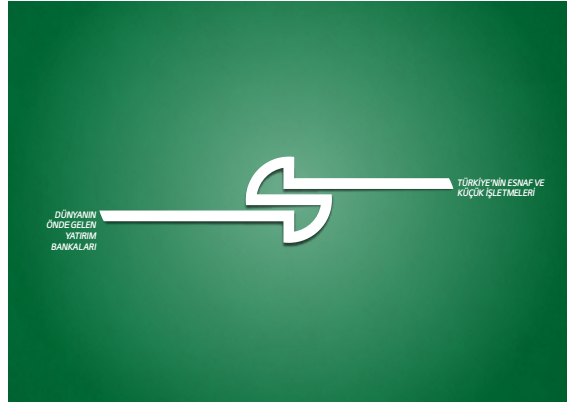
German company with global experience in this area. This method of microfinancing, which is also applied in Balkan countries and China, is a special example of sustainable development banking to ensure financial inclusion in developing economies. We also contribute to the development of financial literacy in rural areas through our face-to-face communication and lending model based on cash flow taking into consideration the total income of households, which aims to increase entrepreneurial capability and production capacity.

Since 2015, we have reached out to thousands of tradesmen and farmers in rural areas with limited access to the banking system and developed customized solutions for their needs, and we disbursed 696 microfinance loans in total, in which 25% of the beneficiaries were women.

With our strategy developed in the scope of the United Nations Sustainable Development Goals, we aim to expand the ability of women to access financing especially in rural areas under microfinancing and work to bring international digital applications to Turkey to increase financial inclusion.

International Sources for SMEs

We have been acting as a bridge between international finance institutions and Turkey's tradesmen and small businesses since we issued Asset Backed Securities (ABS) covered with SME loans in 2011 for the first time in the world.



In this context, we issued the 12th issue of our ABS program with the Dutch Investment Bank (FMO) in December 2017, and provided a new source of 192 million Turkish Liras equivalent of 50 million US Dollars to support tradesmen, enterprises, SMEs and farmers. In order to increase our support to SMEs, we provided financing to tradesmen, micro enterprises, SMEs and farmers with collateral

insufficiency and through an agreement we signed with the Credit Guarantee Fund (KGF) and also assumed payment of KGF commissions for the second year on behalf of the Bank's customers.

Within the framework of this protocol, we provided financing of up to 70 thousand Turkish Liras extended up to 36 months to SMEs, which we place highest importance on,

Program (TFP) launched in Turkey in 2014.

Support to Women in Rural Areas

As one of the most important outputs of our rural development and inclusive growth strategy, the inclusion of women in rural areas as entrepreneurs in economic life and their access to finance are among the issues we support today



under the 'Micro credit for Micro SMEs' program in 43 cities in Anatolia, in order to facilitate their access to finance and also increase their business.

Using almost 40% of our funds obtained from international finance institutions to support our SMEs, we are proud to have been awarded by the European Bank for Reconstruction and Development (EBRD) in 2017 again in the scope of Foreign Trade Support

as we did in the past. We provide financing for women entrepreneurs to realize their ideas through our special products developed for women farmers, traders and enterprises and we reach out to women in rural areas village by village and town by town in order to increase female entrepreneurship especially in rural areas and support their participation in education and the work force. In this context, we extended out more than

204 million TL in financing to nearly 4,000 women entrepreneurs last year.

Additionally, with the campaign we organized for International Women's Day on March 8th, which has become an annual tradition, we provided all of our women traders and farmers customers benefits from special discounted financing and many free services throughout the month of March.

Awareness-raising Activities



In 2016 and 2017, we continued to support the organization of events by taking an active role in the associations that we are members and volunteers of. The "4th Sustainable Financing Forum", was held with the cooperation between Business Council for Sustainable Development in Turkey (BCSD Turkey), United Nations Environmental Program Financial Initiative (UNEP FI) and Global Compact Turkey and sponsored by Şekerbank

on May 11, 2016 under the title "Inclusive Financing for Inclusive Growth", while the "5th Sustainable Financing Forum" was held on September 29, 2017, with the theme "Combating Climate Change and Finance Sector".

Contribution to Art and Culture Açıkekran

As a bank that opened the first bank art gallery in the 1980s, we have been one of the greatest supporters of art since the day we were founded. Our bank, which carries out its activities with a responsible banking approach, continues to support art under the roof of Açıkekran New Media Arts by integrating local with the global and to increase society's familiarity with art.

With our project in the field of "new media arts" that we implemented in 2011 under the "Açıkekran" theme which targets to increase the access of society to culture and art, we aim and strive to introduce art lovers to contemporary art and local talents and also familiarize society with today's art in our country. With this project, we aim to transfer art from the metropolis to localities by broadcasting



videos, simultaneously by taking compositions from each exhibition in the Açıkekran New Media Arts Gallery to certain branches in the Anatolian region. We continue to bring art to the branches by broadcasting a video work of each exhibition in sync with the Şekerbank Açıkekran New Media Arts Gallery in Teşvikiye through private monitors at our 9 branches in 8 cities, which include İstanbul, Ankara Küçükesat and Kızılay, Tekirdağ Alpullu, Ordu, İzmir, Bodrum, Mardin and Edirne.

Ottoman Cuisine

In 2017, we reintroduced the famous "Ottoman Cuisine" book, which describes the culinary and dining culture, which offers a unique reflection of the rich cultural heritage of the Ottoman Empire. The book,

which was published in 1999 and written by Tuğrul Şavkay, is a reference for Ottoman culinary culture. This unique artwork, which tells the history of Ottoman cuisine and the art of cuisine, is intended to convey the tradition of Ottoman culinary culture and dining to future generations as part of our cultural heritage.



