

Sustainability Report

2021



**ANADOLU HAYAT
EMEKLİLİK**



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About the Report

As Anadolu Hayat Emeklilik, we present our sustainability practices to all our stakeholders through our 2021 Sustainability Report. With our company's second sustainability report, we are happy to share our sustainability performance, strategic perspective and commitments arising from all our activities in Turkey with you, our esteemed stakeholders.

This report has been prepared in accordance with the "GRI Standards: Core" option. Priority sustainability issues, which form the main framework of our report, have been determined through studies that include an extensive research and stakeholder analysis process. The basic reporting principles in the GRI Sustainability Reporting Standards were followed during the determination and regulation of the contents included in our report.

All information contained in this report covers the activities of Anadolu Hayat Emeklilik between 01.01.2021 and 31.12.2021, unless otherwise stated. Activities that took place after the reporting period are included in the relevant sections. As Anadolu Hayat Emeklilik, we aim to report our sustainability activities annually in line with the expectations of our stakeholders.

You can send your comments and suggestions about Anadolu Hayat Emeklilik Sustainability Report to us at sustainability@anadoluhayat.com.tr



Message from the General Manager



Dear Stakeholders,

In 2021, the economic change and technological transformation that took place during the fight against the COVID-19 epidemic largely determined the world agenda. In this period, companies made an intense effort to keep up with the new situation by reviewing their business strategies, working models and operational structures. Sustainability, whose importance has increased even more, was among the most focused topics during the epidemic process. During the period, Anadolu Hayat Emeklilik re-evaluated the value creation processes for its customers, employees, shareholders and business partners and placed sustainability at the center of its activities.

Anadolu Hayat Emeklilik maintained its steady growth with the works it carried out during the period. It continued to increase its assets in real terms, to strengthen its equity, to achieve successful results in profitability, and to expand its customer base, which is of great importance for the sustainability of financial performance. As a matter of fact,

the number of active customers increased by 18.2% in 2021, exceeding the 4 million threshold for the first time.

Our company has a market share of 14.9% in the number of Private Pension System (PPS) participants and 17.7% in fund size. It continues to maintain its title as the company with the most retirees. It is the leader of the sector in terms of life insurance asset size. In 2021, we continued to implement the digital transformation program we developed in order to support our strategic goals, which we have structured with the vision of being the most agile digital insurance and private pension company in Turkey, and to respond quickly and competitively to new opportunities in the market. In this context, expanding the scope of digital channels by creating our digitalization strategy and digital transformation roadmap, which is based on digital customer experience, operational excellence, digital infrastructure and corporate development and includes all relevant stakeholders, is very important in the fields of robotic process automation (RPA) and automation of processes with artificial intelligence. We started a number of projects.

As an insurance company, we are aware that a significant part of our impact on sustainability comes from our investments. For this reason, we manage these risks by conducting environmental and social impact assessments for our investment activities. As part of this vision, we became a signatory to the United Nations Global Compact, the world's largest sustainability initiative, and the UN Principles for Responsible Investment, which aims to create a sustainable financial system. Within this scope our commitment and studies continue to support the 10 principles of UN Global Compact. As a part of our sustainability commitment to our investors, we maintained our place in 2021 in Borsa Istanbul Sustainability Index in which we were the pioneer in our sector as being listed in 2020.

In 2021, as Anadolu Hayat Emeklilik, we continued to develop new pension funds in line with the expectations and needs of our customers. In this context, we established the "Anadolu Hayat Emeklilik Technology Sector Equity Pension Investment Fund" for our customers who believe in the importance of technology and want to invest in the technology sector, and the "Anadolu Hayat

Emeklilik Sustainability Equity Pension Investment Fund" for our naturally and environmentally conscious customers.

Financial inclusion is among the important instruments in terms of strengthening sustainable development. In this context, it is an important milestone to include individuals under the age of 18 in the scope of Private Pension System (PPS) in June 2021. Anadolu Hayat Emeklilik, which also pioneered this practice, created a fund size of 91.7 million TL with the "Pension Plan for Children" product, which it introduced to the market. In this new product segment, we achieved a market share of 27.2% in terms of fund size and 31.9% in the category of number of participants, reaching the market leadership.¹

Another area that put Anadolu Hayat Emeklilik in a special position in terms of financial inclusion is increasing women's access to financial security. In the reporting period, we reached 50.3% female customer ratio, which is above the sector average.² We think that the fact that the rate of female employees in our company is 60% - above the sector average is important in this success.³ As diversity in the company organization gets stronger, we are able to better understand the expectations and needs of various social groups such as women, the disabled, youth and children and respond with our products. As an extension of this view, we signed the United Nations Women's Empowerment Principles (WEPs), which was established in partnership with the United Nations Gender Equality and Women's Empowerment Unit, and is considered one of the most important global initiatives of the private sector. In this direction, we organize our social responsibility activities with a focus on inclusiveness, as well as product management and organizational practices. During the reporting period, we continued to support women with our "Shots From Life As Seen By Women" photography contest, which aims to contribute to increasing the appearance of women in social, cultural and social media and is the only photography competition for women in Turkey. This competition, in which more than 88 thousand photographs and more than 23 thousand female photographers participated since 2007, won the Gold Award at the PSM Awards organized by PSM (Payment Systems Magazine) in 2021.

An important aspect of our sustainability activities is efforts to increase our environmental performance.

Anadolu Hayat Emeklilik continued its digital transformation program, developed to support its strategic goals structured with the vision of being the most agile digital insurance and private pension company in Turkey, and to respond quickly and competitively to new opportunities in the market, and put sustainability at the center of its activities.

With the "Upcycling Movement" program that we started in 2021, we produce projects that will support reducing waste generation. With this program, we aim to make upcycling a part of life in society with easily applicable ideas. As part of our efforts to combat climate change, we support renewable energy projects and neutralize greenhouse gas emissions from our operations since 2016. With the operational efficiency studies we have carried out, we have achieved a 31.5% decrease in operational greenhouse gas emissions in 2021. We also obtained the electrical energy we consumed during the year from certified renewable energy suppliers.

We act with the awareness of operating in a business area that touches every individual at different points in the economy, from production to consumption. We maintain this perspective in our relationship with our employees, we offer all our employees a fair working environment that respects human and employee rights. In addition, we increased our activities that support the professional development of our employees by 50% in the reporting period compared to the previous year, and carried out an average of 52.6 hours of training per person.

While we achieved high financial success in a difficult period, we also increased our sustainability performance even more. We would like to thank our customers, brokers and agents, shareholders, investors and all stakeholders who contributed to our success, especially our employees, who are the most important factor behind our performance in 2021.

Yılmaz Ertürk
General Manager

¹ According to data as of 31 December 2021 released by the Pension Monitoring Center.

² According to the Pension Monitoring Center data, as of December 31, 2021, the female-male customer ratios in the sector General are 40.7% and 59.3%, respectively.

³ According to the 2020 employment data of the Insurance Association of Turkey (TSB), there are 55% female and 45% male employees in the sector.

About Anadolu Hayat Emeklilik

Anadolu Hayat Emeklilik started its operations in 1990 as Turkey's first life insurance company. The Company, a subsidiary of Türkiye İş Bankası, is Turkey's first publicly traded pension company. 17% of the shares representing Anadolu Hayat Emeklilik capital are offered and traded on Borsa İstanbul (BIST) to domestic and foreign investors.

Addressing a wide customer base with its value-added product and service mix, Anadolu Hayat Emeklilik provides high customer satisfaction with its extensive service network and technological infrastructure.

In addition to its General Directorate in İstanbul, Anadolu Hayat Emeklilik provides services through its Regional Sales Offices in İstanbul (3), Ankara (2), İzmir, Adana, Bursa, Antalya, Trabzon, Kocaeli and Diyarbakir and the Branch Office in the Turkish Republic of Northern Cyprus, and has an extensive service structure with its strong bancassurance network, direct sales team and more than 290 agencies.

Beyond being the company that steers the sector, Anadolu Hayat Emeklilik remains its title as "the highest fund generator among privately owned companies" in life insurance, private pension and auto-enrollment branches combined, and plays a leading role in the growth of the sector.

Anadolu Hayat Emeklilik continues its activities with the vision of being Turkey's most preferred life insurance and private pension company in every field, and being among the leading companies in terms of size and quality in an economically and digitally integrated world day by day.



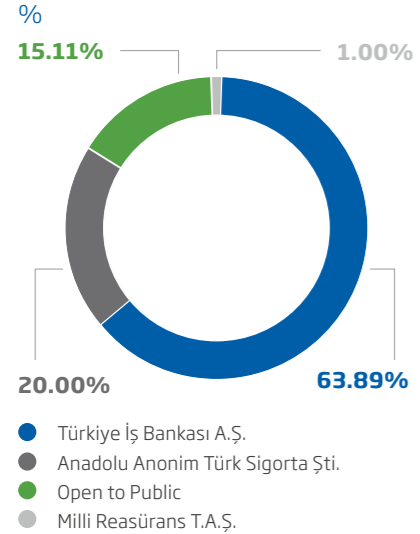
Financial Information Summary

Financial Indicators (thousand TL)	2020	2021	Change (%)
Total Premium and Contribution Production (*)	4,681,154	4,356,478	-7
Mathematical Reserves	3,185,639	5,252,354	65
Pension Fund Size (**)	30,434,760	43,127,826	42
Overall Technical Profit	472,210	501,022	6
Total Assets	36,067,123	51,464,651	43
Paid-in capital	430,000	430,000	-
Equities	1,581,264	1,849,173	17
Financial Income	246,998	534,505	116
Pre-tax profit	647,678	880,043	36
Net profit	519,341	685,585	32

(*) Based on the data announced by the Pension Monitoring Center. Premiums obtained from the personal accident branch are included in the total premium amount.
 (**) Fund amounts of the participants of other pension companies that purchased the private pension mutual funds founded by our company through BEFAS are also included in the table.

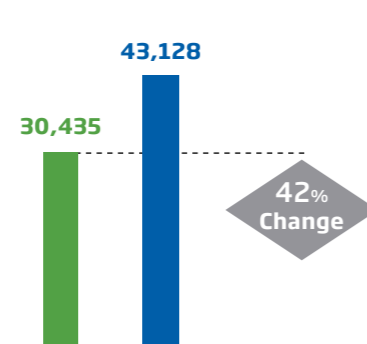
Major Financial Indicators

Capital and Shareholding Structure

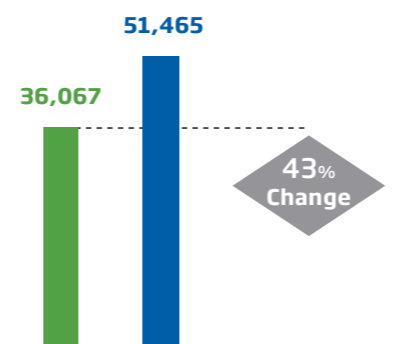


* The rate of publicly held shares is 17%. As of 31 December 2021, Türkiye İş Bankası acquired 1.89% of the publicly traded shares.

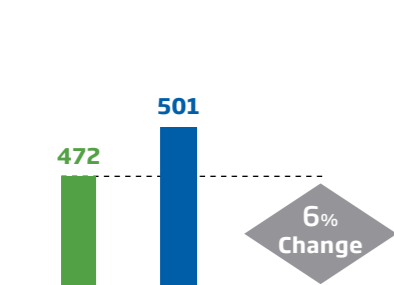
Pension Fund Size (Million TL)



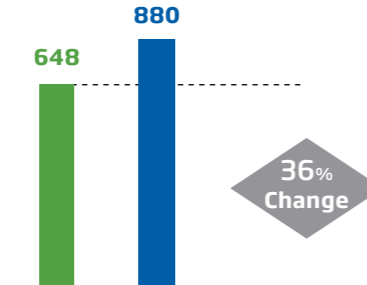
Total Assets (Million TL)



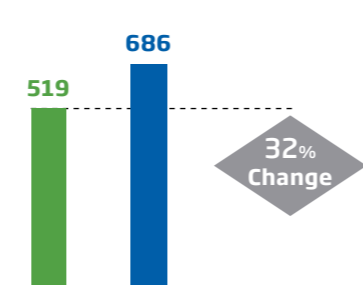
Overall Technical Profit (Million TL)



Profit Before Tax (Million TL)

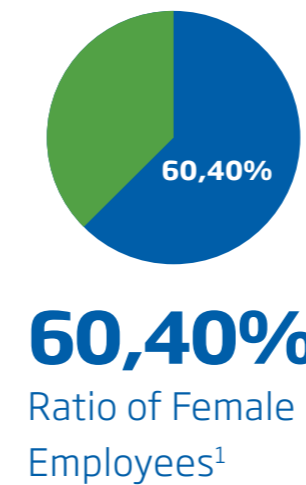
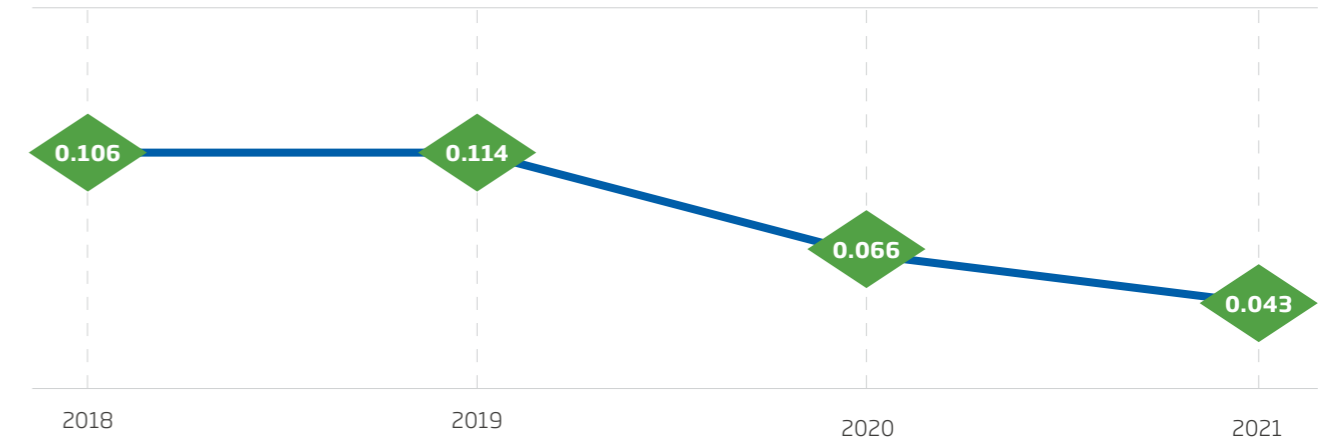


Net Profit (Million TL)



Major Non-Financial Indicators

Greenhouse Gas Emission Intensity by Area of Use (tCO₂e/m²)



688 THOUSAND
Number of customers served with private pension and life insurance products designed for various socio-economic groups of the society³

¹ 2021 year-end data.

