

ENVIRONMENTAL AND SOCIAL IMPACT MANAGEMENT POLICY IN LENDING ACTIVITIES

We, as Ziraat Bank, understand the significance of ensuring environmental and social sustainability as well as inclusive economic growth within the framework of a sustainable development perspective, and we are aware of the contributions we can make in this direction as a financial institution.

We are determined to continuously develop projects with the aim of integrating the universally accepted principles of sustainability into our business model. In this context, we continue our activities by controlling our direct and indirect environmental and social impacts with the Environmental and Social Impact Management System we have implemented. Being aware of our responsibilities towards the nature and society, we evaluate our indirect Environmental and Social Impacts arising from our lending activities, in line with the understanding of managing our financial and technical lending risks.

Environmental and social impact management is carried out under the leadership of the General Manager in line with sustainability practices. Project Finance and Sustainability Department is responsible for the coordination of related works.

This policy complements the Bank's Sustainability Policy. With this policy, which determines the principles of Environmental and Social Impact Management within the scope of lending activities, we, Ziraat Bank;

- Attach importance to maximize the environmental and social contributions of the projects we lend to,
- Regardless of the amount and without subjecting to any financial, technical, environmental and social impact assessment; do not finance the activities which are prohibited/restricted by national legislation and international agreements to which our country is a party and are included in the "Excluded Activities List" annexed to this policy,
- Evaluate the new/capacity increase investment projects that are above a certain amount and not included in the "Excluded Activities List", and the related customer requesting loan as well, under Environmental and Social Risk Assessment Model created within the scope of the Environmental and Social Impact Management System. According to the evaluation; we categorize the environmental and social risks of the project and the client in three levels as low-medium-high. According to this categorization, we define the project risks, create an action plan to reduce them, and monitor the project's performance throughout the investment lifetime,
- Support our customers in order to prevent and/or reduce occupational health and safety risks that may occur in the investment projects we lend to.
- Target to develop our products and services with a sustainable development perspective. In this context, we support;
 - Sustainable management of natural resources,
 - Preserving biodiversity,
 - Combating climate change,
 - Social development.

With the same perspective, we develop sustainability-themed products such as sustainable agriculture, renewable energy, resource efficiency, environmental protection technologies, and reforestation, and we encourage our customers to invest in these areas.

- In order to increase the effectiveness of Environmental and Social Impact Management in lending activities; we attach importance to capacity building and training activities, which cover legal regulations and international good practices in this field, and target to rapidly raise the knowledge level with the employment of competent people.
- We review the Environmental and Social Impact Management System with the goal of continuously improving its annual performance and regularly share it with all our stakeholders.

The responsibility for the follow-up, update and execution of the policy belongs to the Corporate Governance Committee, and the responsibility for its approval and cancellation to the Board of Directors. The policy complements Ziraat Bank's Sustainability Policy and is a part of the Environmental and Social Impact Management System.

This policy was approved by the Board of Directors on 29/12/2020 and entered into force.

LIST OF EXCLUDED ACTIVITIES

To its corporate knowledge, Ziraat Bank does not directly finance the following projects/activities:

- Weapons of mass destruction and landmine production activities.
- Activities involving harmful and exploitative forced labor/child labor and violating human rights.
- Activities carried out in wetlands designated as RAMSAR (Wetlands of International Importance) area.
- Persons and organizations dealing with products and activities within the scope of CITES (International Trade of Endangered Wild Animals and Plant Species).
- Regardless of industry; manufacture or trade of products containing PCB (polychlorinated biphenyl), a group of highly toxic chemicals.
- Drift net activities with nets longer than 2.5 km.
- Production or trading activities of products that deplete the ozone layer.
- Production and trade of pesticides, herbicides and other harmful substances that are prohibited in the international area.
- Unbonded asbestos production or trading activities.