Sustainability Management Structure

Within the framework of our sustainable development approach and sustainability strategy, we believe in the importance of a good governance structure in terms of creating long-term value for our bank and for all our stakeholders and contributing to the country's targets. Therefore, we are coordinating all of our operations through the Sustainable Development Banking Department, which works under the Executive Vice President responsible for the strategy, in order to improve our sustainability activities and integrate the sustainable development approach into all activities within our bank. The Department not only takes part in sustainability issues including reporting, but also provides information to all internal and external stakeholders about the Bank's activities regarding sustainable development and carries out the reporting and compliance process with sustainability regulations and policies, which have been established at the Board of Directors level.

With the Sustainable Development Regulation, we demonstrate that our vision in sustainable development is a common goal shared by both senior management and all employees, and we explain all of the environmental, social and general

principles that could be considered the basis of our operations to all of our stakeholders.

Within the scope of this regulation, we ensure that our employees receive training in order to increase their knowledge and awareness on sustainable development, environment and social sensitivity issues whenever required.

We consider the fight against corruption and bribery as one of our main policies within the framework of our ethical values as a part of our sustainability journey. The 'Code of Ethics in Banking' is one of the mandatory trainings assigned to our employees, and if there is a concern of non-compliance with these policies or in case of any suspicion, a control system is implemented through our pertinent Internal Systems unit. In addition, we provide an 'Employee Complaint and Notification Line', which protects employees' confidentiality, to all employees in our internal communication portal in order to ensure open and transparent communication for the notification of such matters as violation of such regulations.

As a Bank, we aim to reflect our sustainability approach to our entire value chain. While carrying out the procurement of



products and services within the framework of the existing “Regulation on Purchase-Sale and Bidding Transactions”, we prioritize local companies in the selection of suppliers to support the national economy and aim to encourage our suppliers to carry out their activities in line with the sustainability principles of our bank. Currently, the ratio of local suppliers for support services of our bank is 100%.

Responsible Corporate Management

As a Bank in Turkey to receive a corporate governance rating and as the first Bank to be included in the Borsa Istanbul Corporate Governance Index in 2008, we conduct our activities under the principles of fairness, transparency, accountability and within our corporate management approach and efficient corporate structure that we established with principles based on responsibility. The foundations of our

successful performance in the field of sustainability are based on these 4 fundamental principles and deep-rooted corporate management approach that we have composed with our 64 years of experience in the sector.

We monitor our compliance with the principles of corporate management at the Board of Directors level and work for its betterment. In this context, we regularly track our corporate management rating by requesting independent assessments on ‘Shareholders’, ‘Public Disclosure and Transparency’, ‘Stakeholders’ and ‘Board of Directors’ practices. As a result of the evaluations made by Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate), we continued our activities with the aim of protecting and improving our corporate management rating by raising our Corporate Management Principles Compliance Rating to 9.27 (92.70%) in 2017, which was 9.19 (91.90%) in 2016.

Sub Categories	Weight	2016	2017
Shareholders	0.25	91.77%	92.45%
Public Disclosure and Transparency	0.25	91.67%	92.84%
Stakeholders	0.15	95.34%	95.34%
Board of Directors	0.35	90.81%	91.69%
Total	1.00	91.90%	92.70%

Our Board of Directors, determined in accordance with our transparent and responsible corporate management approach, consists of 12 members. All of the members of the Board of Directors are responsible for the structure and activities of our bank being conducted in accordance with the legislation, articles of association, internal regulations and policies. The Board of Directors work to increase the value created for stakeholders within the framework of transparency, efficiency and compliance. Şekerbank’s Board of Directors, which takes on the effective assistance of the organizational structure with certain corporate management tools, while fulfilling its duties and responsibilities, also receives assistance from the audit, corporate governance, and loan and compensation committees.

Risk Management and Internal Control

For sustainable growth based on solid foundations in terms of continuity of activities and adaptation to both legal and market-based changes, the existence of an effective risk management process

has incrementally become important. We aim to manage these processes in the best way possible with our Internal Systems mechanism. We conduct control and inspection activities to assess, measure, analyze and monitor the risks that may arise from our strategies and activities and by using the Internal Systems mechanism, which is compatible with the structure and scope of our activities and also is responsive to changing conditions. We aim to ensure the correct and effective functioning of all of these processes and mechanisms through the Internal Audit Department, Internal Control and Compliance Department and Risk Management Department.

At the same time, to ensure risk awareness within the bank, we structure our Risk Management System, which we consider as being an integral part of the Internal Systems, including organizational, managerial and operational processes, and information systems processes. Within the scope of the Risk Management System, we identify, measure and monitor the risks that the Bank may be exposed to through all strategies, policies limits and application procedures within all decision-making and operational mechanisms.

The scope of Risk Management

Board of Directors

Senior management

Units forming the Internal Systems

Committees established
by the Board of Directors within the scope of the
Risk Management System

Committees established
by the senior management within the scope of the
Risk Management System

In this context, with the analyses by the Risk Management Department, which is responsible for the assessment, measurement, analysis and monitoring of the risks that the Bank may be exposed to through a systematic approach, we evaluate our risks under five main categories, namely, loan risk, market risk, interest rate risk arising from banking accounts, liquidity risk and operational risk. At the same time, we monitor economic and financial developments and banking regulations in international markets through the Risk Management Department; and align our risk management practices accordingly. In this regard, we ensure that corporate management is carried out effectively within the bank. As an entailment of the above mentioned structure, the Bank's risk management policies are reviewed at least once a year in cooperation with the

Bank's senior management, both within the framework of growth strategy and market conditions. The revised and updated policies are put into effect with the approval of the Board of Directors. For more detailed information on the responsibilities of the Board of Directors and committees and the activities of the units on the risk management and related policies applied for different risk types, please see our annual report.