² 2021 year-end data.

³ Pension Plan for Housewives, Youth Pension Plan, Female Critical Illness Insurance, Pension Plan for Children, Investment Insurance for My Child, Education Insurance for My Child, DEV PPS Pension Plan, Main Pension Plan, Standard Critical Illness Insurance, Farmers' Retirement Plan, Group Pension Plan for Doctors, Turkish Pharmacists Association Pension Plan. 2021 year-end data.

Positive Effect of PPS on Domestic Savings

It is of great importance that individuals acquire the habit of saving from an early age, in terms of making the savings awareness widespread in the society. Individuals who internalize the act of saving can use not only financial resources but also other resources such as environment, nature and energy efficiently and plan their future well. Thus, he/she contributes to the development of society and to a sustainable future. In this context, one of the greatest teachings that parents can teach their children is to instill the awareness of saving at a young age. People who acquire the habit of saving at a young age, while securing their own future, also contribute to the welfare of the country by being beneficial individuals for the society they live in. The increase in individuals with savings awareness in the society allows domestic savings to increase and financial markets to deepen.

With the aim of raising awareness of savings at a young age and increasing financial inclusion, legislation was implemented in 2021, enabling individuals under the age of 18 to be included in the Private Pension System (PPS). With this regulation, it is aimed that individuals acquire the habit of making regular savings from a young age and at the same time increase their awareness of financial instruments. With the increase in savings rate and financial literacy, a long-term resource will be created for the economy, contributing to sustainable economic growth.

After this legal regulation, Anadolu Hayat Emeklilik launched the "Pension Plan for Children" product on June 1, 2021 and became the first company in the sector

to launch a product for this new market. Our Company supports TEMA Foundation (Turkish Foundation for Combating Soil Erosion) on behalf of the children included in the Private Pension System (PPS) with the "Pension Plan for Children" product, with the vision of protecting nature and the environment, creating a whole with the savings awareness, within the scope of the positive effect of the correct use of resources on sustainability. Thus, our company contributes to the nature education studies carried out by the foundation in order to strengthen the ecological literacy skills of secondary and high school students. Our "Pension Plan for Children" product, which is the first product offered for sale for individuals under the age of 18, maintains its leading position in the market. According to the data dated 31 December 2021 published by the Pension Monitoring Center, the parents of 1 out of every 3 children included in the PPS prefer our Company to save. Our company ranks first with a share of 31.9% in the number of participants in this new customer segment.

Anadolu Hayat Emeklilik raises savings awareness and financial inclusion in the society with the products it develops in the private pension and life insurance sectors in which it operates, thus contributing to a sustainable economy by creating long-term resources for financing domestic investments. In addition to its contributions to the economy, our company will continue to support sustainability with its activities covering all areas of society to increase environmental and social impacts in order to leave a more livable world to future generations.

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**ANADOLU HAYAT
EMEKLİLİK**

Anadolu Hayat Emeklilik and Sustainability



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Anadolu Hayat Emeklilik and Sustainability

As a company operating in the private pension and life insurance sector, we have been serving sustainable development with the aim of continuity of individuals' productive periods life standards since the day we were established. We are proud to lead the sector with our products and social responsibility projects for a "Sustainable Future".

In order to contribute to social development and to leave a more livable world to future generations, we see sustainability as an integral part of our business, and we implement projects that focus on people, nature and social benefit, based on our motto "Herkese İyi Gelecek" (Good for Everyone -Note: Turkish wordplay is used to express both Will be Good for Everyone and Good Future for Everyone).

In line with our sustainability strategy, we are working on integrating sustainability into our business models and making the concept of sustainability a corporate culture. As a company that shapes our sector with the firsts we have achieved, we also contribute to increasing the sustainability awareness of individuals and the sustainability of their quality of life.

By positioning sustainability at the center of our business model in each of our activities, we implement projects that focus on people, the environment and social benefit, with our slogan "Herkese İyi Gelecek".



Arzu İbranoğlu / Old School
Shots From Life As Seen By Women

Compliance with international engagements has an important place in our sustainability strategy. Anadolu Hayat Emeklilik became a signatory of the United Nations Global Compact (UNGC) in 2021, which encourages companies to engage in sustainable and socially responsible activities, as well as the United Nations Responsible Investment Principles (UNPRI) which was formed to practice responsible investment principles.

BIST Sustainability Index

We see sustainability as an important part of our business model and position it as a critical tool for effective strategic management. As a result of these efforts, we succeeded in being the first company from the insurance and pension sector to be included in the Borsa Istanbul (BIST) Sustainability Index in 2020. As Anadolu Hayat Emeklilik, as of March 2022, we are among the 62 companies in the Borsa Istanbul (BIST) Sustainability Index with a high level of corporate sustainability performance.

Our Sustainability Philosophy

We act with the mission of raising the awareness of

securing the future of individuals and providing financial solutions that increase their quality of life, and we direct our social responsibility projects in line with this mission. In addition, we care about contributing to the development of the country's economy by creating long-term funds. We implement projects that integrate sustainability into all our processes, based on our motto of "Herkese İyi Gelecek".

While we play an exemplary and leading role in the sector with the corporate social responsibility projects we have developed in line with our goals in order to contribute to social development and leave a more livable world to future generations, we attach importance to a transparent and accountable structure in our evaluation criteria for our work in this context. Within the scope of our Internal and External Environmental and Social Impact Assessment procedures, we aim to minimize the negative environmental and social impacts of our company and our customers' business and other activities, while maximizing the positive impacts. *

* For details, see "Environmental Impact Management" section, p. 48

Our company carries out studies to integrate sustainability into its business models and corporate culture in line with its sustainability strategy.

Our Sustainability Strategy

We continue to carry out our sustainability-focused management activities effectively, which started with the establishment of our Sustainability Management System in 2017. The main starting point of our sustainability activities is our sustainability strategy.

Our sustainability strategy, which is based on multi-layered goals, is summarized as follows:

- We aim to create long-term economic, environmental and social value with all our activities.
- We act with the awareness of our responsibility within the scope of combating and adapting to climate change, and we develop projects to reduce the effects of climate change.
- We aim to increase the positive impact by considering the responsible investment approach in our activities.
- We offer financial solutions that will meet the needs and expectations for the sustainability of the society.
- We develop the awareness of securing the future in the society with our stakeholder communication activities.
- We create long-term and stable pension funds.
- We offer a fair working environment that respects human and employee rights.
- We work with the aim of continuous customer satisfaction.
- We internalize the concept of sustainability within the organization, continuously improve our practices on this axis and share them with all our stakeholders.

Sustainability Management

Our sustainability policy sets forth the basic principles and principles aimed at minimizing the negative environmental and social impacts of both our Company's and our customers' business and other activities and maximizing the positive impacts. Our General Directorate is responsible for updating and executing our sustainability policy. We review our policy every year and update it when necessary. The general principles and current version of our Sustainability Policy can be found in the sustainability section of our website.¹

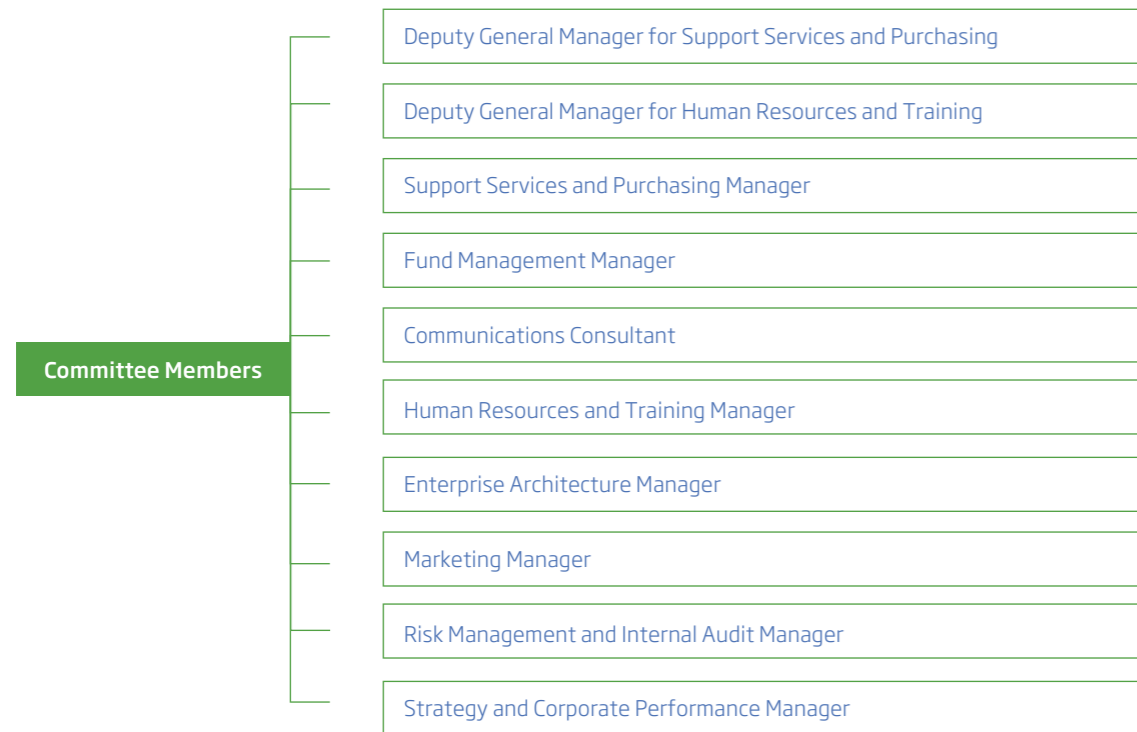
Our sustainability policy and all amendments to this policy take effect on the date they are approved and approved by our Board of Directors. Anti-Bribery and Anti-Corruption, Gift and Hospitality, Human Rights and Human Resources policies, which we have created in addition to our

Sustainability Policy, are also regularly shared with all our employees and stakeholders on our intranet and corporate website.

The highest level structure responsible for sustainability management in our company is the Sustainability Committee, chaired by the Deputy General Manager responsible for Strategy. Our Sustainability Committee, which meets semi-annually, is responsible for establishing our sustainability strategy, goals and related policies, integrating them into all business processes of our Company, coordinating efforts within the scope of sustainability, monitoring its performance and determining the necessary trainings within the scope of sustainability. The structure of Anadolu Hayat Emeklilik Sustainability Committee is as follows:

Chairman of the Committee

Deputy General Manager for Strategy



Sustainability Management System

We implemented the "Anadolu Hayat Emeklilik Sustainability Management System" project in 2017 in order to determine our priorities in line with our sustainability strategy and to integrate sustainability into our business models and to make the concept of sustainability a corporate culture. The basis of this system, managed by our Sustainability Committee, is based on our sustainability policies. Thus, we share all our sustainability activities with our internal stakeholders through procedures.

The Sustainability Committee is responsible for the annual review and updating of the Sustainability Management System on a regular basis. Working under the Executive Board, the committee is a management body consisting of unit representatives representing

the company in general, under the chairmanship of an Executive Board member.

The practices within the scope of the Sustainability Management System are followed by the senior management within a process, The targets set within the system are updated when necessary with the mission of continuously improving environmental and social performance.

Within the scope of Anadolu Hayat Emeklilik Sustainability Management System, there are periodically updated procedures that define the processes within the organization regarding the following issues, assign roles and responsibilities.

Anadolu Hayat Emeklilik Sustainability Management System



The tracking principles of our environmental and social impacts are explained in the Evaluation of Internal Environmental Impacts and Evaluation of External Environmental Impacts procedures, which are part of our Sustainability Management System.

We determine our environmental and social risks in the light of the system and related procedures, set our targets and prioritize our action plans in the light of these targets.

¹ <https://www.anadoluhayat.com.tr/en/sustainability>

Internal Audit and Management Review

All works carried out within the scope of our Sustainability Management System are subject to internal audit every year. The scope, frequency, methodology and responsibilities of internal audits are defined in the Internal Audit and Corrective and Preventive Actions Procedure.

We present our environmental and social performance, which we monitor with the Sustainability Management System, to our Executive Board every year. With these management evaluation meetings, we ensure the suitability, adequacy and effectiveness of the system. Principles of management evaluation meetings are defined in the Management Review Procedure.

Stakeholder Engagement and Prioritization

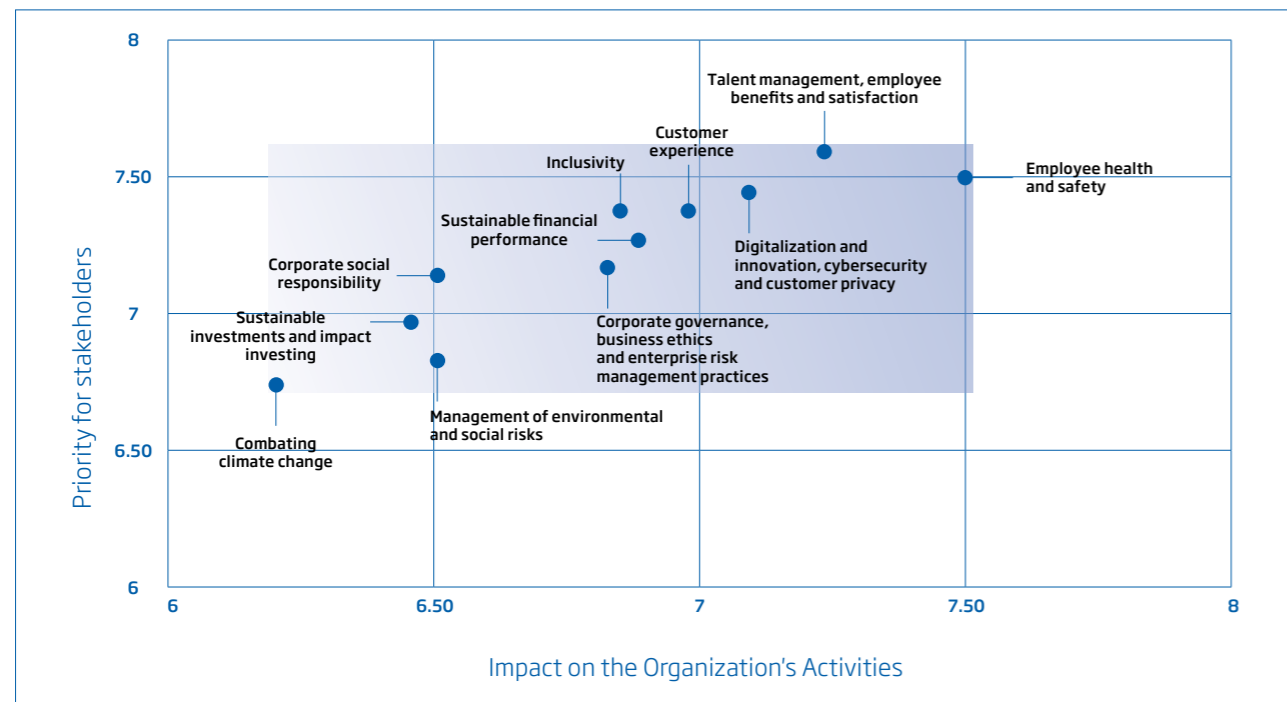
As Anadolu Hayat Emeklilik, we attach great importance to the opinions of our stakeholders in our sustainability journey. We have developed our environmental, social and governance focus areas and sustainability priorities in the light of internationally accepted methods. In order to determine the priorities we want to include in the sustainability report, we set out with a general list of the prominent issues in our sector. In this context, we have identified 11 priority issues

as a result of the researches, which also examined the leading institutions in the sector in terms of sustainability, the World Economic Forum (WEF) Global Risks Report, the United Nations Responsible Investment Principles (UN-PRI) and sectoral researches. We conducted our research with the participation of 300 people, including our internal and external stakeholders such as company employees, business partners, suppliers, financial institutions, and representatives of Group companies.