https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0

Ethical Principles

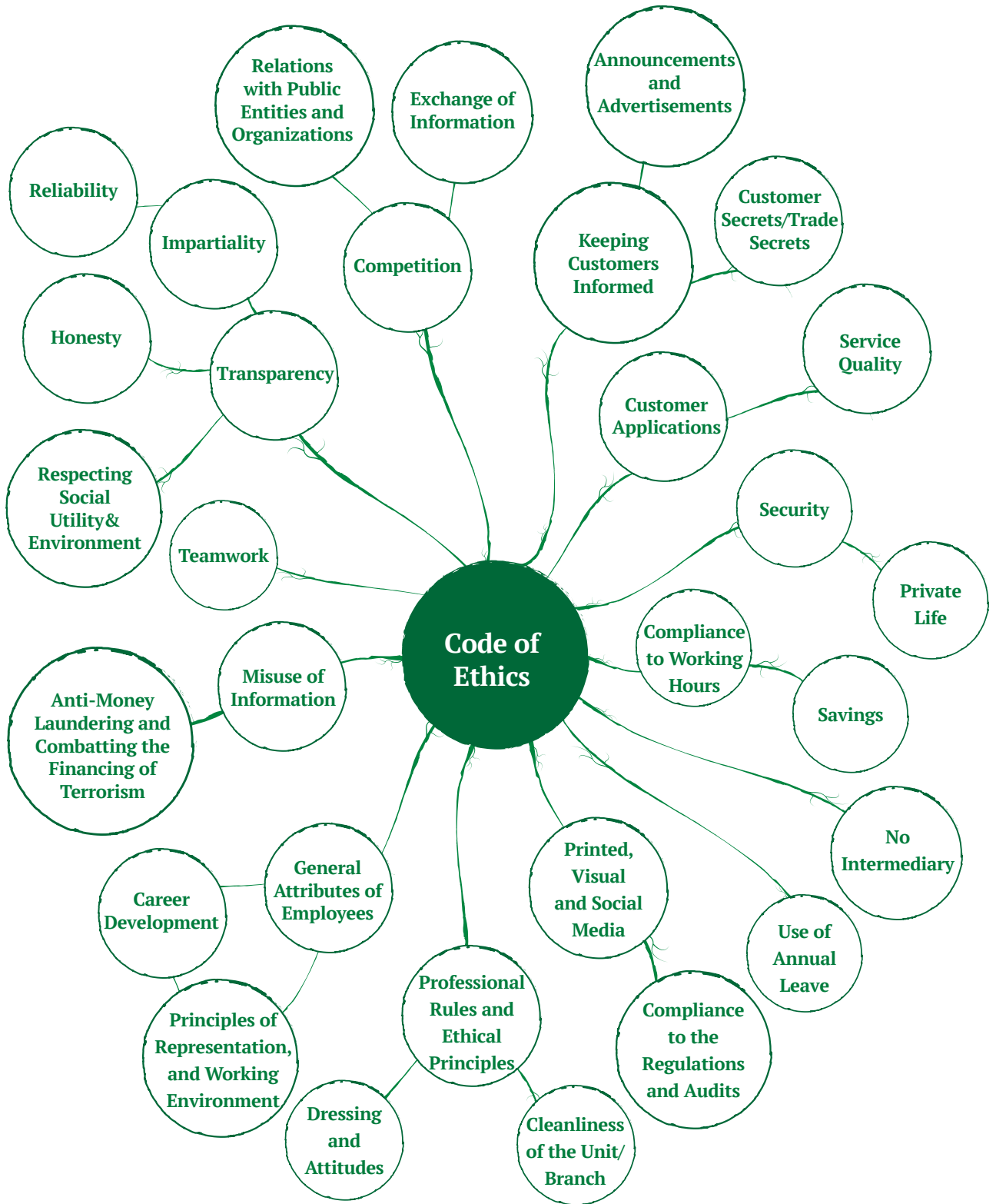
By means of the Code of Ethics of our bank, we strengthen the trust of all our stakeholders and ensure our employees

work in harmony and in an equitable way, and we increase our economic value with transparent and honest management. 30 ethical principles that try to refer to every aspect of management and operations are also accepted as business principles of the bank and compliance with these principles is one of the most important elements of our Human Resources Policy.

As Şekerbank, we care not only about our employees but also senior management's compliance with ethical principles. As a result, each newly elected Board Member signs a declaration of "Code of Ethics in Banking", which reflects the corporate sensitivity of our bank and includes the professional code of ethics of the sector. At the same time, with the Corporate Management Committee, which is one of the committees of the Board of Directors, the acceptance of the rules of professional ethics, cultural and professional behavior by the Board of Directors have been ensured.

Not only are our current ethical principles audited by different units of our bank, but also alternative communication channels have been established through which employees can communicate their suggestions and complaints

within the scope of open communication which is one of our most important principles.