As Anadolu Hayat Emeklilik, we establish our relations with our stakeholders on the basis of mutual trust and in line with the principles of transparency and accountability. In line with Anadolu Hayat Emeklilik Disclosure Policy, we provide complete and accurate information to our stakeholders with various methods and frequencies. (see Annexes, Stakeholder Communication)

The expectations of each stakeholder group and their relations with the company are different. For this reason, we determine the method and frequency of communication to be established according to these qualities, and we inform about the company's activities, operating results and future targets.

Prioritization Matrix



Priority Issue	Anadolu Hayat Emeklilik's Approach to the Subject	Related to the Priority Issue United Nations Sustainable Development Goals(SDGs)
Digitalization and innovation, cybersecurity and customer privacy	Anadolu Hayat Emeklilik sees digital transformation as the most important key in achieving sustainable growth and efficiency in business processes.	9 SANAT, YENİLİKLER VE AKTİVİTELER
Sustainable financial performance	Reinforcing its leading position in the sector with innovative products and applications, increasing operational excellence in the value chain and achieving financial success are among the Company's main priorities.	8 İNSANA YAKINLIK VE EKONOMİK BÜYÜME, 9 SANAT, YENİLİKLER VE AKTİVİTELER
Skill management, employee benefits and satisfaction	The success of Anadolu Hayat Emeklilik stems from the fact that its employees are knowledgeable and technologically equipped, competent, creative and dynamic, as well as reflecting the deep-rooted corporate culture in all their activities and meeting on a common ground.	4 İZLENİMLİ ÇALIŞMA, 8 İNSANA YAKINLIK VE EKONOMİK BÜYÜME
Corporate governance, business ethics and enterprise risk management practices	Anadolu Hayat Emeklilik attaches importance to compliance performance with Corporate Governance Principles at least as much as financial performance, as it considers it to be of great benefit both for the development of national and international capital markets and for the company's interests.	12 SORUMLULUKLARI VE TUKETİM
Inclusivity and diversity	Inclusivity and diversity are among Anadolu Hayat Emeklilik's corporate values in line with its goal of contributing to raising the living standards of individuals.	5 TOPLUMSAL ÇOKYÖNLÜLÜK, 10 EŞİTLİK VE ADILLIK
Management of environmental and social risks	Anadolu Hayat Emeklilik directly supports the separation of the effects on economic growth from the ecological balance through its practices, while aiming to manage its environmental and social impacts through the evaluations it makes in investment decision processes.	6 TEMİZ SU VE SANAYİSİZLİK, 8 İNSANA YAKINLIK VE EKONOMİK BÜYÜME, 12 SORUMLULUKLARI VE TUKETİM, 14 SAĞLIK VE YAŞAM, 15 SAĞLIK VE YAŞAM
Sustainable investments and impact investing	Anadolu Hayat Emeklilik is aware that its environmental and social impacts are not limited to its operational activities. While evaluating the possible effects for the management of environmental and social impacts arising from investment activities, our company aims to avoid investments that may have negative environmental and social impacts, and to develop new products that will add value to the environment, society and our customers.	6 TEMİZ SU VE SANAYİSİZLİK, 8 İNSANA YAKINLIK VE EKONOMİK BÜYÜME, 7 ENERJİ VE TERCİHLER, 12 SORUMLULUKLARI VE TUKETİM, 14 SAĞLIK VE YAŞAM, 15 SAĞLIK VE YAŞAM
Climate change and management of environmental impacts	Being aware of the fact that the climate crisis is one of the biggest problems facing humanity, Anadolu Hayat Emeklilik provides financial support to renewable energy projects by purchasing the same amount of carbon credits, by providing the calculation of the carbon footprint in order to monitor, report and reduce greenhouse gas emissions within the scope of combating climate change.	6 TEMİZ SU VE SANAYİSİZLİK, 7 ENERJİ VE TERCİHLER, 12 SORUMLULUKLARI VE TUKETİM
Corporate social responsibility	Anadolu Hayat Emeklilik stands out with its support for women's empowerment in corporate social responsibility activities, as the leading company of its sector in diversity, inclusion and equal opportunities. Our company sees women as the main driving force for the development of our country, and based on this mission, it always gives priority to women both in product development processes and in implementing social responsibility projects.	5 TOPLUMSAL ÇOKYÖNLÜLÜK, 10 EŞİTLİK VE ADILLIK
Customer experience	Bringing the customer experience to the highest level by developing products, services and applications in line with the expectations of customer groups is one of the main priorities of the Company.	9 SANAT, YENİLİKLER VE AKTİVİTELER
Employee health and safety	It is an inseparable part of the Company's working culture to provide a safe and healthy working environment to its employees, and to create an occupational safety culture by taking the necessary precautions accordingly.	8 İNSANA YAKINLIK VE EKONOMİK BÜYÜME

Digitalization and Ultimate Customer Experience

In line with our innovation and digitalization vision, we added new products to the ones we sell through our online channels. By enabling the transition to AHE Mobile and AHE Online platforms via İşCep, we offered an integrated and uninterrupted customer experience that facilitates the lives of our users.

Our main priorities are to offer the products and services that our customers need through our digital channels, to increase the variety of products and services that PPSt meet their expectations, and to manage our focus on providing the PPSt customer experience with digitalization as a whole. Innovative developments improve the experience of our existing customers and contribute to our new customer acquisition. We carry out many projects related to digital transformation with our work on expanding the scope of digital channels, optimizing the digital customer experience, developing artificial intelligence supported solutions and robotic process automation (RPA).

We constantly evaluate the ideas and suggestions submitted by our employees at our Suggestion Committee meetings held with the regular participation of relevant stakeholders within the company. In 2021, we received more than 15 ideas from our employees within the scope of digitalization, products and services. Among our priorities is the implementation of the suggestions made by the employees, which are deemed appropriate.



Hediye Topçuoğulları / The Fair
Shots From Life As Seen By Women

Digitalization Practices During the Reporting Period

As Anadolu Hayat Emeklilik, we rapidly continue our efforts towards digital transformation, which is the most critical tool for sustainable growth, efficiency in business processes and excellence in customer experience. It is one of our main goals to carry out these studies with integrated, agile and user-oriented systems. Some of the digitalization and high-level customer experience projects carried out by our Company in 2021 are summarized in this section.

As a company, our main goal in 2021 has been to produce solutions that make our customers' lives easier with our vision of innovation and digitalization. We continued our innovative work in the field of digitalization without slowing down. We have added new products to the products we continue to sell through our online channels, our corporate website, AHE Mobil and AHE Online. We offered a total of 11 products, 5 of which are life insurance products and 6 of which are private pension products, for online sale through digital channels. We made our products available for online sale through the app-to-app integration of İşCep, the mobile banking application of Türkiye İş Bankası, and enabled our products to meet with the customer portfolio using İşbank's digital channels.

On the auto-enrollment side, we continued to serve with our Online Auto-Enrollment channel, where institutions can receive online offers and create contracts in approximately 8-10 minutes.

We have started working within the scope of the "Future Planning module for You", which will enable our customers to easily find the most suitable product for their needs and future expectations. The module is planned to be offered to our customers and intermediaries in the first half of 2022.

In order to ensure that our digital service channels AHE Online and AHE Mobil are more preferred in 2021, we organized our digital event, the Gamesurance

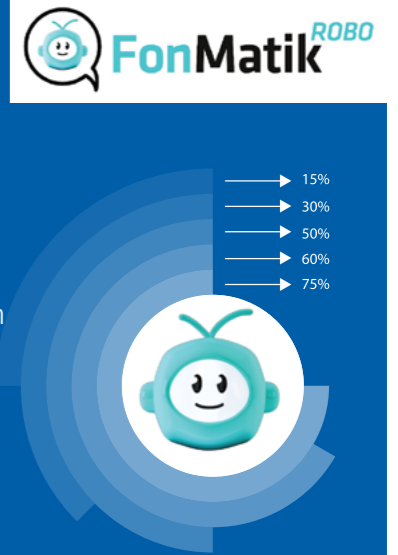
Hackathon, with the participation of 61 people from 12 different teams, and invited young people to come up with ideas involving gamification. In the event, where young people adapted their digital and innovative ideas to the insurance industry, the competing teams had the opportunity to display their innovative perspectives by producing ideas with gamification content that would ensure customer satisfaction and encourage transactions through online channels. We rewarded student groups whose ideas were appreciated. In the light of the gains from this organization, we started to determine the scope for the Customer Loyalty Program and Gamification project, which is planned to start in 2022.

The use of AHE Assistant (chatbot), which uses artificial intelligence technology and aims to provide instant and fast support to our customers, has become widespread. In the reporting year, AHE Assistant infrastructure, which provides instant support to customers for their questions, was integrated with Chatbot Softtech's Sofie product, and the rate of meeting the needs increased significantly within 6 months. The daily average of 6,500 messages in July 2021 increased significantly to 16,000 as of December 2021. AHE Assistant has continued to be a service that provides high customer satisfaction with an accuracy rate of 88.55%.

With the aim of improving in-house operational processes and maximizing employee satisfaction, project studies for the improvement of operational processes continued. With the Group Life Offer and Acceptance Automation project, which started to work in 2021, it is expected that group life offers and acceptance procedures of all distribution channels will be carried out through the system, enabling rapid proposals to be received. With the Singularization of Call Center Screens project, it is aimed to increase personnel productivity by using a single screen, to shorten the processing time on the phone, to complete the training of newly recruited personnel faster and to start answering calls in a shorter time. Within the scope of the project, developments started with the security verification screen and the customer general

FonMatik ROBO

FonMatik ROBO is a fund robot that determines the most appropriate fund distribution according to the investment characteristics of our customers and changes fund distribution according to market conditions in accordance with our customers' expectations. We offer FonMatik ROBO, which gives a personalized answer to the question of "Which fund should I choose", provides professional portfolio management services and automatically changes the fund distribution of individuals, regardless of the amount of savings of our customers. The biggest difference of FonMatik ROBO is that the outputs are not just suggestions, but after determining the investor character of the participant, it creates the fund distribution accordingly and changes it automatically according to the market conditions.



information screen (products and product details display) in 2021.

With the artificial intelligence-based interpretation technology added to the job distribution point (dispatcher), the form recognizer service understands that the form attached to the e-mail is the Leave Request Form (ATF - Turkish abbreviation), and it has made it possible to complete the request creation phase of the departure process unmanned, by passing the requests through automatic controls.

Robotic Process Automation (RPA) tools have been started to be used to ensure workflow automation. Within the scope of robotic process automation studies, which will provide benefits in many areas such as more efficient use of human resources, minimizing errors, reducing operational burdens, ensuring uninterrupted work, and making decisions by combining with artificial intelligence, work has been completed for 19 processes in 2021.

FonMatik ROBO, which we launched 2 years ago to make the life of PPS participants easier and enable

them to direct their savings to investment in the most suitable funds with fully robotic and automatic processes, reached 57 thousand customers and a fund size of over 3.4 billion TL in the reporting period. The interest in FonMatik ROBO, which stands out with its design, artificial intelligence technology and proactive information infrastructure, is increasing day by day. In the reporting year, FonMatik ROBO has been updated in line with the legislation change in the number of fund distribution changes.

Efforts to improve the customer experience were continued, and it was ensured that all processes were monitored and improved from a customer perspective, and information content at customer contact points was produced by considering customer needs and expectations.

Within the scope of the Digital Transformation Project, Anadolu Hayat Emeklilik's digital transformation roadmap was determined based on the corporate strategy, and digitalization projects covering more than 3 years, which will carry the Company forward on the digitalization path, were launched.

Ultimate Customer Experience

Creating perfect customer journeys in line with a customer-oriented approach is among the indispensable strategic goals of our company. In line with this vision we have, we continue to provide our customers with a sustainable and value-added experience by creating an organization that is proactive, dynamic and adapts quickly to conditions.

Analyzing all contact points of our customers with our brand and responding to their expectations in the most comprehensive way in this journey is important for a unique and sustainable customer experience. Accordingly, we strive to enrich our business processes with a personalized customer experience.

In line with our strategy of perfecting the customer experience, we continue our activities to strengthen and deepen our relationship with our customers without slowing down. We attach importance to providing convenience and speed in operational processes with our innovative and user-friendly infrastructure, where our customers can perform their transactions quickly and practically. We continue to digitalize processes by reviewing all customer contact points, and to increase the number of processes in which we use robotic process automation. We quickly adapt to changing customer behaviors and expectations.

In 2021, we focused on meeting the needs of the sector by meticulously continuing our new product development studies. In addition, we focused on different customer groups and offered our segment-based products with customized additional benefits and services.

We analyze the changing customer expectations and behaviors of different demographic groups by conducting customer satisfaction surveys in order to determine the improvement areas of the service. In 2021, we continued to measure the satisfaction level of our customers through customer satisfaction surveys and transaction-based customer satisfaction surveys, which we have

conducted through independent companies. Our Net Promoter Score was measured as 48 and an increase was recorded compared to the previous year. Actions are taken to improve the customer experience, specific to each of the development areas identified as a result of the satisfaction surveys. Process improvement studies are carried out to increase satisfaction with post-procedure surveys at customer contact points such as online sales, complaint resolution process, calls to keep communication alive, and leaving process.

Our monthly continuity rate, which shows at what rate our customers' private pension contracts in effect continue in the next month, stood at 98.8% as of December 2021.