Stakeholder Engagement

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44

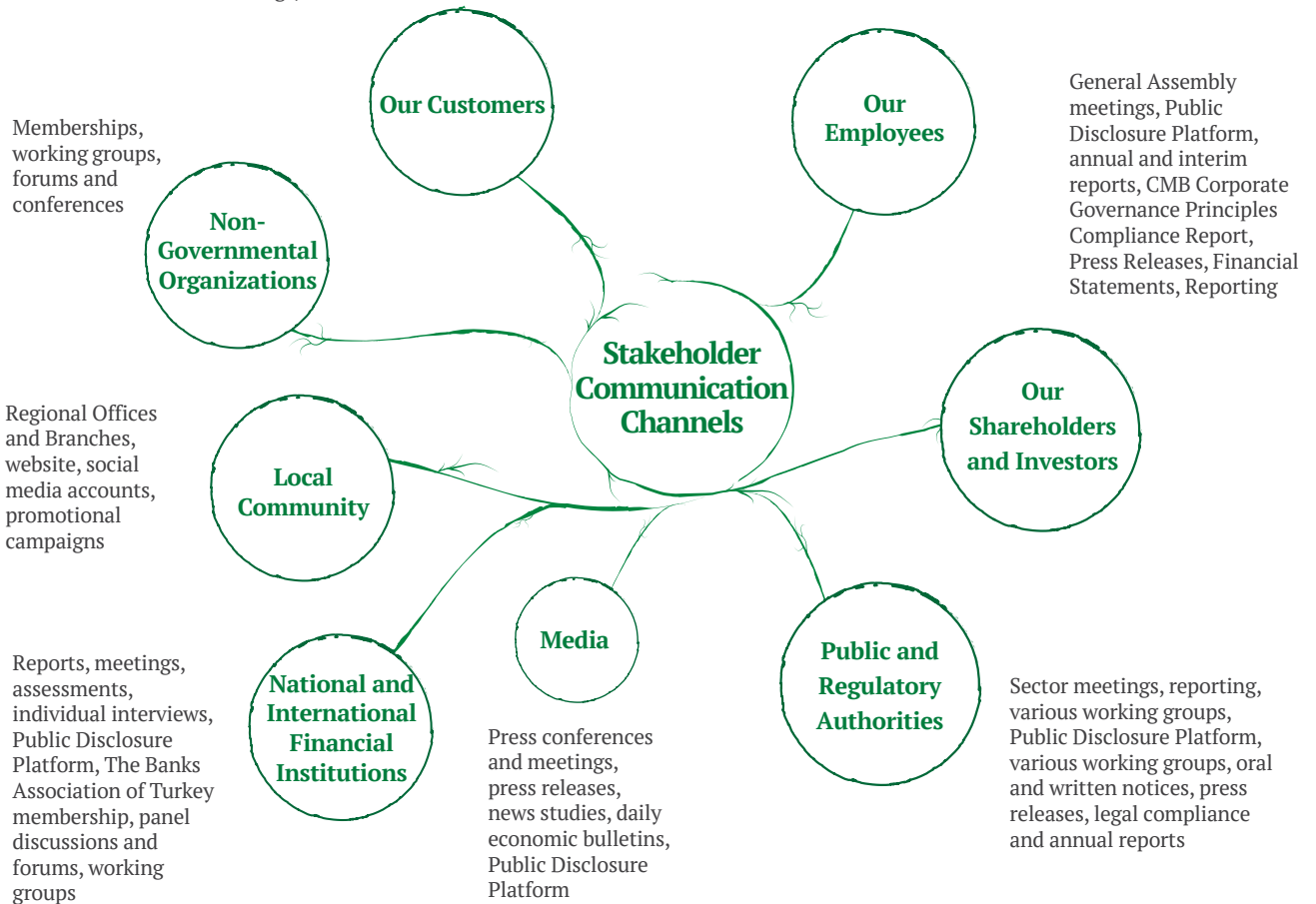
Our bank carries out its activities with the vision of growth while adding value to all its social stakeholders. Reliable and open communication with our stakeholders is important for our business manner and values. In this context, we establish dialogue with our stakeholders through different channels of communication to keep in touch.

How do we communicate with our stakeholders?

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44

All authorized communication channels, Public Disclosure Platform e-bulletins, call center, branches, website, social media accounts, promotional campaigns, special customer meetings, art activities

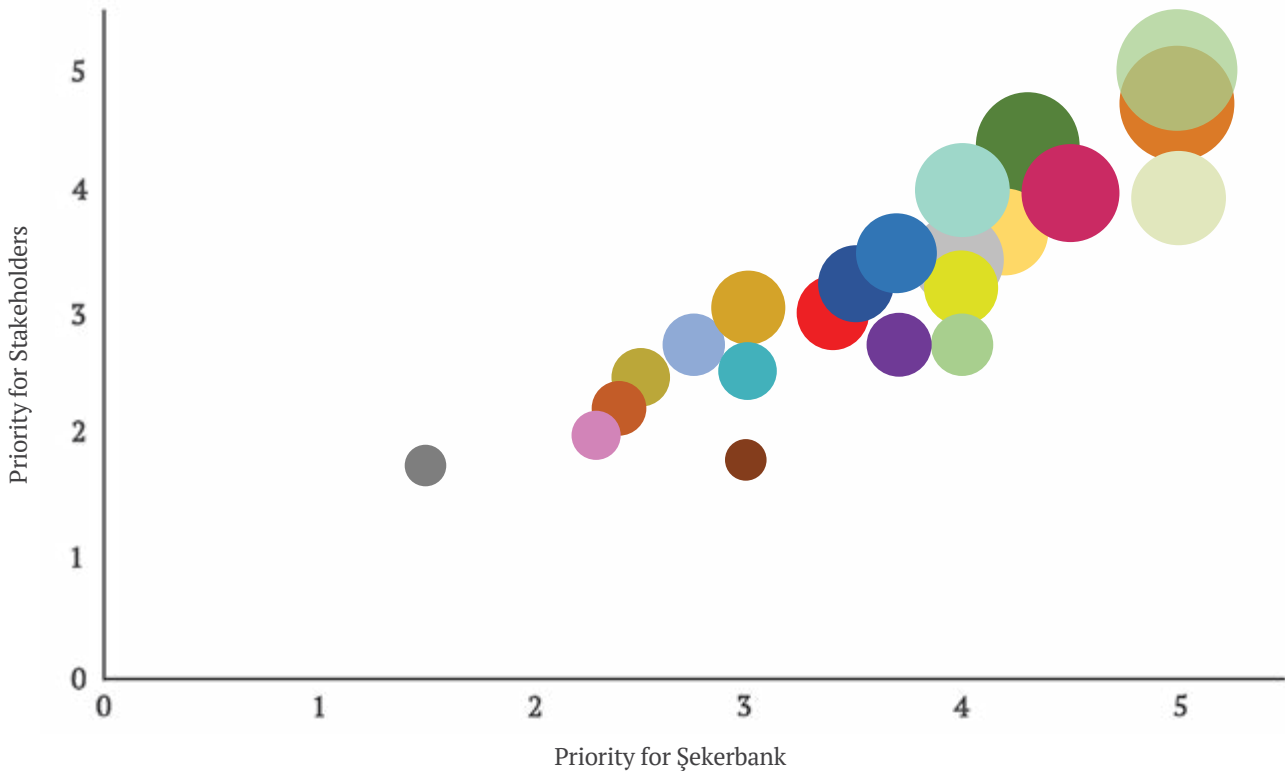
Employee satisfaction survey, corporate performance system, meetings, e-mail announcements, e-mail newsletters, Şeker.Net portal and "I have a suggestion" platform



Appendices

Stakeholder Analysis

GRI 102-40, GRI 102-43, GRI 102-44, GRI 102-47



- | | | | |
|---|---|-------------------------|---|
| Broad-Based Banking/Financial Inclusion | ● | Employee Prosperity | ● |
| Financing Energy Efficiency | ● | Customer Satisfaction | ● |
| Sustainable Agriculture | ● | Social Contribution | ● |
| Financing SMEs | ● | Education | ● |
| Supporting Women Entrepreneurs in Agriculture | ● | Financial Performance | ● |
| Contribution to Employment | ● | Risk Management | ● |
| Bank's Carbon Footprint | ● | Corporate Governance | ● |
| Financial Literacy | ● | Anti-Corruption | ● |
| Climate Change | ● | Ethics and Transparency | ● |
| Environmental and Social Criteria in Loan Processes | ● | Responsible Procurement | ● |
| Employee Training | ● | Digitalization | ● |

While identifying the priority areas for our stakeholders in the stakeholder analysis, we included all of our internal stakeholders and other banks in the sector as external stakeholders in our analysis. We used the sustainability reports published by the financial institutions that we identified as our external stakeholders while obtaining the opinions of our internal stakeholders through surveys and interviews.

Performance Tables

Social Performance Tables

Number of Employees	2016		2017	
	Female	Male	Female	Male
Full-time	1,790	1,821	1,771	1,813
Part-time	0	0	3	4
Total number of employees	1,790	1,821	1,774	1,817

Number of Employees by Age and Gender	2016		2017	
	Female	Male	Female	Male
>50 years old	10	47	12	63
30-50 years old	1,156	1,263	1,140	1,299
<30 years old	624	511	622	455

Number of Newly Hired Employees by Age and Gender	2016		2017	
	Female	Male	Female	Male
>50 years old	0	3	4	9
30-50 years old	58	136	108	162
<30 years old	141	162	180	182

Top Management by Age and Gender	2016		2017	
	Female	Male	Female	Male
>50 years old	0	4	0	3
30-50 years old	1	7	1	7
<30 years old	0	0	0	0

Directors and Upper Level Employees Distribution by Age and Gender

	2016		2017	
	Female	Male	Female	Male
Top Management (GM and EVP)	1	11	1	10
Group Managers	1	4	1	4
Managers	108	249	104	252
Directors	606	566	581	596

Prepared in accordance with the title definitions of our bank.

Number of Employees Benefitting from Maternal/Paternal Leave

	2016		2017	
	Female	Male	Female	Male
Number of employees benefitting from maternal/paternal leave	119	0	112	0
Number of employees returning from maternal/paternal leave	108	0	108	0

Turnover Table

	2016		2017	
	Female	Male	Female	Male
>50 years old	35%	73%	27%	27%
30-50 years old	23%	23%	17%	17%
<30 years old	24%	32%	18%	28%

Employees under Collective Bargaining Agreement

	2016		2017	
	Female	Male	Female	Male
Number of employees under Collective Bargaining Agreement	745	583	737	592

Occupational Health and Safety	2016		2017	
	Female	Male	Female	Male
Number of accidents	6	2	4	4
Number of fatalities related to work	0	0	0	0
Number of occupational disease cases	0	0	0	0
Absenteeism	1	0	0	0
Accident frequency rate	4.16	1.38	2.78	2.78
Occupational disease rate	0	0	0	0
Lost workdays rate	0.55	0	0	0
Absenteeism rate	0.55	0	0	0

Occupational Health and Safety for Suppliers	2016		2017	
	Female	Male	Female	Male
Number of accidents	5	1	0	1
Number of fatalities related to work	0	0	0	0
Number of occupational disease cases	0	0	0	0
Absenteeism	0	0	0	0
Accident frequency rate	3.47	0.69	0	0.69
Occupational disease rate	0	0	0	0
Lost workdays rate	0	0	0	0
Absenteeism rate	0	0	0	0

Occupational Health and Safety Training	2016		2017	
	Female	Male	Female	Male
Number of employees participating in training	151	211	132	158
Total amount of training (hours)	1,208	1,688	1,056	1,264

Employee Training	2016	2017
Total amount of training (hours)	56,637	65,663
Number of employees participating in training	7,041	8,378

Environmental Performance Tables

Greenhouse Gas Emissions (ton CO₂e)	2016	2017
Scope 1*	7,337	3,839
Scope 2**	9,738	11,535
Total Greenhouse Gas Emissions (Scope 1+Scope 2)	17,075	15,374
Greenhouse Gas Emissions per employee (Scope 1+Scope 2/number of employees)	4.73	4.28
Scope 3***	2,199	1,648

* Defra 2017 Emission Factors prepared by the UK government for the emission factors of fuel consumption (such as natural gas, diesel, gasoline). Scope 1 - Fuels source is used. 'Defra 2017 Emission Factors' prepared by the UK government for the emission factors of refrigerant gases. Scope 1 - 'Refrigerant & other' and 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2, Chapter 1 sources were used.