In order to further strengthen our strong position in the market, we take actions to ensure customer continuity and accelerate our new customer acquisition activities. In this direction, focusing on different customer groups, as well as focusing on services for individuals under the age of 18, where we have achieved an important breakthrough, also has an important place in our roadmap. We both support our sales activities and aim to maximize the benefit our customers can derive from products and services, with segment-based campaigns we have launched for various life stages and occupational groups such as children, youth, housewives, retirees, doctors, and farmers.

Within the scope of our customer retention activities, The Happy Customer Team within our company regularly monitors and examines the complaints submitted to our Company or related channels. Root causes are reached through analysis of complaints, and actions are taken to improve customer experience in pre-sales, sales and after-sales processes.

Customer complaints are forwarded to our Company via telephone, e-mail, social media and official institutions, and recorded on the CRM platform, and the "Complaint Response Process" is carried out. The recorded customer complaint goes through the pre-assessment and

contact with the customer, and then the root cause of the complaint is determined.

Customers are informed by SMS or e-mail, depending on their preferences, when the said complaint is opened, the complaint is finalized or additional information is needed. The basic performance indicators for the resolution of customer complaints are monitored by the "Complaint Handling Process - Service Level Agreement" signed between the departments and the CRM management panel showing the current complaint records.

In the upcoming period, we will continue to invest in our digital channels, which touch customers, by following up-to-date technological developments as well as our customers' needs and expectations.

Focusing on digitalization and excellence in customer experience, which are our main strategic targets in 2022, it is planned to increase our private pension and life insurance market share, including auto-enrollment, to maintain the focus on customer retention activities, to accelerate digitalization efforts and to continue customer experience studies by taking the global and local trends and the needs of customers and customer candidates into account. Carrying out studies on artificial intelligence-based personalized campaigns and communication optimization, deepening in the customer segments and product groups that the new legislation will allow, in products for people under the age of 18, following the developments in new technologies and new products that came to the fore in the post-pandemic period, ensuring customer satisfaction is maximized. aimed to be increased.



Corporate Governance and Ethical Business Processes

We believe that compliance with the Corporate Governance Principles, which we believe is as important as our financial performance, is of great benefit both for the development of national and international capital markets and for the interests of our Company. We aim to achieve our company's profitability and continuous growth targets with the corporate awareness created within the framework of the "Ethical Rules", which have been determined and announced in writing, in addition to the current legal legislation and regulations, as well as corporate culture and business ethics.

Anadolu Hayat Emeklilik provides all kinds of financial information, other explanations and information required within the framework of the Capital Markets Legislation, the Turkish Commercial Code and all other relevant legislation, in particular the Insurance Law, the Private Pension Savings and Investment System Law, and the regulations pertaining to the aforementioned laws. It fulfills the well-known accounting principles and corporate governance principles, and in this context, it follows a detailed information and public disclosure policy. The main purpose of our disclosure policy is to ensure that necessary information and disclosures, outside the scope of trade secrets, are communicated to shareholders, investors, employees, customers, creditors, reinsurers and other relevant parties in a timely, accurate, complete, understandable, easy and accessible manner, under equal conditions.



Our corporate governance structure allows and protects the right of all stakeholders, including employees and their representatives, to convey their concerns regarding illegal and unethical transactions to the Corporate Governance Committee.

Information Policy and Corporate Governance Policies can be viewed on pages 61 – 66 of Anadolu Hayat Emeklilik 2021 Annual Report.

Our Company, which takes an active approach to the adoption and implementation of the Corporate Governance Principles, puts its utmost effort into realizing the requirements of the relevant legislation and international PPSt practices in terms of public disclosure and information. The Information Policy, prepared in this framework, was created within the framework given above, approved by the Board of Directors and put into practice.

Our corporate governance structure allows and protects the right of all stakeholders, including our employees and employee representatives, to convey their concerns regarding illegal and unethical transactions to the Corporate Governance Committee. Complaints regarding our company's accounting and internal control system and independent audit are submitted to the Audit Committee via the e-mail address dsk@anadoluhayat.com.tr.

In 2021, the Corporate Governance Committee held 5 meetings and presented 8 reports on the Committee's activities to the Board of Directors. In the specified period, the Audit Committee held 5 meetings and the Early Detection of Risk Committee held 4 meetings and presented 5 and 6 reports to the Board of Directors, respectively.

Within the scope of investor relations, 1 presentation and 28 teleconferences were held and presentations were made to investors about the sector and our Company, and investor

questions were answered. 75 questions and information requests received between January 1st and December 31st, 2021 to the e-mail addresses of investorrelations@anadoluhayat.com.tr, which were opened to answer the questions of our investors, were answered.

The Suggestion System Regulation for company employees was put into effect as of 01.05.2006 and was updated on 02.07.2020. Meetings are held with our sales team to inform and listen to suggestions twice a year. In addition, surveys were conducted for our customers and employees.

Company structure and corporate governance issues are regularly shared with the public through the Corporate Governance Compliance Statement and Corporate Governance Information Form.

All information regarding the *Corporate Governance Compliance Statement* and *Corporate Governance Information Form* can be viewed on pages 67 – 83 of Anadolu Hayat Emeklilik 2021 Annual Report.

Legal Compliance

Since most of our activities are subject to various legal regulations, it is critical to ensure full compliance with the law in all activities. Our Board of Directors has the ultimate authority and responsibility for the correct and honest execution of all our activities in compliance with the legislation and standards, and for the effective management of compliance risk. Our Company's Senior Management, on the other hand, is responsible to the Board of Directors for ensuring that the company's activities or the attitudes and behaviors of its employees

are in compliance with the legislation and standards, within the framework of the Compliance and Compliance Risk Management Policy, and that the compliance risk is effectively managed and kept under control. In this context, compliance reports prepared by the Risk Management and Internal Control Department are submitted to the Board of Directors on a quarterly basis.

The Risk Management and Internal Control Department carries out and coordinates the activities of identifying, evaluating, monitoring and reporting compliance risks in order to ensure that compliance risk is effectively managed and controlled within the framework of the relevant legislation and standards and our Company's risk management policies and procedures. In this context, the regulations regarding all our new products, services and activities are reviewed by the relevant directorate before they are put into effect.

The legal compliance of all contracts made with third parties is examined by Office of the Legal Counsellor before the signature process begins. Office of the Legal Counsellor also examines company practices from a legal perspective in line with requests from the units, gives opinions and conveys its legal opinions regarding the improvements that can be made in the processes and practices that lead to the conflict. In addition, Office of the Legal Counsellor notifies the relevant units of all legislative changes that may affect our Company's activities and practices, and provides legal support to the legislation harmonization process.

There is no significant lawsuit filed against our Company in 2021 that will affect our financial situation and activities. During the reporting period, no significant penalties or sanctions were encountered due to practices contrary to the provisions of the legislation.



Risk Management and Internal Control

The main purpose of our Risk Management Policy is to determine risk measurement, evaluation and control procedures and ultimately to ensure that the asset quality and the level of risk that our Company is willing to undertake in return for a certain return are in harmony with the limits stipulated by the legislation we are subject to and our risk tolerance. All provisions of our Risk Management Policy and changes to be made require the approval of the Board of Directors.

As a minimum, it is essential to implement the risk management systems and processes specified in our policy and to comply with the determined risk limits. Determining the risk management principles and standards applied throughout our company, updating risk policies depending on changes in operating conditions, establishing and operating effective risk management systems and processes, monitoring the company's risk level, establishing risk limits, controlling the situation against these limits and taking necessary measures. implementation is the responsibility of our Board of Directors. In matters deemed necessary and important, the risk limits determined for the measurement, evaluation and follow-up of risk levels also come into effect with the decision of our Board of Directors.

The Risk Management and Internal Control Department operates in order to define, measure, analyze, monitor, report risks, monitor the developments in risk management, develop the methods applied, and report the necessary legal reporting, notification and follow-up transactions to the Board of Directors. Within the scope of the Regulation on Internal Systems in the Insurance and Private Pension Sectors published in the Official Gazette dated 25.11.2021, the Risk Management and Internal Control Department was affiliated to the Early Detection of Risk Committee and thus to the Board of Directors as of 25.02.2022. All findings obtained as a result of examining risks independently from executive functions are regularly reported to the Management, Board of Directors and Company Senior Management.



Elife Uludeveci / Snow
Shots From Life As Seen By Women

An Early Detection of Risk Committee, consisting of at least 2 members to be elected from among the Members of the Board of Directors, has been established in order to early identify the risks that may endanger the existence, development and continuation of the company, to implement the necessary measures regarding the identified risks and to manage the risk. An internal control system is in place that is structured to cover all of the Company's operations, including all of the rules, legislation, methods and instructions, risk-reduction systems, equipment, and other similar elements that

employees at all levels are responsible for fully complying with and implementing in order to ensure that the risks associated with the Company's operations are properly and effectively managed, reduced, and controlled.

Within the framework of the "Ethical Rules and Implementation Principles" existing in our company, employees of all levels, all business partners and intermediaries are obliged to comply with the ethical rules and to ensure that these rules are followed in all their activities. The Anti-Bribery and Anti-Corruption

Policy, which covers all employees and business partners, was revised in November 2020. Trainings in accordance with the current policy are being planned for the beginning of the second quarter of 2022. Our company also has a Gift and Entertainment Policy for employees.

Our Board of Directors creates the internal control systems of the Company, taking into account the opinions of the relevant board level committees, and reviews the effectiveness of risk management and internal control systems once a year. The audit of risk management systems and processes is carried out by the Inspection Board.

Internal Audit

Our Internal Audit activities are carried out by our Board of Inspectors within the framework of our Annual Internal Audit Plan and Program. This framework includes evaluating the adequacy and effectiveness of internal control and risk management practices, providing assurance on the effectiveness and adequacy of the compliance program established in line with the provisions of the legislation on the prevention of money laundering and financing of terrorism, the compliance of operational activities with the determined procedures and the supervision of the functioning of the internal control implementation procedures related to them. In addition, transactions carried out by intermediaries during the audits of the units responsible for distribution channels and the transactions of companies providing external services in line with service level agreements are also examined in line with legislation compliance and company practices.

Within the scope of the audit activities for 2021, 40 audits were carried out, including process, unit and outsourcing audits. 34 of these audits were internal audit activities carried out for business units. As a result of the internal audit activities, 8 investigation reports were prepared on various risks related to the fight against fraud and corruption, such as the intermediaries using the information of the customers to make transactions on behalf of the customers, establishing transactions on behalf of the customers in the collection and payment processes, and the abuse of commission and premium payment processes and quotas by the intermediaries.

Social Impact Management



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Inclusion and Diversity

The goal of raising the living standards of individuals and contributing to their continuity is one of Anadolu Hayat Emeklilik's important missions. Within the framework of financial inclusion and diversity, we create value for all segments of society, not only with our product development processes, but also with our corporate social responsibility activities. As a result of these practices, we offer services to an equal number of male and female customers, with a female customer ratio of 50.3%, which is above the industry average.*

While we are breaking new ground in the sector with our works for women, youth, children and the disabled, we carry out important works to strengthen and support all individuals so that they have the same conditions and opportunities. We serve nearly 690 thousand customers with the private pension and life insurance products we have created for various socioeconomic groups of the society.

At Anadolu Hayat Emeklilik, we see equality of opportunity as a right, not a privilege. In this direction, we have been a signatory to the Women's Empowerment Principles (WEPs), one of the most important global initiatives of the private sector, created in partnership with the United Nations Global Compact and the United Nations Gender Equality and Women's Empowerment Unit, since 2018.

We attach great importance to women, youth and children, and act with the fact that insurance and savings awareness develops at an early age. While designing and presenting products for the special needs of these groups, we aim to reach them by conducting targeted studies on social media. Similar processes apply to the products we offer to special customer groups such as housewives, tradesmen and farmers. We regularly post on all social media accounts of our Company for products specific to different customer groups, such as the Housewives Pension Plan, the Youth Pension Plan, and the Pension Plan for Children, aimed at raising awareness of insurance and retirement. Every week, we bring together photography lovers on our social media accounts, with the works that were awarded and exhibited in the Photographs of Life Through the Eyes of Women photography contest, which is open to all amateur and professional female photographers.



Özlem Düzenli / The Walk
Shots From Life As Seen By Women

Women's Empowerment

Being aware of the fact that women are important decision makers in terms of security and future concerns, we are the first institution in the sector to issue a private pension plan for housewives who are not under social security insurance.

Thanks to the "Housewives Pension Plan", which we have prepared with the housewives in mind, housewives can be included in the Private Pension System (PPS) without straining their budgets with low

contribution amounts and can obtain retirement savings with regular savings. The most important feature of our plan is the contribution payment guarantee. Within the scope of the contribution payment guarantee, which we are the first company in the sector to offer such a service for women, we undertake the contribution payments until the end of the tenth year in the event of the participant's spouse's death, full/permanent disability, or complete and permanent disability of the participant who is unmarried. As of the end of 2021, our 120 thousand customers are included in our "Housewives Pension Plan".

*According to the Pension Monitoring Center data, as of December 31, 2021, the ratio of female-male customers in our sector is 40.7% and 59.3%, respectively.



Özge Aslankara / Roasted Chickpea Seller
Shots From Life As Seen By Women

Our "Critical Illness Insurance for Women" product provides financial protection against critical diseases specific to women. With the collective money guarantee, we provide coverage to 15 thousand female customers with the product, which allows them to cover both treatment costs and income loss that may occur due to illness without touching their existing savings.

Our Products for Youth and Children

With the "Youth Pension Plan", which is a first in the sector and has a social responsibility dimension, which was developed to improve the savings awareness of young people between the ages of 18-25 and to encourage early savings, the young people with high future anxiety are included in the system and they become one of the other companies in the sector in this age group. As of the end of 2021, we provide assurance for the future of nearly 155,000 young people.

By the end of 2021, we ensure the future of nearly 155,000 young people.

As Anadolu Hayat Emeklilik, we support our 22 thousand customers with our "Investment Insurance for My Child" products for parents who plan their child's future today, and "Education Insurance for My Child" for those who want their 17 thousand children's education to be kept under no circumstances interrupted. With our "Pension Plan for Children" product, which we offer for children under the age of 18 and reach more than 70,000 children, we enable parents to include their children in the(PPS) and secure their children's future.

Pension Plan for Children

The inclusion of those under the age of 18 in the PPS took its place among the regulations expected in the sector in terms of expanding the participant base, and was implemented in June 2021. According to the sector data published by the Pension Monitoring Center (EGM - abbreviation in Turkish), as of December 31, 2021, the number of participants under the age of 18 reached approximately 172 thousand, and the fund size including the state contribution reached 336.8 million TL.