** IEA - CO₂ Emissions from Fuel Combustion, 2017 Edition source prepared by International Energy Agency (IEA) for electricity consumption emission factors was used.

*** Scope 3 'Defra 2017 Emission Factors' prepared by the UK government for conversion factors of paper consumption and plane travel data in calculations of greenhouse gas emissions. Scope 3 - Material Use / Business Travel - Air and (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017>) were used. Scope 3 greenhouse gas emissions calculations for personnel services, the IPCC's emission factors for fuels and the Ministry of Energy and Natural Resources prepared by the Ministry of Energy and the Lower Thermal Values of the Equivalents of Oil Equivalent Conversion Table.

Energy Consumption	2016	2017
Natural gas* (m ³)	442,374	538,185
Coal* (ton)	111.81	105.2
Electricity** (kWh)	19,814,099	20,682,200
Diesel* (L)	703,829	736,592
Gasoline* (L)	119,127	107,302
Total Energy Consumption (GJ)	116,299	125,098
Energy Consumption per employee (GJ/number of employees)	32.20	34.83

*Density and conversion coefficient values for natural gas, coal, gasoline and diesel, 'Regulation on Increasing Efficiency in the Use of Energy Resources and Energy' (Official Gazette: 27 October 2011/28097: VAL.03 / 09 / 2014-29108), ANNEX-2 : 'Lower Thermal Values of Energy Resources and Conversion Coefficient to Petroleum Equivalence' table.

** Since the supply unit for electricity is invoiced in kWh, kWh - GJ conversion is made while the energy conversion is performed. 1 kWh = 0.0036 GJ conversion factor was used for this conversion.

Water Consumption	2016	2017
Network Water (m ³)	48,775	52,608
Total Water Consumption (m ³)	50,035	54,058
Energy Consumption per employee (GJ/number of employees)	13.85	15.05

Memberships and Endorsed Initiatives

Turkish Organizations, Associations and Chambers

Business Council for Sustainable Development in Turkey-BCSD Turkey

Corporate Communications Professional Association-KID

Association of Advertisers-RVD

The Banks Association of Turkey-TBB

Corporate Governance Association of Turkey-TKYD

International Organizations, Associations and Chambers

United Nations Environment Program Financial Initiative-UNEP-FI

Institute of International Finance-IIF

Global Compact-UNGC

Endorsed Initiatives

Carbon Disclosure Project Climate Change and Water Programs-CDP

Working Group on Financial Sector's Role in Sustainable Development-TBB

Business Leadership Criteria on Carbon Pricing-CPLC

Women's Empowerment Principles-WEPs

Awards

Product Name	Award	Awarding Organization	Year
Aile Çiftçiliği	Turkey Golden Compass Public Relations Awards: "Financial Services and Investor Relations" award	Türkiye Halkla İlişkiler Derneği (TÜHİD) (Turkish Public Relations Association)	2016
Şekerbank	CCDP Water Program: "CDP 2016 Turkey Water Leadership" award	Carbon Disclosure Project (CDP) platform	2016
Şekerbank	"Best Syndication Loan Supporting Energy Efficiency" award	EMEA Finance	2016
Şekerbank	Foreign Trade Support Program (TFP): "Top Bank Using the Program in Turkey" award	European Bank for Reconstruction and Development (EBRD)	2016-2017
Üreten Kart	"Bank Increasing the Commercial Credit Card Portfolio Largest in 2015" award	MasterCard	2016
Aile Çiftçiliği	The Best Client Orientation" and "The Best New Product/Service" awards	Best Business Awards	2016
EKO kredi	"The Best Product/Service" award	Best Business Awards	2016
Şekerbank	ETİKA 2015 "Turkey's most ethical company" award	Etik Değerler Merkezi (EDMER) (Ethical Values Center)	2016
Şeker Çocuk Dergisi	"Supporting the Disabled: Bank of the Year" award	Körleri Eğitim ve Kalkındırma Derneği (Education and Development for the Blind Association)	2016
Üreten Kart	"Bank Increasing the Commercial Credit Card Portfolio Largest in 2016" award	MasterCard	2017

United Nations Global Compact (UNGC) Progress Statement

United Nations Global Compact Principles

Principles	Relevant Report Section	Page Number
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	People-Oriented Banking and Sustainability Management Structure	43-45, 52-55
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	People-Oriented Banking and Sustainability Management Structure	43-45, 52-55
Labor Standards		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	People-Oriented Banking and Performance Indicators	44-45, 59
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor	People-Oriented Banking and GRI Content Index	43-45, 76
Principle 5: Businesses should uphold the effective abolition of child labor	People-Oriented Banking and GRI Content Index	43-45, 76
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	People-Oriented Banking	43-45
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges	Energy Efficiency	34-39
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Energy Efficiency	34-39
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Energy Efficiency	34-39
Anti-corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Sustainability Management Structure	52-55