Considering the age distribution of the participants under the age of 18, it is seen that the children aged 0-7 have the highest share. The share of children aged 7 and under in the total is 54%, and the most crowded group is 2 year olds with their number approaching 12 thousand. Those who enter the system at the age of 1 (11,882 people) also stand out with their share of 6.9% in the total, and it is seen that the highest contribution amount is paid for the 10-year-old group, according to the total contribution amount per capita.

When sector statistics are analyzed, it is observed that this regulation is met with great interest by parents who want to save money for the future of their children. Parents already tend to save money for expenses such as future education, business establishment, marriage, health, and for reasons the risk of losing their job.

According to the latest data announced by the Turkish Statistical Institute, the population under the age of 18 in our country is at the level of 23 million. It is believed that this group, whose share in the total population is around 30 percent, will make significant contributions to the growth of PPS. Within the scope of this regulation, work continues in line with the target set to include approximately 10-15% of the child population in our country in the system. It is predicted that the number of children under the age of 18 who will be included in the system will increase day by day with the development of savings awareness in the country. This situation is considered as an important development in terms of the development of the sector in line with its potential and its spread to large masses.

Anadolu Hayat Emeklilik has considered children as a privileged customer group for many years and meticulously focuses on activities for children. As one of the leading companies in the implementation of the inclusion of children under the age of 18 in PPS, the company put on sale the "Pension Plan for Children" product, which includes additional benefits and services specific to children, on 1 June. It was ensured that the product was brought together with our customers both face-to-face and through digital channels.

One of the most important features of the "Pension Plan for Children" product is the contribution payment guarantee offered to the participants within the scope of the plan. In the event of the death or complete and permanent disability of the parents of the children for whom the regular contributions are paid to private pension accounts within "Pension Plan for Children", the remaining contribution payments are regularly paid by the Company for up to 10 years.

With the product "Pension Plan for Children", which makes it possible for those under the age of 18 to start investing for the future, and the data published by the EGM on December 31, the Company's market share in the sector is 30.7% in the number of contracts, 31.9% in the number of participants, and 27,2% in the fund size.

In children under the age of 18, 1 out of every 3 participants in the sector is a customer of the Company. It is expected that the interest in the "Pension Plan for Children" product will continue in the upcoming period and the current level of market share will be maintained.

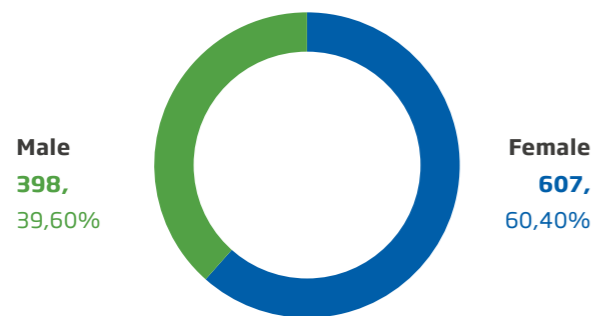
Our Products for Disabled Individuals

Anadolu Hayat Emeklilik, which supports increasing the financial literacy of the disadvantaged and their access to quality financial services, continues to offer the DEV (World Disabled Persons Foundation) PPS Plan, which it has implemented, breaking new ground in the sector for disabled individuals who want to make advantageous investments. In addition to the 30% state contribution to our approximately 200 customers included in the DEV PPS Plan, our Company gives an additional 5% special contribution for the first year, increasing the total contribution they can earn in the first year to 35%.

Working Life

We are establishing effective talent development systems with the aim of being the company most preferred by qualified workforce in the private pension and life insurance sector, and we continue our work with the aim of keeping employee satisfaction at the highest level. We offer equal opportunities to all employees, regardless of religion, sect, language, race, gender, age and political opinion, with our human resources practices that we have built on the basis of inclusion and equality of opportunity.

Employee Distribution by Gender



As of 31.12.2021

As Anadolu Hayat Emeklilik, we consider the principles of inclusiveness and equal opportunity in all human resources practices. We offer equal opportunities to all employees, regardless of religion, sect, language, race, gender, age and political opinion. We are proud of our female employee ratio, which makes up 60% of our workforce and is well above the industry average*.

Employee Rights

At Anadolu Hayat Emeklilik, all practices related to working life and human resources are managed by our Human Resources and Training Department. Within the scope of the Company's Human Resources Policy:

- The principle of providing equal opportunities to people under equal conditions is adopted in all recruitment processes. Recruitment criteria are determined in writing on the basis of title and these criteria are complied with in practice. All necessary measures are taken to prevent race, religion, language and gender discrimination among our company's employees, to respect human rights and to protect employees against physical, mental and emotional ill-treatment within the company. Child labor or forced labor is never allowed.
- Job descriptions and distributions and performance criteria are determined by the company management and announced to the employees. In training, appointment and promotion decisions, care is taken to use objective data and to take into account the interests of the company.
- Employees of our company are members of the Bank-Finance and Insurance Workers' Union (BASISEN). The decisions taken regarding the employees or the developments concerning the employees are notified



Gülhiz Arslan Öztürk / Minimal
Shots From Life As Seen By Women

*According to the Turkish Insurance Association (TSB) 2021 employment data, there are 55% female and 45% male employees in the sector.

to the employees or their representatives. Our union representative employees play an important role in the management of relations between our company and our employees. On the other hand, the issues required to be included in the collective bargaining agreement are received in writing from all our employees and evaluated within the scope of the agreement process.

- A safe working environment and conditions have been provided by our company, and efforts are regularly made to improve these conditions in line with social and technological needs.
- Up-to-date announcements, insurance and private pension legislation, and auxiliary resources are shared with our employees through our Company's corporate portal, which was created to make intra-company communication more effective.
- The provisions of the suggestion system regulation are applied in encouraging the creative ideas of the company employees regarding company activities and practices, collecting their individual ideas and appreciating and rewarding the successful ones by evaluating them.

Employee Development and Performance Management

The success of our company is due to the fact that our employees are well-equipped, competent, creative and dynamic in terms of knowledge and technology, as well as reflecting our deep-rooted corporate culture in all their activities and meeting on a common ground.

We organize the trainings we offer to support all the personal development needs of our employees and all the trainings that are mandatory as per the legislation, through the AHE Academy. We have structured AHE Academy in order to carry out the training and development of all our employees in a systematic way, including the cultural dimension.

With AHE Academy, we aim to maintain a customer experience-oriented culture by investing in human resources, which we see as our most important capital. While supporting the professional and personal development of our employees, we offer them various

activities in line with their career plans and aim to provide them with different perspectives.

In 2021, we organized trainings mainly on the Private Pension System (PPS) and professional and personal development. More than 400 participants received training on products, financial literacy, persuasion and sales skills. We organized the "Leadership School Program" for our IT group managers.

By organizing a total of 52,830 person*hour training in 2021, we ensured that our employees receive an average of 52.56 hours of training per year. Within the scope of AHE Academy, we contribute not only to the development of our employees, but also to the development of outsourcing company employees. In 2021, we provided 124 outsourcing company employees with 1,167 person*hours of training.

Within the scope of our performance evaluation system, our employees are subject to performance evaluation once a year. With the performance evaluation system, we aim to reach objective criteria in the career development of our employees and to determine their training needs. The rate of our employees who are included in the regular performance evaluation process is 97%.

Aiming to create a work environment where employees enjoy, trust, work efficiently and happily, Anadolu Hayat Emeklilik regularly conducts "Employee Satisfaction Survey" and "Internal Customer Satisfaction Survey" for this purpose. The results of this study constitute the input of important and transformative projects. In our last survey conducted in 2020, our employee satisfaction was 4.09 out of 5 full points.

All of our talent management practices continued to be managed uninterrupted with digital processes during the COVID-19 pandemic, which had an impact for most of 2021.

Employee Health and Safety

Our employees' satisfaction, well-being and access to a healthy working environment are among our top priorities. We are aware of how important it is for our

employees to be in the most ergonomic, stress-free and safe working environment possible and to feel safe.

All issues related to Occupational Health and Safety (OHS) are included in the Collective Bargaining Agreement covering our employees, and there are OHS Committees in all our workplaces. All practices related to occupational health and safety are carried out in accordance with the Occupational Health and Safety Law No. 6331. During the reporting period, 7 OHS Committees with 41 members and 19 employee representatives actively operated.

A copy of the Occupational Health and Safety Regulation is given to every new employee who starts working within the scope of OHS procedures, along with information training on OHS. In accordance with the Occupational Health and Safety Law, basic OHS trainings are given to all our employees on a regular basis, and 8,259 person*hour OHS training was organized in 2021.

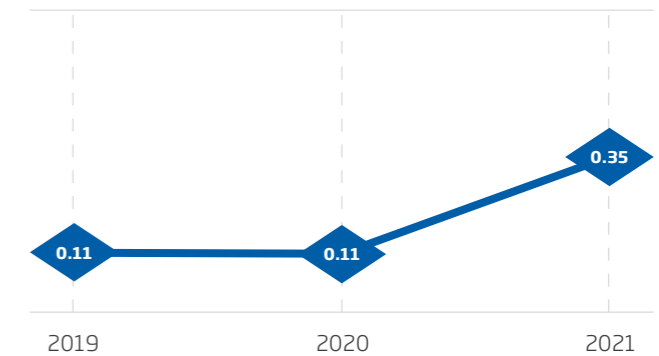
In 2021, the COVID-19 epidemic continued to show its effects. Again, the course of the epidemic was followed closely, and working models from a distance or from the office were put into practice.

Additional measures have been taken to minimize the health risks to which our employees and their families may be exposed. In the office environment, a high degree of importance was given to mask, distance and hygiene rules. Our employees were encouraged to work remotely and complete their vaccination schedules.

In line with the number of cases and the positive course of vaccination practices, our Head Office offices worked alternately with a maximum capacity of 25%.

Since December 2020, data usage support payments continue to be made to our employees who work remotely. Our employees, who were evaluated within the scope of chronic diseases, disabled and pregnant, continued to work remotely.

Injury Rate (IR)



Mihraç Kulu / Lake Van Express
Shots From Life As Seen By Women

Corporate Social Responsibility

Within the scope of its corporate social responsibility activities, Anadolu Hayat Emeklilik gives priority to sustainability activities that contribute to the social development of women and produce solutions for a sustainable future.

As the leading company of our sector in terms of diversity, inclusion and equal opportunity, we also highlight our support for women's empowerment in our corporate social responsibility activities. We see women as the main driving force for the development of our country, and based on this mission, we give priority to women both in our product development processes and in realizing our social responsibility projects.

The most prominent project among our social responsibility projects that we have built on the social, cultural and social empowerment of women is the Photo Contest of Shots From Life As Seen By Women. Turkey's first and only photography competition for women, "Shots From Life As Seen By Women", which we have realized to offer a platform where women

can freely express their creativity through the art of photography, is the only photography competition held uninterruptedly since 2007 under the consultancy of the Turkish Photographic Art Federation (TFSF).

We offer women a platform where they can freely express themselves and their perspectives on life, with the competition that aims to contribute to the social, cultural and social development of women, in which more than 23 thousand female photographers participated with more than 88 thousand photographs since the day it started. The competition, which was held for the 15th time in 2021, was organized with the theme of "About Life", open to all women, as it is every year. We continued the exhibition during the epidemic in 2021, and we held our 15th Anniversary Special Exhibition and our 2021 Exhibition in digital environment, specially prepared for the 15th year of the competition.

"Shots From Life As Seen By Women'21" and "15th Year Special" digital exhibitions organized in 2021 can be visited on the [website](#).

All the photographs that have received awards and exhibited in the exhibitions held so far can be accessed on the [website](#) of Shots From Life As Seen By Women.

In our world where our natural resources are rapidly depleted, we started a social responsibility project called the "Upcycling Movement", which will help

reduce the amount of waste, in December by publishing the manifesto film describing our starting point. Instead of throwing away unused, obsolete or deteriorated items and buying new ones, we aim to create a sustainable future by transforming them into different products with a little creativity, and thus making a positive contribution to the environment and the economy. In the project, we share videos consisting of simple upcycling ideas that can be easily implemented, presented by expert influencers, on our social media accounts, and we aim to include as many people as possible in the "Upcycling Movement", which we invite to be a part of the solution for the future of the world. Upcycling ideas, which we put into practice with the

motto of "Upcycle, change the future", are available on Anadolu Hayat Emeklilik Youtube channel and AHE Blog. In addition, these projects are shared in monthly e-bulletins and in our in-house magazine, Hayata Dair, under the name of "AHE Upcycling Atelier" in order to inspire our employees as well.

In 2021, our Company made donations and aid expenditures totaling 56,800 TL to foundations that support education and the protection of natural assets; including our support to the campaign initiated by the TEMA Foundation in order to regenerate our forests damaged by the fires in our country, with a total of 5500 saplings.*



Sevgi Mersin Ödemiş / Mona Liza
Shots From Life As Seen By Women

*In 2021, the scope of the calculation was changed.

Environmental Impact Management



[Environmental Impact Management](#) 50

[Climate Change and Energy](#) 51

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Environmental Impact Management

As Anadolu Hayat Emeklilik, we directly support the separation of economic growth and the impact on ecological balance with the practices we carry out, and we also make an additional contribution with the positive and negative evaluations we make in our investment decisions. We act with the awareness that reducing negative environmental impacts is critical on the path to social development.

We effectively and regularly monitor and manage the environmental impacts arising from our operations. The environmental impacts arising from our activities are the domestic water, electricity, natural gas we consume in our workplaces and during the realization of our business processes, as well as the fuels arising from our company vehicles, personnel services and business trips.

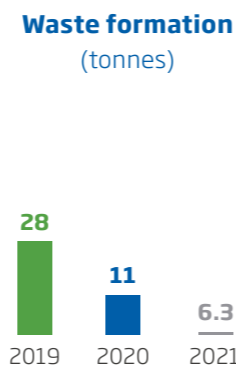
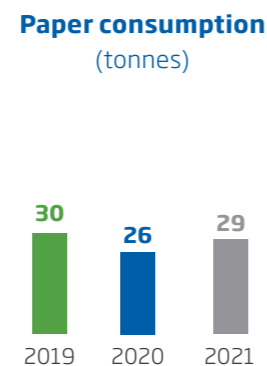
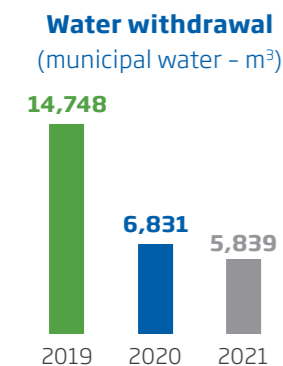
We monitor our energy, water, paper consumption and the amount of waste we create from our activities, report them transparently, and take various steps to reduce these effects every year. In addition to our environmental management efforts, we use recycled paper and materials in printed materials such as agendas and annual reports in order to manage our indirect effects.

Central automation systems are used to create efficient and modern working environments in our workplace. The maintenance and controls of all our systems are carried out effectively. In this context, our Manzara Adalar Offices, where our Customer Service Center is located, have the LEED (Leadership in Energy and Environmental Design) Gold green building certificate issued by the United States Green Building Council (USGBC).

While aiming to manage our environmental impacts through practices such as green electricity use, we reduce the negative impacts arising from our operational activities with central automation systems, effective maintenance and control practices, reducing paper consumption and waste management practices, or we regularly evaluate the options for replacing the used resource with a less effective one. With this awareness, Anadolu Hayat Emeklilik purchased and used electrical energy produced from renewable energy sources in 2021. In this way, Scope-2 emissions for 2021 have been zeroed.

In the 2021 reporting period, when the epidemic process was intense, a decrease was observed in our environmental impacts compared to previous years, as limited physical work was carried out during the epidemic process.

Environmental Impacts as a Result of Activities



Climate Change and Energy

The deteriorated ecological balance resulting from the rapid increase of the negative impacts of a growing population and increasing consumption on the environment and from the global climate change has become a threat to future generations. The effects of climate change have started to be seen in our country, especially in recent years. Practices to be implemented in order to reduce greenhouse gas emissions that cause climate change in the near future will continue to gain importance in the fight against climate change.

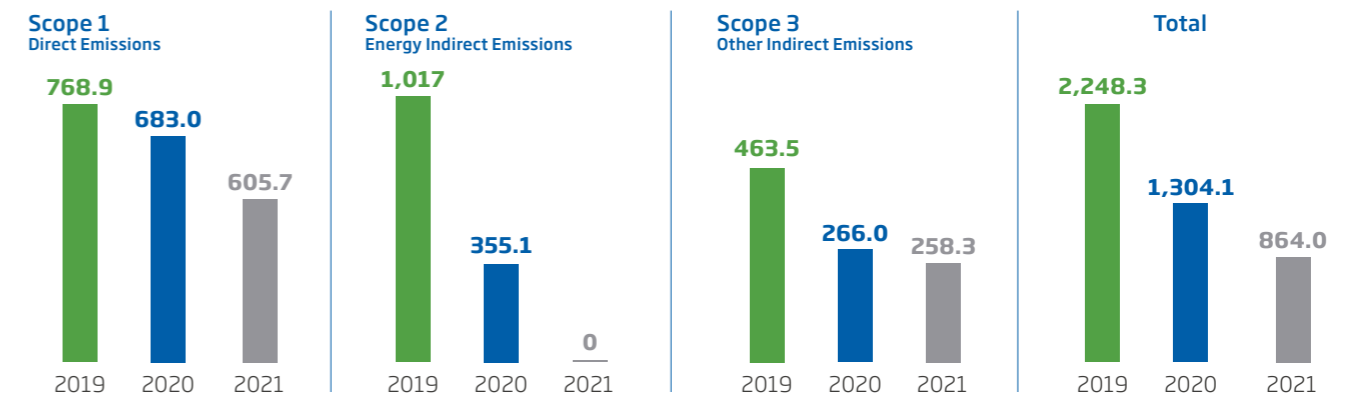
As Anadolu Hayat Emeklilik, with the awareness of the necessity of monitoring, reporting and reducing greenhouse gas emissions within the scope of combating climate change, we have been continuing our Carbon Footprint

Management studies since 2016, in this context, we provide financial support to renewable energy projects by calculating our carbon footprint resulting from our activities and purchasing the same amount of carbon credits.

Direct (Scope 1), energy indirect (Scope 2) and indirect (Scope 3) emissions are included in our carbon footprint calculation.

In 2021, 864.0 tons of carbon dioxide equivalent (tCO₂e) greenhouse gas emissions were realized within the scope of our activities. Our total greenhouse gas emission rate per square meter, followed as a key performance indicator, decreased by 34.9% compared to the previous year and became 0.043 tCO₂e/m².

Greenhouse Gas Emissions (tCO₂e)



Scope-1 Direct Emissions: The AHE Scope-1 calculation includes natural gas consumption, greenhouse gas emissions from company vehicles, generators, chillers, ventilation and fire suppression systems.

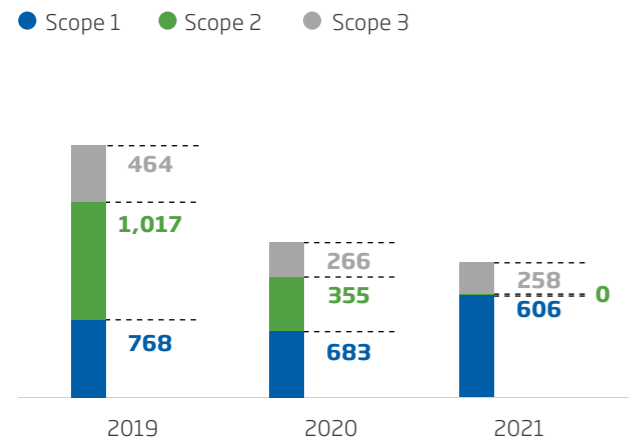
Scope-2 Energy Indirect Emissions: The AHE Scope-2 calculation includes greenhouse gas emissions from electricity consumption.

Scope-3 Other Indirect Emissions: The AHE Scope-3 calculation includes

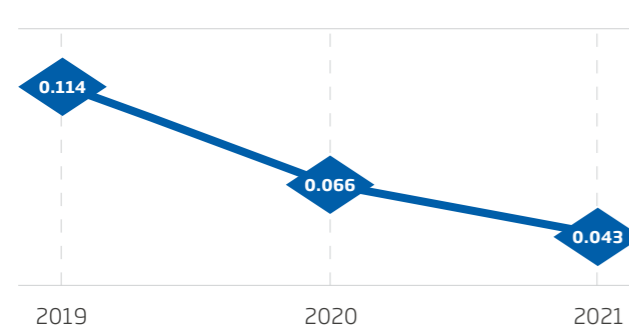
greenhouse gas emissions from personnel transportation services, taxi, bus, business air travel and paper consumption.

Anadolu Hayat Emeklilik procured the electricity it used in 2021 entirely from renewable energy sources. Anadolu Hayat Emeklilik, which purchases green electricity in line with its sustainability perspective, has zeroed its Scope-2 emissions. Scope-2 CO₂e emissions, which were 355 tons in the previous year, completely prevented in 2021. With the emission zeroed in Scope-2 due to the use of green electricity, a total of 440.1 tons of CO₂e reduction was achieved in our emissions in 2021.

Greenhouse Gas Emissions by Scope (tCO₂e)



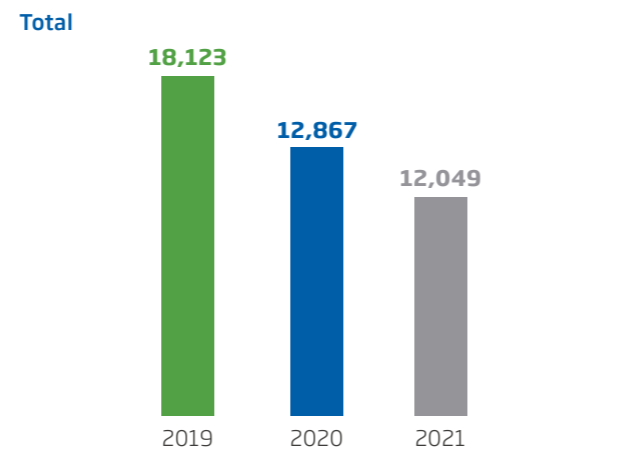
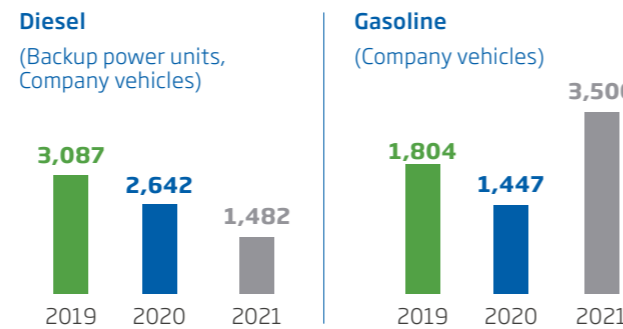
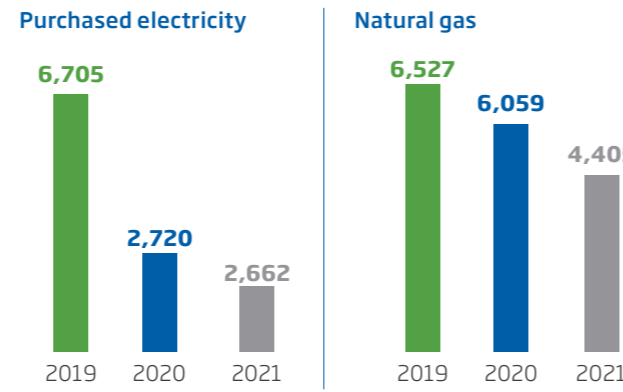
Greenhouse Gas Emission Intensity by Use (tCO₂e/ m²)*



*Due to the relocation of some offices in 2019, the office usage area of Anadolu Hayat Emeklilik employees increased. In 2020 and 2021, there has been a decrease in total greenhouse gas emissions and emission intensity, as physical work has been limited during the epidemic process.

We use central automation systems to reduce the effects of electricity and natural gas used in our activities. In this way, while we prevent unnecessary energy consumption, we also contribute to the prevention of greenhouse gas emissions. We carry out the maintenance and control of all air conditioners, electrical installations and other systems in our buildings under the management of our Support Services and Purchasing Department. With our company's effective maintenance and control processes, we prevent the formation of harmful externalities that have a high impact on the environment and climate change, especially due to high global warming potentials such as refrigerant gases. In the offices of regional sales directorates, smart buildings, systems and offices are used in line with the emerging needs, and progress is made in line with the sustainability strategy.

Energy consumption (GJ) ● 2019 ● 2020 ● 2021



Responsible Investment Practices

As Anadolu Hayat Emeklilik, we are aware that our environmental and social impacts are not limited to our operational activities. While evaluating the possible effects for the management of environmental and social impacts arising from investment activities, we aim to avoid investments that may have negative environmental and social impacts, and to develop new products that will provide added value to the environment, society and our customers. As part of our responsible investing activities, we became a member of the United Nations Environment Program Finance Initiative (UNEP-FI) in 2017, becoming the first and only private pension and life insurance company from Turkey to be accepted into this global partnership. Within the scope of this initiative, information exchange with companies that have sustainability practices in the financial sector, creation of new products and the benefits to be provided to pension/insurance activities from the axis of sustainability are shared.

Positive and negative environmental and social impact assessments of our fund management activities are carried out through the External Environmental and Social Impact Assessment procedures within the scope of our Sustainability Policy and Sustainability Management System. We also monitor and report our annual performance regarding all external environmental and social impacts

within the scope of this procedure. We manage our responsible investment activities under two headings as "Positive Evaluation" and "Negative Evaluation" processes. Under the "positive evaluation" process, the establishment and management of sustainability-themed PPS funds are carried out. In the evaluations carried out under the responsibility of the Sustainability Committee, the Board of Directors, the Fund Board and our Fund Management Department, the processes of determining the scope, management and performance of the sustainability-themed PPS funds are followed. In this context, in 2020, we included IAG (İş Portfolio Management Infrastructure Venture Capital Investment Fund), which invests in companies that carry out infrastructure and services such as renewable energy sources, especially wind energy, into our Company's investment portfolio. In 2021, we included MAI (Maxis Venture Capital Portfolio Management Clean Energy Venture Capital Investment Fund), which invests in renewable energy companies operating in the energy sector, into our company's investment portfolio.

The size of securities issued by companies (*) included in the BIST Sustainability Index, which is included in the portfolios of pension mutual funds founded by our company, was 19%.

BIST Sustainability Index Investment Rate, 31.12.2021

	BIST Sustainability Index Investment Size (Million TL)	Total Stock Investment Size (Million TL)	BIST Sustainability Index Investment Ratio (%)
İş Portföy	41,010	7,630	19
HSBC Portföy	2,118	631	30
Total	43,128	8,262	19

*Indicates the size of the stocks issued by companies included in the BIST Sustainability Index, as well as other securities.

Sustainability Stock Pension Investment Fund

We developed the Anadolu Hayat Emeklilik Sustainability Stock Pension Investment Fund, which we started working on in 2020 and offered to our customers in 2021, for our new and existing customers who are concerned about the future and the environment and want to make environmentally friendly investments.

The foundation purpose of the fund is to enable our customers with high environmental awareness to make responsible investments in line with our Sustainability Strategy and to establish a fund that adds value to the future.

The main purpose of the fund, whose at least 80% of portfolio consists of stocks that are constantly included in the domestic and international Sustainability Indices, is to earn income by including stocks that are predominantly in the domestic/foreign Sustainability Indices in the fund portfolio.

With our Sustainability Equity Fund, we aim;

- To enable our customers to seize up-to-date opportunities through areas that are easy to understand and close to, such as sustainability and technology.
- To develop new investment instruments in line with changing conditions and trends, taking into account customer needs and expectations.
- To encourage our customers to follow the same path as us, as a sensitive company that cares about the environment and a sustainable future.
- To respond to the needs of our customers who want to invest in their own and the future of the world.



Within the scope of the "Negative Evaluation" process, we do not invest in any activities that have a high level of environmental and/or social risk, may cause destruction, and are included in the Non-Investment Activities List in our Sustainability Policy. The Non-Investment Activities List can be viewed in the section of our Sustainability Policy on our corporate website.*

We also conduct a "Sensitive Sector Assessment" at the stages of corporate borrowings and securities investment decisions. Our company has defined nuclear

energy, coal-fired thermal power plants, gambling and games of chance, and firearms industry sectors as "sensitive sectors" and private sector borrowings and securities investment decisions within these sectors are evaluated within the scope of corporate information and submitted to the Executive Board for approval. Companies included in the Borsa Istanbul Sustainability Index are also subject to environmental and social risk assessment, but these companies are considered low risk without the need for detailed examination and their investment processes are continued.