GRI Content Index



GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 101: Foundation 2016			
Organizational Profile			
	102-1	1	
	102-2	48	
	102-3	https://www.sekerbank.com.tr/en/aboutsekerbank/contact	
	102-4	12	
	102-5	13	
	102-6	12, 23	
	102-7	12, 43, 48	
	102-8	43, 58-59	
	102-9	52-53	
GRI 102: General Disclosures 2016	102-10	During the reporting period, there has been no significant change regarding our suppliers.	
	102-11	53-55	
	102-12	63-64	
	102-13	63-64	
	Strategy		
	102-14	11	
	102-15	52-56	
Ethics and Integrity			
	102-16	13, 52-55	
	102-17	43-45, 52-55	
Governance			
	102-18	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 48-51; 68-69	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 102: General Disclosures 2016	102-19	52	
	102-20	52	
	102-21	24, 52-56	
	102-22	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 48-51; 64-69	
	102-23	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 48-51	
	102-24	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 48-54; 58-59	
	102-25	Şekerbank Conflict of Interest Policy (https://www.sekerbank.com.tr/docs/default-source/english_doc/conflict_of_interest_policy.pdf?Status=Master&sfvrsn=6)	
	102-26	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 48-51, 56, 68-70	
	102-27	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 64-67	
	102-28	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 64-69	
	102-29	38-39, 52-56	
	102-30	52-56	
	102-31	38-39, 52-56	
	102-32	24, 52-55	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions	
GRI 102: General Disclosures 2016	102-33	24, 52-53, 56		
	102-34	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 60-63		
	102-35	Şekerbank Remuneration Policy (https://www.sekerbank.com.tr/en/aboutsekerbank/human_resources/remuneration-policy)		
	102-36	43-45		
	102-37	Şekerbank Remuneration Policy (https://www.sekerbank.com.tr/en/aboutsekerbank/human_resources/remuneration-policy)		
	102-38	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 69-70, 72		
	102-39	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 69-70, 72		
	Stakeholder Engagement			
	102-40	56-57		
	102-41	44-45		
102-42	24, 56			
102-43	56-57			
102-44	24, 56-57			
Reporting Practice				
102-45	9			
102-46	9			
102-47	24-25, 57			
102-48	During the reporting period, there has been no rearrangement in this scope.			
102-49	During the reporting period, there has been no significant change in the focus areas and limits of the previous period.			

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 102: General Disclosures 2016	102-50	9	
	102-51	The previous sustainability report covers 2014-2015 data and was published in 2016.	
	102-52	The sustainability report is published every two years.	
	102-53	9	
	102-54	9	
	102-55	66-78	
	102-56	There is no external assurance service obtained for the sustainability report.	
GRI 200: Economic Standard Series 2016			
Economic Performance			
GRI 103: Management Approach 2016	103-1	24-25, 57	
	103-2	24-51	
	103-3	24-25, 57	
GRI 201: Economic Performance 2016	201-1	12	
	201-2	38-39	
	201-3	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 117-118, 211	
	201-4	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 120	
Market Presence			
GRI 103: Management Approach 2016	103-1	43-45	
	103-2	43-45	
	103-3	24-25, 57	
GRI 202: Market Presence 2016	202-1	43-45	
	202-2	In senior management, this rate is 100%.	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1	28-51	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 203: Indirect Economic Impacts 2016	203-1	34-39	
	203-2	28-43, 48-51	
Procurement Practices			
GRI 103: Management Approach 2016	103-1	52	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 204: Procurement Practices 2016	204-1	52-53	
Anti-corruption			
GRI 103: Management Approach 2016	103-1	52	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 205: Anti-corruption 2016	205-1	52-53	
	205-2	52	
	205-3	During the reporting period, no notification was received.	
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103-1	52	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 206: Anti-competitive Behavior 2016	206-1	52-55, During the reporting period, no cases are filed regarding anti-competitive behavior, anti-trust or monopoly practices.	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 300: Environmental Standard Series 2016			
Materials			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	
GRI 301: Materials 2016	301-1		We do not have significant amount of material and raw material consumption in our products and services due to our field of activity, so there is no reporting under this indicator.
	301-2		We do not consume significant amount of recycled material and raw material for our products and services due to our field of activity, so there is no reporting under this indicator.
	301-3		We do not have significant amount of packaging material consumption in our products and services due to our field of activity, so there is no reporting under this indicator.
Energy			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	
GRI 302: Energy 2016	302-1	62	
	302-2	62	
	302-3	62	
	302-4	62	
	302-5	38-39, 62	
Water			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 303: Water 2016	303-1	62	
	303-2	There is no water source significantly impacted by Şekerbank operations.	
	303-3	There is no water recycling or reused water for Şekerbank operations.	
Biodiversity			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	
GRI 304: Biodiversity 2016	304-1		We do not have significant effect on biodiversity due to our field of activity, so there is no reporting under this indicator.
	304-2		We do not have significant effect on biodiversity due to our field of activity, so there is no reporting under this indicator.
	304-3	39	
	304-4		We do not have significant effect on biodiversity due to our field of activity, so there is no reporting under this indicator.
Emissions			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	
GRI 305: Emissions 2016	305-1	61	
	305-2	61	
	305-3	61	
	305-4	61	
	305-5	61	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 305: Emissions 2016	305-6		We do not cause direct emission of indicated substances due to our field of activity, so there is no reporting under this indicator.
	305-7		We do not cause direct emission of indicated substances due to our field of activity, so there is no reporting under this indicator.
Effluents and Waste			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	
GRI 306: Effluents and Waste 2016	306-1	62	
	306-2	39	
	306-3		We do not have significant impact on leakage of any substances due to our field of activity, so there is no reporting under this indicator.
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	39	
	103-2	39	
	103-3	39	
GRI 307: Environmental Compliance 2016	307-1	Within the scope of environmental compliance, there are no fines or penalties filed.	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1	52-53	
	103-2	52-53	
	103-3	52-53	
GRI 308: Supplier Environmental Assessment 2016	308-1	We do not have a supplier that is subject to environmental evaluation.	
	308-2	We do not have a supplier that is subject to environmental impact evaluation.	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 400: Social Standard Series 2016			
Employment			
GRI 103: Management Approach 2016	103-1	43-45	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 401: Employment 2016	401-1	58-59	
	401-2	43-45, https://www.sekerbank.com.tr/en/aboutsekerbank/human_resources/opportunities	
	401-3	44-45	
Labor/Management Relations			
GRI 103: Management Approach 2016	103-1	43-45	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 402: Labor/Management Relations 2016	402-1	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 61, 117. The legal notice period is applied in our bank.	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	44	
	103-2	44	
	103-3	44	
GRI 403: Occupational Health and Safety 2016	403-1	44	
	403-2	60	
	403-3	60	
	403-4	44	
Training and Education			
GRI 103: Management Approach 2016	103-1	43-45	
	103-2	24-25	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
GRI 103: Management Approach 2016	103-3	24-25	
GRI 404: Training and Education 2016	404-1	61	
	404-2	44	
	404-3	43-44	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	43-45	
	103-2	24-25, 57	
	103-3	24-25, 57	
GRI 405: Diversity and Equal Opportunity 2016	405-1	43-44	
	405-2	This rate is 1 because there is no gender-based wage discrimination in our bank.	
Non-discrimination			
GRI 103: Management Approach 2016	103-1	43-45	
	103-2	43-45	
	103-3	43-45	
GRI 406: Non-discrimination 2016	406-1	2017 Annual Report (https://www.sekerbank.com.tr/docs/default-source/default-document-library/skr_frae_2017_mtb_eng.pdf?sfvrsn=0) p. 61	
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1	43-44	
	103-2	43-44	
	103-3	43-44	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	43-44, 59	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
Child Labor			
GRI 103: Management Approach 2016	103-1	42-44, 54-55	
	103-2	42-44, 54-55	
	103-3	42-44, 54-55	
GRI 408: Child Labor 2016	408-1	Şekerbank has no operations with child labor risks.	
Forced or Compulsory Labor			
GRI 103: Management Approach 2016	103-1	43-44, 54-55	
	103-2	43-44, 54-55	
	103-3	43-44, 54-55	
GRI 409: Forced or Compulsory Labor 2016	409-1	Şekerbank has no operations with forced and compulsory labor risks.	
Security Practices			
GRI 103: Management Approach 2016	103-1	52-55	
	103-2	52-55	
	103-3	52-55	
GRI 410: Security Practices 2016	410-1		As security personnel are not employees of the Bank, there is no reporting under this indicator. However the security personnel working for Şekerbank are provided with the relevant training.
Rights of Indigenous Peoples			
GRI 103: Management Approach 2016	103-1	52-55	
	103-2	52-55	
	103-3	52-55	
GRI 411: Rights of Indigenous Peoples 2016	411-1		Since there is no such risk due to our field of activity, there is no reporting under this indicator.

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1	43	
	103-2	43-45	
	103-3	43-45	
GRI 412: Human Rights Assessment 2016	412-3	43	
Local Communities			
GRI 103: Management Approach 2016	103-1	28-33, 46-51	
	103-2	24-33, 46-51	
	103-3	24-33, 46-51	
GRI 413: Local Communities 2016	413-1	28-33, 46-51	
	413-2	28-33, 46-51	
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1	52-53	
	103-2	52-53	
	103-3	52-53	
GRI 414: Supplier Social Assessment 2016	414-1	We do not have suppliers that are subject to social evaluation.	
Public Policy			
GRI 103: Management Approach 2016	103-1	52-55	
	103-2	52-55	
	103-3	52-55	
GRI 415: Public Policy 2016	415-1	Şekerbank does not offer any political donations.	

GRI Standard	Disclosure	Page Number/Direct Source	Omissions
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	52-55	
	103-2	52-55	
	103-3	52-55	
GRI 416: Customer Health and Safety 2016	416-1		We do not have products and services that have significant impact on customer health and safety due to our field of activity, so there is no reporting under this indicator.
	416-2		We do not have products and services that have significant impact on customer health and safety due to our field of activity, so there is no reporting under this indicator.
Marketing and Labeling			
GRI 103: Management Approach 2016	103-1	53-55	
	103-2	53-55, 57	
	103-3	53-55, 57	
GRI 417: Marketing and Labeling 2016	417-1	Code of Ethics (https://www.sekerbank.com.tr/en/aboutsekerbank/human_resources/code-of-etnics)	
	417-2	There are no cases of non-compliance with regulations and voluntary codes regarding product and service information and labeling.	
Customer Privacy			
GRI 103: Management Approach 2016	103-1	53-55	
	103-2	53-55, 57	
	103-3	53-55, 57	
GRI 418: Customer Privacy 2016	418-1	There are no complaints regarding customer privacy during the reporting period.	

Contact Information

ŞEKERBANK T.A.Ş.
Emniyet Evleri Mah.
Eski Büyükdere Cad. No: 1/1A
34415 Kağıthane/İstanbul TR
T: (+90) 212 319 70 00
F: (+90) 212 319 74 29

Please send us your questions and suggestions.
surdurulebilirlik@sekerbank.com.tr

Report Consultant

PwC

Disclaimer

All rights of this Şekerbank Sustainability Report, belongs to Şekerbank's itself which is prepared by Şekerbank with the support and consultancy of PwC Danışmanlık Hizmetleri A.Ş. (PwC Turkey). This report, has been disclosed to the public only to provide general guidance to those concerned, not as professional advice. The information and the analysis in this report, have been compiled from the information and data obtained within the reporting period from the sources that regarded reliable and have aim to be informative. PwC is not liable to confirm the information or assure the reliability of this resources. PwC and/or the Bank does not undertake any express or implied warranties related to the accuracy or completeness of this report. Do not act according to the information in this document without the advice of professionals who are specialized in their field. PwC is not obliged to ensure the reliability of these resources or to confirm the information obtained. Any individual or company (PwC Turkey and /or Şekerbank, its members, employees and representatives) who have contributed to the generation of this report have no liability, responsibility or duty of care to any person who acts, have acted or makes decisions based on the information contained in this report and aforementioned parties (legal entity or person) have no liability for any damage which may occur as a result of the use of information provided in this report.