* <https://www.anadoluhayat.com.tr/en/sustainability>

Appendix



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Stakeholder Communication

Stakeholder Group	Communication Method and Frequency
Shareholders	General Assembly (annual), Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Public Disclosure Platform Disclosures (instant), Website (continuous), Trade Registry Gazette (instant), Central Registry Agency (MKK) system (instant), Investor Relations Unit Activities (continuous)
Official Organizations	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), External Correspondence (instant), Committee and Sector Meetings (instant), Treasury Portal (instant), Public Disclosure Program (KAP) (instant)
Customers	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Insurance Policies (continuous), Private Pension Contracts (continuous), Market Research & Satisfaction Surveys, Focus Group Studies (annual), Distribution Channels (continuous), Website, AHE Online and AHE Mobile (continuous), Contact Center (instant), Social Media (continuous), Marketing Communication (continuous)
Employees	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Hayata Dair Magazine (3 times a year), Sustainability E-bulletin (monthly) and Upcycling Workshop E-Bulletin (monthly), Sustainability Report (annual), Internal Communication Portal (continuous), Website (continuous), Employee Satisfaction Survey (annual), Training (continuous)
Society	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website and Social Media (continuous), National and Local Newspapers (instant), Social Responsibility Projects (continuous)
Independent Audit Firms	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), Audit Activities (annual), Interviews (continuous)

Stakeholder Group	Communication Method and Frequency
Contracted Services, Experts, Contracted Healthcare Organizations, Suppliers	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), Service Agreements (continuous), Company Policies (continuous), Trainings (continuous), Visits and Interviews (continuous), Audits (annual)
Unions	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), Interviews (continuous), Collective Bargaining Agreement (bi-annual)
Agents and Brokers	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), Agencies Summit (annual), Company Policies (continuous), Visits, Meetings and One-on-One Meetings (instant), Services (continuous), Trainings (continuous)
Direct Sales Team	Annual Report (annual), Sustainability Report (annual), Internal Communication Portal (continuous), Website (continuous), Direct Sales Summit (annual), Visit and One-on-One Meetings (instant), Employee Satisfaction Survey (annual), Training (continuous), AHE BizBize (internal communication social media platform) (continuous)
Banks and Financial Institutions	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), Interviews (instant)
Competitors	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), Turkish Insurance Association Committee Meetings (continuous), Sector Organizations (continuous)
Reinsurers	Annual Report (annual), Interim Activity Reports and Financial Reports (quarterly), Sustainability Report (annual), Website (continuous), International Sector Organizations (instant), Reinsurance Agreements (continuous), Negotiations (instant)

Social Performance Indicators

	2018	2019	2020	2021
Training and Education				
Training Hours (man*hours)	26,769	32,304	26,899	52,830
<i>Women</i>	18,738	20,997	18,659	32,326
<i>Man</i>	8,031	11,307	8,240	20,504
Average Hours of Training per Year per Employee	26.8	29.5	25.7	52.56
<i>Women</i>	34.1	34.8	28.9	54
<i>Man</i>	17.84	22.8	20.4	51.5
Percentage of Employees Receiving Regular Performance Reviews (%)	94	96	95	97
Contractor Training Hours (man*hours)	12,634	7,536	2,531	1,167
<i>Women</i>	7,580	4,522	1,719	754
<i>Man</i>	5,054	3,014	812	413
Occupational Health and Safety Trainings (man*hours)	2,261	942	976	8,259
Total Training Cost (TL thousand)	2,407	3,536	1,056	4,500
Occupational Health and Safety				
Injury Rate (IR) (Number of work-related injuries/Total working hours*200,000)	-	0.11	0.11	0.35
Lost Day Rate (LDR) (Number of work-related lost days/Total working hours*200,000)	-	0.11	0	3.63
Occupational Disease Rate (ODR) (Number of occupational diseases/Total working hours*200,000)	-	0	0	0
Number of Fatal Accidents	-	0	0	0
Number of Injury	-	1	1	3
Number of Occupational Disease	-	0	0	0
Number of Lost Day	-	1	0	31
Supplier Injury Rate (IR)	-	0.73	0	0.47
Supplier Lost Day Rate (LDR)	-	0	0	0
Supplier Occupational Disease Rate (ODR)	-	0	0	0
Number of Supplier Fatal Accidents	-	0	0	0
Number of Supplier Injury	-	2	0	1
Number of Supplier Occupational Disease	-	0	0	0
Number of Supplier Lost Day	-	0	0	0

	2018	2019	2020	2021
Total Workforce	1,064	1,087	1,051	1,005
<i>Women</i>	651	667	650	607
<i>Man</i>	413	420	401	398
Total Labor by Contract Type	1,064	1,087	1,051	1,005
Indefinite Employment Contract	1,049	1,067	1,043	972
<i>Women</i>	643	661	648	601
<i>Man</i>	406	406	395	371
Temporary Employment Contract	15	20	8	33
<i>Women</i>	8	6	2	6
<i>Man</i>	7	14	6	27
Total Employees by Education Level	1,064	1,087	1,051	1,005
<i>Primary education</i>	4	4	4	4
<i>High school</i>	28	23	19	17
<i>University and Above</i>	1,032	1,060	1,028	984
Total Employees by Age Groups	1,064	1,087	1,051	1,005
<i>Women</i>	651	667	650	607
<i>18-30</i>	165	201	203	181
<i>31-45</i>	461	446	431	410
<i>45+</i>	25	20	16	16
<i>Man</i>	413	420	401	398
<i>18-30</i>	74	103	104	116
<i>31-45</i>	290	274	261	247
<i>45+</i>	49	43	36	35

	2018	2019	2020	2021
Senior Managers	8	8	8	8
Female	-	-	-	2
18-30	-	-	-	-
31-45	-	-	-	2
45+	-	-	-	-
Male	8	8	8	6
18-30	-	-	-	-
31-45	-	-	-	-
45+	8	8	8	6
Mid-Level Managers	86	92	95	93
Female	46	48	52	45
18-30	-	-	-	-
31-45	33	38	43	36
45+	13	10	9	9
Male	40	44	43	48
18-30	-	-	-	-
31-45	16	23	28	32
45+	24	21	15	16
Newly Hired Employees	175	166	55	109
Women	116	101	34	55
Man	59	65	21	54
Employees Who Left	123	143	91	154
Women	90	85	50	97
Man	33	58	41	57
Employee Turnover (By Resignation)	49	39	53	78
Women	35	18	25	42
Man	14	21	28	36
Employees Availing Parental Leave	47	34	39	28
Women	47	34	39	28
Man	-	-	-	-
Employees Who Returned After Availing Parental Leave	38	42	42	32
Women	38	42	42	32
Man	-	-	-	-

	2018	2019	2020	2021
Number of Employees Still with The Company After Months of Return From Parental Leave	30	40	40	32
Women	30	40	40	32
Man	-	-	-	-
Employees with Disabilities	15	13	13	16
Women	5	5	4	5
Man	10	8	9	11
Workforce under Collective Bargaining Agreement (number)	964	967	943	911

Environmental Performance Indicators

	2018	2019	2020	2021
Greenhouse Gas Emissions (tCO₂e)	1,904	2,248	1,304	864
<i>Scope 1</i>	480	768	683	605.7
<i>Scope 2</i>	842	1,017	355	0
<i>Scope 3</i>	582	464	266	258,3
<i>Specific greenhouse gas emissions (tCO₂e/m² usage area)</i>	0,11	0,11	0,07	0,043
<i>Specific greenhouse gas emissions (tCO₂e/number of full-time employees)</i>	1,82	2,06	1,22	0,860
Energy Consumption (GJ)	12,051	18,123	12,867	12,049
<i>Purchased electricity</i>	5,479	6,705	2,720	2,662
<i>Natural gas</i>	1,464	6,527	6,059	4,405
<i>Diesel (spare power units, company vehicles)</i>	2,623	3,087	2,642	1,482
<i>Gasoline (company vehicles)</i>	2,485	1,804	1,447	3,500
<i>Specific energy consumption (GJ/m² usage area)</i>	0,67	0,92	0,66	0,60
<i>Specific energy consumption (GJ/number of full-time employees)</i>	11,34	15,77	13,51	11,99
Water Consumption (m³)	6,042	14,784	6,831	5,839
Paper Consumption (tons)	52	30	26	29
Total Wastes (Ton)	-	23.33	11.24	6.25
<i>Hazardous*</i>	-	0.0021	0.0014	0.0012
<i>Non-Hazardous</i>	-	23.33	11.24	6.25
<i>Recycled</i>	-	6.11	2.76	1.51
<i>Non-recycled</i>	-	17.22	8.48	4.74
Waste Recycle Rate (%)	-	26.20	24.52	24.16

* Waste Batteries

Women's Empowerment Principles (WEPs) Progress Report

Principles of Women's Empowerment (WEPs)	Related Section and Page Number
Principle 1 - Establish high-level corporate leadership for gender equality	Inclusion and Diversity, p.38-41 Working Life, p.42-45
Principle 2 - Treat all women and men fairly at work - respect and support human rights and nondiscrimination	Inclusion and Diversity, p.38-41 Working Life, p.42-45
Principle 3 - Ensure the health, safety and well-being of all women and men workers	Inclusion and Diversity, p.38-41 Working Life, p.42-45
Principle 4 - Promote education, training and professional development for women	Inclusion and Diversity, p.38-41 Working Life, p.42-45
Principle 5 - Implement enterprise development, supply chain and marketing practices that empower women	Inclusion and Diversity, p.38-41 Corporate Social Responsibility, p.46
Principle 6 - Promote equality through community initiatives and advocacy	Inclusion and Diversity, p.36-39 Corporate Social Responsibility, p.46
Principle 7 - Measure and publicly report on progress to achieve gender equality	Inclusion and Diversity, p.36-39 Social Performance Indicators, p.60-63

GRI Content Index

As part of the Materiality Disclosures Service, the GRI Services Team reviewed that the GRI content index is clearly included in the report, and references to notifications 102-40 to 102-49 are included in the report content.



This service was performed on the Turkish version of the report.

GRI Standard	Disclosure	Page Numbers, Descriptions, and/or URL	Omissions
GRI 101: Core 2016			
General Disclosures			
Corporate Profile			
	102-1	Contact, p.73	-
	102-2	https://www.anadoluhayat.com.tr/en/about-us About Anadolu Hayat Emeklilik, p.10	-
	102-3	Contact, p.73	-
	102-4	About Anadolu Hayat Emeklilik, p.10 Contact, p.73	-
	102-5	About Anadolu Hayat Emeklilik, p.10-12	-
	102-6	About Anadolu Hayat Emeklilik, p.10	-
	102-7	About Anadolu Hayat Emeklilik, p.10-12 Social Performance Indicators, p.60-63	-
	102-8	Social Performance Indicators, p.60-63	-
	102-9	About Anadolu Hayat Emeklilik, p.10	-
	102-10	There has been no significant change in the operational or financial structure of the company or its supply chain.	-
	102-11	https://www.anadoluhayat.com.tr/en/sustainability Anadolu Hayat Emeklilik and Sustainability, p.18-20 Corporate Governance and Ethical Business Processes, p.30-35	-
	102-12	https://www.anadoluhayat.com.tr/en/sustainability Anadolu Hayat Emeklilik and Sustainability, p.18	-
	102-13	https://www.anadoluhayat.com.tr/en/sustainability	-
	Strategy		
	102-14	Message from the General Manager, p.8-9	-
	Ethics and Integrity		
	102-16	Corporate Governance and Ethical Business Processes, p.30-35	-
	Governance		
	102-18	Anadolu Hayat Emeklilik and Sustainability, p.20-21 https://www.anadoluhayat.com.tr/en/investor-relations	-

**GRI 102:
General Disclosures
2016**

GRI Standard	Disclosure	Page Numbers, Descriptions, and/or URL	Omissions
GRI 101: Core 2016			
General Disclosures			
Stakeholder Engagement			
	102-40	Stakeholder Communication, p.58-59	
	102-41	Social Performance Indicators, p.63	-
	102-42	Stakeholder Engagement and Prioritization, p.22, Stakeholder Communication, p.58-59	-
	102-43	Stakeholder Engagement and Prioritization, p.22, Stakeholder Communication, p.58-59	-
	102-44	Stakeholder Engagement and Prioritization, p.23	-
	Reporting Practice		
	102-45	<i>Anadolu Hayat Emeklilik 2021 Annual Report</i> , p.194	-
	102-46	About the Report, p.6 Stakeholder Engagement and Prioritization, p.22-23	-
	102-47	List of material topics, p. 22-23	-
	102-48	No reorganization took place during the reporting period.	-
	102-49	No significant changes have been made to the information given in previous reports.	-
	102-50	About the Report, p.6	-
	102-51	October 2021	-
	102-52	About the Report, p.6	-
	102-53	sustainability@anadoluhayat.com.tr	-
	102-54	About the Report, p.6	-
	102-55	GRI Content Index, p.66-70	-
	102-56	There was no external audit within the scope of the sustainability report.	-

**GRI 102:
General Disclosures
2016**

GRI Content Index

Material Issues			
GRI Standard	Disclosure	Page Numbers, Descriptions, and/or URL	Omissions
Sustainable Financial Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 BIST Sustainability Index, p.18 Our Responsible Investment Practices, p.53-55	-
	103-2 The Management Approach and its Components	Our Responsible Investment Practices, p.53-55	-
	103-3 Evaluation of the management approach	Our Responsible Investment Practices, p.53-55	-
GRI 201: Economical Performance 2016	203-2 Significant indirect economic impacts	Our Responsible Investment Practices, p.53-55	-
Climate Change and Environmental Impact Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 Environmental Impact Management, p.50-52	-
	103-2 The Management Approach and its Components	Environmental Impact Management, p.50-52	-
	103-3 Evaluation of the management approach	Environmental Impact Management, p.50-52	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Impact Management, p.52 Environmental Indicators, p.64	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Impact Management, p.51-52	-
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Impact Management, p.51-52	-
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Impact Management, p.51-52	-
	305-4 GHG emissions intensity	Environmental Impact Management, p.52 Environmental Indicators, p.64	-
Management, Employee Rights and Satisfaction			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 Social Impact Management, p.38-45	-
	103-2 The Management Approach and its Components	Social Impact Management, p. 38-45	-
	103-3 Evaluation of the management approach	Social Impact Management, p. 38-45	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators, p.62	-
	401-3 Parental leave	Social Performance Indicators, p.62	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators, p.60	-
	404-1 Programs for upgrading employee skills and transition assistance programs	Employee Development and Performance Management, p.44	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development and Performance Management, p.44	-

Material Issues			
GRI Standard	Disclosure	Page Numbers, Descriptions, and/or URL	Omissions
Inclusion and Diversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 Inclusion and Diversity, p.38-41	-
	103-2 The Management Approach and its Components	Inclusion and Diversity, p. 38-41	-
	103-3 Evaluation of the management approach	Inclusion and Diversity, p. 38-41	-
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Inclusion and Diversity, p. 38-41	-
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Inclusion and Diversity, p. 38-41	-
GRI 406: Anti-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no discrimination cases in 2021.	-
Corporate Governance, Business Ethics and Enterprise Risk Management Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 Corporate Governance and Ethical Business Processes, p.30-35	-
	103-2 The Management Approach and its Components	Corporate Governance and Ethical Business Processes, p.30-35	-
	103-3 Evaluation of the management approach	Corporate Governance and Ethical Business Processes, p.30-35	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management and Internal Control, p.34, Internal Audit Studies, p.35	-
	205-2 Communication and training about anti-corruption policies and procedures	Risk Management and Internal Control, p.34, Internal Audit Studies, p.35	-
	205-3 Confirmed incidents of corruption and actions taken	In 2021, 8 investigation reports were prepared on the subjects of intermediaries performing transactions on behalf of customers using customer information, establishing transactions by taking advantage of deficiencies in the collection and payment processes, and the abuse of commission and premium payment processes and quotas by intermediaries to gain unfair advantage.	-
GRI 415: Public Policies 2016	415-1 Political Contributions	In line with the requirements of the Anti-Bribery and Anti-Corruption Policy, no support is given to any political party or candidate. <i>Anti-Bribery and Anti-Corruption Policy Article 4.1.</i>	-

GRI Content Index

Material Issues			
GRI Standard	Disclosure	Page Numbers, Descriptions, and/or URL	Omissions
Digitalization and Innovation, Cybersecurity and Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 Digitalization and Ultimate Customer Experience, p.24-29	-
	103-2 The Management Approach and its Components	Digitalization and Ultimate Customer Experience, p.24-29	-
	103-3 Evaluation of the management approach	Digitalization and Ultimate Customer Experience, p.24-29	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no cases of breach of customer privacy and loss of customer data in 2021.	-
Customer Experience			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Ultimate Customer Experience, p.28-29	-
	103-2 The Management Approach and its Components	Ultimate Customer Experience, p.28-29	-
	103-3 Evaluation of the management approach	Ultimate Customer Experience, p.28-29	-
Sustainable Investments and Impact Investing			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20 Sustainability Management, p.20-23 Our Responsible Investment Practices, p.53-55	-
	103-2 The Management Approach and its Components	Sustainability Management, p.20-23 Our Responsible Investment Practices, p.53-55	-
	103-3 Evaluation of the management approach	Sustainability Management, p.20-23 Our Responsible Investment Practices, p.53-55	-
Corporate Social Responsibility			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Sustainability Management, p.20, Corporate Social Responsibility, p.46-47	-
	103-2 The Management Approach and its Components	Sustainability Management, p.20, Corporate Social Responsibility, p.46-47	-
	103-3 Evaluation of the management approach	Sustainability Management, p.20, Corporate Social Responsibility, p.46-47	-
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Management, p.20, Occupational Health and Safety, p.45	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p.45	-
	403-3 Occupational health services	Occupational Health and Safety, p.45	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.45	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p.45	-
	403-6 Promotion of worker health	Occupational Health and Safety, p.45	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.45	-
	403-9 Work-related injuries	Social Performance Indicators, p.60	-
	403-10 Work-related ill health	Social Performance Indicators, p.60	-

Additional Disclosures

Customer Satisfaction

Our Customer Satisfaction Score, which was 77% in 2019 and 80% in 2020, has continued to rise and reached 82% in 2021.

Corporate Governance

In Article 9 of the Articles of Association, it is stated that The Company shall be represented and managed by the Board of Directors which shall consist of 11 members who shall be selected, in accordance with the provisions of the Turkish Commercial Code, by the General Assembly, who hold the qualifications in accordance with the Legislation on Private Pension, Capital Markets and Insurance Business. Moreover, in Article 12 of Individual Pension Savings and Investment System and in Article 4.3 of Insurance Law, it is stated that the minimum requirement for professional experience is 10 years for the CEO and seven years for deputy CEOs and other signatory executives in equal position as the deputy CEO in terms of authorizations and duties, even if they are recruited under other titles.^{1,2}

In Article 366/2 of the Turkish Commercial Code (TCC), Board of Directors is entitled to establish committees and commissions, which may also include board members, for the purposes of monitoring the course of business, having reports prepared regarding matters to be presented to the Board, and enforcing Board of Directors decisions or for internal audit purposes.³ The authority of the Board Committees to hire external advisers or consultants without management's approval has been secured in the Article 4.5.7 of Communiqué (II-17.1) on Corporate Governance published by the

Capital Markets Board: "Committees may benefit from the opinions of independent specialists on matters that they find necessary with regard to their activities. The fee for consultancy services required by committees shall be paid by the corporation."⁴ Therefore, Board of Directors have the authority to hire external advisors or consultants by itself or through its committees.

Community Investments

In 2021, Anadolu Hayat Emeklilik invested a total of 2.065 million TL in plans such as "Pension Plan for Housewives", "Youth Pension Plan", "Female Critical Illnes Insurance", "Education Insurance" and "Investment Insurance for My Child" while received 2.036 million TL revenue in return of these services.

Remuneration

The principle of equality is at the forefront of Anadolu Hayat Emeklilik human resources practices. This includes remuneration processes as well. In this context, Anadolu Hayat Emeklilik manages the remuneration processes in line with the principle of "equal pay for equal work". The principle of equality in remuneration is also guaranteed with the collective bargaining agreement covering 911 of the total workforce, which is 1.005 as of 2021. When the total amount of wages paid to female and male employees is evaluated, the main reason for the difference is the demographic structure of the company's employee portfolio and differences in seniority among employees. In this context, when the median gross salary levels of female and male employees are calculated, the value reaches to 85.1% in 2021 whereas it was 84.5% in 2020 and 83% in 2019.

¹ Individual Pension Savings And Investment System, Turkish Legal Gazette 24366 (07.04.2001), Law No. 4632, Article 12
² Insurance Law, Turkish Legal Gazette 26552 (14.06.2007), Law No. 5684, Article 4.3.
³ Turkish Commercial Code (TCC), Turkish Legal Gazette 27846 (14.02.2011), Law No. 6102, Article 366/2
⁴ Corporate Governance Communiqué (II-17.1), Turkish Legal Gazette 28871 (03.01.2014), Article 4.5.7.

Additional Disclosures

Moreover, Anadolu Hayat Emeklilik worked with Hay Group Consultancy in 2020 and Korn Ferry Consultancy in 2021 in terms of wage/salary survey for compensation improvement purposes. These surveys were done for all employee levels including key executives.

In case of an attempt to adopt stock-based compensation plans, it is necessary to obtain shareholder approval before implementation. Decisions regarding shares require articles of association amendment. This subject is regulated in Article 421 of the Turkish Commercial Code.¹ As per Article 421, articles of association amendments require general assembly decisions, thus shareholder approval.

Encouragement and Reward

Anadolu Hayat Emeklilik has a rewarding system that is applied for all employee levels, including executive level, and considering suggestions that will improve our company socially and economically. According to the system, employees are rewarded with a "Suggestion Bonus" and/or a "Certificate of Appreciation", taking into account the contribution of their suggestions to the company. Thus, it is aimed to encourage ideas that contribute to our company, especially its sustainability. For example; recommended by one of our employees in 2021; the idea of donating saplings to the TEMA Foundation by our company on the birthdays of our employees was approved by the Suggestion Committee. Technical processes on the implementation of the scope

of the proposal, which was also evaluated in the agenda of the Sustainability Committee, are in the process of being completed.

Employee Health and Safety

The increasing prominence of digital transformation in business life leads to the widespread use of alternative workplace practices along with the conventional models in business life. The opportunities offered by digital technologies are gradually eliminating the obligation of employees to work in a certain workplace. Due to the pandemic, we have experienced in recent years, the health risks caused by large groups of employees working together has accelerated the priority given to remote working models. Anadolu Hayat Emeklilik rapidly developed its existing remote working infrastructure in line with the conditions brought by the pandemic, hence expanded remote working practices. In this context, 518 of 1,005 employees worked from home in an average of 189 of 252 working days in 2021. For example, non-sales teams worked from the office 25% of their working time and from home 75% of the time.

Business Trips

Reducing air travels, optimization of employee commuter bus routes, and opting for fuel efficient cars for the company private cars fleet are among the solutions that are currently in place and will remain so in the future. Moreover, business meetings were held via video conferencing as much as possible in order to reduce emissions from air travel.

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¹ Turkish Commercial Code (TCC), Turkish Legal Gazette 27846 (14.02.2011), Law No. 6102, Article 421

Un Global Compact Principles

Principles	Explanation	Reference
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p>This Principle sets out the UN Global Compact’s overarching expectation of business on human rights, namely, to respect and support human rights. Respecting human rights means a business should use due diligence to avoid infringing human rights (“do no harm”) and should address adverse human rights impacts with which they are involved. In addition, beyond respecting human rights, business is encouraged to take action to support human rights. This means seeing the opportunity to take voluntary action to make a positive contribution towards the protection and fulfillment of human rights whether through core business, strategic social investment/ philanthropy, public policy engagement/advocacy, and/or partnerships and other collective action. Action to support human rights should be a complement to and not a substitute for action to respect human rights. Special attention should be paid to the rights of vulnerable groups, including women, children, people with disabilities, indigenous peoples, migrant workers, older persons etc.</p>	<p>Our Sustainability Strategy, p.19</p> <p>Working Life, p.42</p>
<p>Principle 2: Make sure that they are not complicit in human right abuses.</p>	<p>Complicity means being implicated in a human rights abuse that another company, government, individual or other group is causing. The risk of complicity in a human rights abuse may be particularly high in areas with weak governance and/or where human rights abuse is widespread. However, the risk of complicity exists in every sector and every country.</p>	<p>Risk Management and Internal Control, p.35</p>
<p>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>Freedom of association implies respect for the right of all employers and all workers to freely and voluntarily establish and join groups for the promotion and defence of their occupational interests. Both workers and employers have the right to set up, join and run their own organizations without interference from the State or any other entity. All, including employers, have the right to freedom of expression and opinion, including on the topic of unions – provided that the exercise of this right does not infringe a worker’s right to freedom of association. As a voluntary initiative, the UN Global Compact does not and cannot require that employers adopt or express any particular opinion. To be able to make a free decision, workers need a climate free of violence, pressure, fear and threats.</p>	<p>Working Life, p.42 - 44</p>
<p>Principle 4: The elimination of all forms of forced and compulsory labour.</p>	<p>Forced or compulsory labour is any work or service that is exacted from any person under the menace of any penalty, and for which that person has not offered himself or herself voluntarily. Providing wages or other compensation to a worker does not necessarily indicate that the labour is not forced or compulsory. By right, labour should be freely given and employees should be free to leave in accordance with established rules.</p>	<p>Working Life, p.42 - 44</p>
<p>Principle 5: The effective abolition of child labour.</p>	<p>The term “child labour” should not be confused with “youth employment” or “student work.” Child labour is a form of exploitation that is a violation of a human right and it is recognized and defined by international instruments. It is the declared policy of the international community and of almost all Governments to abolish child labour. While the term “child” covers all girls and boys under 18 years of age, not all under-18s must be removed from work: the basic rules under international standards distinguish what constitutes acceptable or unacceptable work for children at different ages and stages of their development.</p>	<p>Working Life, p.42</p>
<p>Principle 6: The elimination of discrimination in respect of employment and occupation.</p>	<p>Discrimination in employment and occupation means treating people differently or less favourably because of characteristics that are not related to their merit or the inherent requirements of the job. In national law, these characteristics commonly include: race, colour, sex, religion, political opinion, national extraction, social origin, age, disability, HIV/AIDS status, trade union membership, and sexual orientation. However, Principle 6 allows companies to consider additional grounds where discrimination in employment and occupation may occur.</p>	<p>Working Life, p.42</p>

Principles	Explanation	Reference
<p>Principle 7: Business should support a precautionary approach to environmental challenges.</p>	<p>Introducing the precautionary approach, Principle 15 of the 1992 Rio Declaration states that “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”.</p> <p>Precaution involves the systematic application of risk assessment, risk management and risk communication. When there is reasonable suspicion of harm, decision-makers need to apply precaution and consider the degree of uncertainty that appears from scientific evaluation.</p> <p>Deciding on the “acceptable” level of risk involves not only scientific-technological evaluation and economic cost-benefit analysis, but also political considerations such as acceptability to the public. From a public policy view, precaution is applied as long as scientific information is incomplete or inconclusive and the associated risk is still considered too high to be imposed on society. The level of risk considered typically relates to standards of environment, health and safety.</p>	<p>Our Sustainability Strategy, p.19</p> <p>Priority Issue, p.23</p> <p>Environmental Impact Management, p.50 - 55”</p>
<p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p>	<p>In Chapter 30 of Agenda 21, the 1992 Rio Earth Summit spelled out the role of business and industry in the sustainable development agenda as: “Business and industry should increase self-regulation, guided by appropriate codes, charters and initiatives integrated into all elements of business planning and decision-making, and fostering openness and dialogue with employees and the public.”</p> <p>The Rio Declaration says that business has the responsibility to ensure that activities within their own operations do not cause harm to the environment. Society expects business to be good actors in the community. Business gains its legitimacy through meeting the needs of society, and increasingly society is expressing a clear need for more environmentally sustainable practices.</p>	<p>Environmental Impact Management, p.50 - 55</p>
<p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Environmentally sound technologies, as defined in Agenda 21 of the Rio Declaration, should protect the environment, are less polluting, use all resources in a more sustainable manner, recycle more of their wastes and products and handle residual wastes in a more acceptable manner than the technologies for which they were substitutes. They include a variety of cleaner production processes and pollution prevention technologies as well as end-of-pipe and monitoring technologies. Moreover, they include know-how, procedures, goods and services and equipment as well as organizational and managerial procedures. Where production processes that do not use resources efficiently generate residues and discharge wastes, environmentally sound technologies can be applied to reduce day-to-day operating inefficiencies, emissions of environmental contaminants, worker exposure to hazardous materials and risks of environmental disasters.</p>	<p>Environmental Impact Management, p.50 - 55</p>
<p>Principle 10: Business should work against corruption in all its forms, including extortion and bribery.</p>	<p>The tenth principle against corruption was adopted in 2004 and commits UN Global Compact participants not only to avoid bribery, extortion and other forms of corruption, but also to proactively develop policies and concrete programmes to address corruption internally and within their supply chains. Companies are also challenged to work collectively and join civil society, the United Nations and governments to realize a more transparent global economy.</p> <p>With the entry into force of the UN Convention Against Corruption (UNCAC) in 2005, an important global tool to fight corruption was introduced. The UNCAC is the underlying legal instrument for the 10th Principle. Corruption can take many forms that vary in degree from the minor use of influence to institutionalized bribery. Transparency International’s definition of corruption is “the abuse of entrusted power for private gain”. This can mean not only financial gain but also non-financial advantages.</p>	<p>Risk Management and Internal Control, p.35</p> <p>Internal Audit, p.35</p>

